

# The Truth About Labour: A bosses' party

Daphna Whitmore and Philip Ferguson (from the Workers Party website:  
<http://workersparty.org.nz>)

## Foreword

The Truth About Labour is a short historical work which has a history of its own. It began as an article by Daphna Whitmore in April 1989 in Craccum, Auckland University's student journal. It was later published by the Workers Party under the title The Labour Party Without Illusions. During the 1990s the booklet was updated with several new editions.

In 2004 the Workers Party and Revolution group merged to form the Revolutionary Workers League[1], having found much common ground - especially on their analysis of Labour as a thoroughly capitalist party from its beginnings. This new edition draws on the substantial research published by Revolution group from the late 1990s on and includes events up to late 2006. Spanning 90 years the Labour Party has shown time and again that, despite the name, it is no friend of the workers.

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## Introduction

On July 21, 2006 the National Business Review (NBR) published its annual Rich List. The list contained the richest 187 New Zealand individuals and 51 families. This super-rich group had increased their wealth by just over \$3.7 billion in the past year. That increase is as much as the entire wealth of the entire Rich List back in 1992. The people on the Rich List now have wealth estimated at over \$35.1 billion.

By the time the last National Party government went out of power in 1999, the Rich List had 135 individuals and 36 families, with wealth estimated at just over \$9.8 billion, so the growth of the fantastically rich has speeded up under Labour. The graph of the rate of growth of wealth by these parasites is therefore interesting. Under National in the 1990s it went up relatively modestly, and then after Labour entered government in 1999 it curved dramatically upward. The rise in the 2004-2005 year - when the super-rich got over \$9 billion richer - makes the upward curve especially pronounced.

By contrast, during the period that Labour has been in power since 1999, wage rises have averaged between 2 and 3 percent per annum, barely keeping up with inflation. Some years, real wages - what you can buy with your pay - have actually fallen. Median household income grew by a mere 13 percent between 2001 and 2004, while the super-rich saw their wealth increase by 75 percent in those same years.[2] Meanwhile poverty remains endemic, especially child poverty. The number of people living in "extreme hardship" has risen from 5 percent of the population to 8 percent under the current Labour administration.[3]

Why is it that the rich do so well under Labour? What kind of party is this? What is its track record? Isn't it supposed to be some kind of "workers' party", or didn't it used to be?

These are questions that this pamphlet sets out to answer. Many readers will be surprised by the real, and largely hidden, history of the Labour Party. But you will see why we believe an alternative to Labour is needed. And we hope you will join us in building such an alternative, a revolutionary workers' movement dedicated to removing the system of exploitation and oppression of workers which Labour is committed to maintaining.

In the last quarter of the 19th century radical tendencies were at work within the New Zealand working class, pushed on by the long depression of the 1870s-1880s. Different theories clashed and militant unionism spread. A contrary movement was developing in the recently-formed trades councils, consisting of higher-paid, skilled workers. They formed committees to seek parliamentary seats and got some by allying themselves with the Liberal Party, which became the government in 1890.

The social legislation of the government such as the Arbitration Act, old-age pensions and land reform was aimed at dampening down the sharpening class struggle between workers and capitalists typified by the great maritime strike of 1890. Whereas in the European working class by the turn of the century Marxian revolutionary socialism was the dominant trend, in New Zealand the parliamentary reformers won out.

In Britain the Independent Labour Party was formed in 1893. Marxists called it the "Independent of Socialism" party as it was never Marxist or revolutionary; it was, as Frederick Engels called it, "the bourgeois Labour Party". The same could be said of the New Zealand Labour Party, which imitated the British. Founded in 1916 by the unification of the Social Democratic Party, the United Federation of Labour and the Labour Representation Committees, the New Zealand Labour Party did not have the Marxist orientation that the European social democratic parties - organised internationally as the Second International - had before World War 1.

When the New Zealand Labour Party was established it was basically a party based on a section of unions, generally left unions. Its first constitution made no provision for individual membership, you had to be in one of the unions that made up the party to be a party member. Of course, since the unions were defensive organisations of the working class, and not revolutionary movements, the Labour Party immediately reflected a trade union level of consciousness - and, as Lenin noted, this is still a form of bourgeois consciousness - rather than a socialist consciousness.

A new era

In the 19th century the prevailing economic system was that of free competition between small and medium capitalists. In his work *Capital*, Karl Marx showed that as a result of competition and mergers, capital tended to be concentrated in fewer and fewer hands, leading on to monopoly. Marx was proved right; by the turn of the century monopoly capitalism had replaced free competition in all the major powers. It was a new stage of capitalism, accompanied by great-power struggles for markets, sources of investment of surplus capital and extraction of raw materials. To achieve these ends the developed capitalist states annexed weaker countries wholesale and turned them into colonies, enslaving whole populations whose

extraordinarily cheap labour produced enormous profits for the great monopolies dominating the economies of the metropolitan powers.

Because of its exploitation of colonies for the enrichment of the ruling classes "at home", as was done in the old slave empires which seized tribute from their subject nations, this system became known as imperialism. There is a fundamental difference, however, between old-time imperialism and today's variety. The first was based on the backward economic foundation of slave society, whereas today's imperialism has an economic basis of modern monopoly capitalism - immensely more powerful and utilising far more advanced productive forces.

Imperialism, the exploitation of colonial (now neo-colonial) countries for super-profits by the ruling class of the metropolitan powers, had grown enormously in the early part of the twentieth century. Out of these superprofits the capitalists were able to bribe a layer of workers in the imperialist countries and turn them into labour aristocrats who would be loyal to imperialism.

By 1912 the likelihood of war breaking out between rival imperialist powers was growing. The Second International of socialist parties, recognising the immediacy of such a war, signed the Basle Manifesto which stated that the coming war would be one for the "profits of capitalism, that it would be against the interests of the people to support it and that if the workers could not prevent war, they should "utilise the economic and political crisis created by the war to arouse the people and thereby to hasten the downfall of capitalist class rule". They pledged to call general strikes and unite in an all-out opposition to such a war.

However, when the beginning of World War 1 came in 1914, the European social democratic parties betrayed socialism by supporting their own imperialist governments, as they carved up the world among themselves. The notable exception was the Bolshevik Party in Russia. The Bolsheviks were from their inception a militant, revolutionary, disciplined political current devoted to the organisation of the socialist revolution.

## **Betrayal rules**

The leaders of the German social democrats - Europe's largest workers' party - allied themselves with the Prussian militarists. With the connivance of the officer corps, they became the government after Germany's defeat in WW1. Together with special officer detachments they organised to crush the socialist revolution sweeping Germany and being led by Rosa Luxemburg and Karl Liebknecht. The government ordered them murdered, and the officer corps did the job. In New Zealand a well-known Labour Party member, Alex Galbraith, demanded that the Party's national executive send a cable denouncing the Government-organised murders of Luxemburg and Liebknecht. It refused.[4]

The social democrats in Europe had turned bourgeois-reformist, but the New Zealand Labour Party had never been anything else. The betrayals of the German social-democrats paved the way for the rise of Hitler and showed that reformists will betray the workers at the drop of a hat. "Social democracy" became the generic term to describe all reformist parties, including the New Zealand Labour Party.

New Zealand's Labour Party in 1916 had embodied in its constitution the objective "the socialisation of the means of production, distribution and exchange." They claimed that workers could transform capitalism into socialism by parliamentary reforms. They were thoroughly reformist. John A. Lee, more radical than most Labour MPs (but still a reformist), in his book *Simple on A Soapbox* admitted that they talked socialist, but evaded socialist action.[5]

### **Vote-catchers**

In 1929 Labour's leader, Harry Holland said, in a speech in parliament, "Gentlemen, we are revolutionists." Of course, no-one, especially in the Labour Party, took him seriously. Keeping strictly to bourgeois parliamentarism, and gradually acquiring more parliamentary seats, the party's pretence of being "socialist" wore increasingly thin. In fact, a number of important changes had taken place in the party organization and programme in the 1920s, to make it a more fit party for administering capitalism. There was a steady erosion of the power of the rank-and-file, with the top leadership gaining more complete control over party conferences, the selection of candidates and party policy. The 1920, 1922 and 1926 conferences were especially important in this.[6] Since the party

now had a loyalty pledge and it supported the arbitration system - a policy which represented a major shift for many of the party's founders - many radicals who continued to be opponents of the arbitration system were excluded from membership.

The early 1920s were also important for the Labourites to extend their influence within the working class at the expense of more radical political forces. For instance, while a section of union radicals had helped formed the Labour Party, and many of them became party leaders, most radical unionists remained outside the Labour Party in the years immediately after its founding in 1916. In the early 1920s radical syndicalism was still a powerful force, represented by the militant Alliance of Labour union federation, as opposed to the Labour Party-aligned United Federation of Labour. It was only with the depressed economic conditions of the early 1920s that the employers and the government were able to defeat the remaining substantial section of militant unionists. Even at this early stage Labour leaders were opposed to the union militants. Party leader and supposed "socialist firebrand" Harry Holland campaigned in 1922 against the Miners Union taking strike action in defence of their pay and conditions.[7] In a stance which would be repeated in 1951, the Labour Party leadership stood by while the militant unions were broken as the 1922-24 strike wave was defeated. The reason the Labour leaders stood by, in both the early 1920s and in 1951, was that they favoured the defeat of any threat to them from the left. With the remaining union militants defeated, Labour could extend its hold over the union movement and working class on the basis of increasingly watered-down policies.

In other words, just as the formation of the Labour Party came after the defeat of workers in the industrial arena, especially in 1913, the growth of the Labour Party in the 1920s was dependent on the defeat of the remaining militant sections of the working class in the industrial arena. Workers suffered for this by having their wages cut, conditions made worse and, in some cases, their unions being destroyed. The cynicism of the Labour leaders, with which we are so familiar today, dates right back to the party's earliest years.

The defeat of the syndicalists in the 1920s, however, did not entirely destroy left opposition to Labour. In the early 1930s, the small Communist Party of New Zealand made some significant headway in organizing the militant

Unemployed Workers Movement (UWM). Following the “unemployed riots” of 1932, largely the result of police attacks on unemployed protesters, the United-Reform government launched a witch-hunt of communists. The Labour Party remained silent. Over the next 12 months most of the leadership of the CPNZ were imprisoned at one time or another on trumped-up subversion charges, due to their leading role in the unemployed movement. The Labour Party leaders used the jailing of the Communist Party leaders as a time to hastily create their own National Union of the Unemployed to undermine the UWM. They followed this up by banning members of communist-led campaign groups such as the Friends of the Soviet Union and the Movement Against War and Fascism from being members of the Labour Party.

Party policy also changed significantly in the two decades between the formation of the Labour Party and the first Labour government in 1935. It had quickly dumped hostility to the arbitration system, “labour’s leg-iron” as it had once been dubbed, and by 1928 its election platform declared such banalities as the party wanting to work with “all who render social service”. [8] In the 1931 election, Labour extended its influence among farmers and sections of the urban middle class, with a further rightwards shift in its manifesto. By the time of the 1935 election, talk of socialising the means of production, distribution and exchange had been well and truly shelved and the party’s objective was now “to utilize to the maximum degree the wonderful resources of the Dominion.” [9] According to Lee, one of the leading figures in the party at the time, Labour came to power not only to bring some modest improvements for workers but “to safeguard bankrupt businessmen and farmers.” [10]

The general election of December 1935 gave Labour an overwhelming victory - 55 out of 80 seats, nearly 70 percent. On election night, with his party victorious, Michael Joseph Savage, the then leader (Holland had died), assured the country that Labour was not going to represent any particular section (although it was supposedly a workers’ party which he represented) but would govern in the interests of all the people. That meant Labour would govern as much in the interests of the capitalists as the workers. In view of the fundamental class antagonism between workers and capitalists - which has by no means abated today - this was sheer deception.

The Depression of 1929-35 brought mass unemployment and poverty in all the capitalist countries. In New Zealand many workers became permanently disillusioned with capitalism, and were inspired by the Russian Revolution, seeing socialism as the alternative. Labour's aim was to divert workers away from socialism. Former Labour MP and Cabinet Minister Dr Martyn Finlay admitted as much when in a radio interview on 18 July 1991, he said that in his younger days the welfare state was hailed as the way to solve the problems created by the free market and thereby to avoid the dangers of revolution.

Moreover, the Labour leaders of 1935 were a long way from the poor, radical labour agitators of Red Fed days. Savage, the first Labour prime minister, had led a comfortable life as an MP for years. Behind Savage was a triumvirate who "ran" him. One was his successor, Peter Fraser. In his first parliamentary speech, Fraser had declared himself a rationalist (a polite expression for agnosticism and atheism) but, as he approached power, he began reading lessons from time to time in the Presbyterian church and, later, even knelt for a blessing from New York's notorious reactionary Catholic leader, Cardinal Spellman. While originally "living in sin" as a young agitator, Fraser got married and then "frowned on any suggestion of promiscuity outside matrimony" and stifled discussion of birth control in order to stay sweet with the Catholic Church, although personally he believed in contraception. The second figure in the trio was Paddy Webb. Webb had also long since abandoned his militant unionism and become a wealthy racehorse owner and coal merchant. The other figure was Walter Nash, another businessman and accountant, as well as being an Anglican lay reader and "the great purveyor of respectability." [11] Cynicism was not only the property of the small cabal at the top of the parliamentary party, either. Lee records that many of the Labour MPs were really agnostics and atheists, who had previously affirmed rather than taking the oath in parliament but, once they got into power, they began taking the oath. Clearly, this was not a government of people likely to frighten the horses.

Moreover, a major Labour supporter was none other than the richest man in New Zealand in the period between WW1 and WW2, the brewer Ernest Davis, "a lifelong friend of Labour". [12] Davis' support was rewarded when the first Labour government knighted him in 1937. [13] In 1946 Labour also knighted leading construction magnate James Fletcher whose company

thrived through special relationships established with the Labour government, partly through the building of state houses which began in the 1930s but especially during WW2 and its immediate aftermath.[14]

The slump and stagnation of the Depression was followed by a period of economic regrowth and Labour came riding in on this tide of recovery. Labour was able to introduce "sustenance payments", remedy cut wages, increase old-age pensions and introduce an invalids' benefit. Five-year-old children were readmitted to schools, teachers' training colleges re-opened and a school building programme was initiated.

In 1936 the minimum labour standards laid down by the International Labour Office were ratified, and a Factories Act and Shops and Offices Act were piloted. Also introduced was a five-day, forty-hour working week without loss of wages. The right-wing parties of United and Reform - soon to be merged into the National Party - howled about these reforms as "socialism". They were not; they were simply reforms aimed at heading off working-class revolution as others had introduced reforms before them.

The old-age pension, arbitration system, female suffrage, a State Advances loan scheme and a Government Housing Department were all introduced before the days of the Labour government. In fact the modern pioneer of reforms to capitalism was Bismarck, Germany's "Iron Chancellor" of the late 1800s, who introduced old-age pensions and universal education, and he was no socialist. Additionally the kinds of policies pursued by Labour in New Zealand in the 1930s were pursued by different kinds of parties all around the world at that time, including by the Democrats, who had been the party of the slave-owners in the United States.

Labour prime minister Savage specifically described their major legislation, on social security, as "applied Christianity", not socialism.[15] In 1938 Labour's campaign concentrated on ideas such as how the government was building "happier homes" and how the newly-formed National Party "threatens your home".[16]

The limited horizons of the first Labour government are well summed-up in John A. Lee's description of Peter Fraser: "A hungry Scot, he came to believe that a full porridge pot, a low rent, and half a crown on the charwoman's wages represented the millennium." [17] In fact, in 1933 Lee had recorded in

his diary that Savage "has been able to convince the Tories that Labour is safe." [18]

Moreover, the share of national income in the hands of the rich actually increased under the first Labour government. According to the government statistician, in 1938 55.8 percent of the national income went to workers, in 1948 this had dropped to 47.8 percent. [19]

The further enrichment of the capitalist class is a prevalent feature of all five Labour governments.

### **Sham socialists**

Contrary to what might be thought, successive Labour Governments nationalised very few enterprises - the Bank of New Zealand and some mines being the main ones - with plenty of compensation to shareholders. Most of the state-owned enterprises which were sold in the 1980s were either built as state enterprises - NZ Steel and Petrocorp, for example - or, like the Post Office, Electricorp or Railways, were wholly or partly state-owned before 1935.

So despite rhetoric about the early Labour Government being "socialist", there was nothing genuinely socialist about them. It was all phoney propaganda. Most of the means of production in industry, agriculture and transport were, and still are, privately owned. What existed was a degree of state capitalism, not socialism - the capitalists and not the workers were still the ruling class, and the working class was still the exploited class. Reforms like social security, the basic wage, and the forty-hour week, gave rise to the description, "The Welfare State". This was taken seriously by bourgeois and petty bourgeois sociologists who tried to present it as a new form of society, Labour's particular brand of socialism, and a new paradise.

Labour's anti-working-class nature could be seen in their treatment of waterside workers in the 1930s. In 1937 the Waterside Workers Union refused to load scrap iron for Japan, knowing it would be used for the manufacture of munitions. Japan, having invaded China, had just carried out the most horrific massacre of 400,000 civilians, known as the "Rape of Nanking". Labour did everything it could to coerce the watersiders to load scrap iron but the watersiders stood by their internationalist principles. The

Labour Government reacted by bringing in a set of emergency regulations in 1939, which were later used in 1951 against the locked-out watersiders.

Labour re-introduced the Arbitration Court (set up previously by the Liberals) and introduced compulsory unionism by a provision that anyone subject to an Arbitration Court award or an industrial agreement must belong to a trade union.

It was not long before employers were deducting union "dues" and posting the payments directly to the union secretary. Thus it was no longer necessary for officials to visit the workers to talk over their grievances. They simply became armchair bureaucrats with good pay, good cars and good perks. Instead of organising the workers for struggle against the employing class, they stayed in their own or the bosses' offices chatting amicably over tea and cakes - or something stronger. Many sold themselves body and soul to the capitalist class. Only here and there were there some who stood out against this trend.

Compulsory unionism served to flood unions with non-active members, taking away the militant edge. Each union member represented a union fee - this was the union bureaucrat's gold mine. The unions grew large and wealthy, but were not strong, fighting, working class organisations. Evidence of this came with the introduction of the Employment Contracts Act in 1991 by the National Government, which was one of the most anti-working-class pieces of legislation ever introduced in New Zealand. What did the top union officials do to oppose its introduction? Virtually nothing - just one mass demonstration the day before the Contracts Act became law. They proved themselves to be hollow shells, not genuine unions. Even the threat of a general strike, which would have been widely supported by workers, could have scared the Government off the Contracts Act. Many of the Labour-aligned top officials of the CTU actually fought against the growing calls for a general strike. By undermining working class struggles Labour was playing its role as another wing of the capitalist system.

### **Junior partner in imperialism**

In foreign affairs Labour was quite willing to involve New Zealand in imperialist wars. When Britain declared war in 1939, Savage said, "Where She goes, we go; where She stands, we stand". New Zealand was very

much the junior partner of British imperialism. Labour moved quickly against the working class and opponents of the war. As militant waterfront workers' leader Jock Barnes recorded, "Early in 1940 the Labour government took unto itself unlimited powers and all civil rights were suspended for the duration." [20] Labour prime minister Peter Fraser and fellow cabinet minister Bob Semple became "the two greatest jingoes in New Zealand." [21] In 1941 Labour introduced a series of "emergency regulations directed against workers. All existing awards were abolished and all work stoppages made illegal" and profits soared. [22] The wave of Labour repression also led to the police smashing the printing presses of the Communist Party and breaking up anti-conscription meetings; two prominent anti-conscription activists were also fired from their jobs in the public service. [23]

Labour's repression of pacifists and dissidents was even more severe than that carried out by the Australian and British governments. Labour went so far as banning the Jehovah's Witnesses. Hundreds of dissenters were confined in concentration camps in conditions which even Labour cabinet minister Walter Nash described as "inhuman", although he would not do anything about it. [24]

In 1949, when the people of colonial Malaya - both Chinese and Malays - rose up to demand the independence promised them in wartime, British imperialism sent a massive force to crush the uprising. The New Zealand Labour Government hastened to send troops to restore the British capitalists' right to plunder. For decades after World War 2 New Zealand kept a battalion in South-East Asia to help prevent any people of the area from breaking out of the neo-colonialist regimes forced on them when the British Empire had to close down. They were not there to "defend democracy" but to defend imperialism and neo-colonialist super-profits.

Following the Second World War New Zealand became aligned in the US bloc. As historian Keith Sinclair noted (in his book on Walter Nash) Labour Prime Minister Peter Fraser was a Cold War warrior before the hot war was ended and he was ripe for an anti-communist crusade.

In 1949 Fraser returned from London saying he had been briefed with the story that Russia was to invade Europe at a given date. Fraser had promised his British Labour Government mentors that he would have a division ready for the Middle East. For that purpose he wanted peace-time conscription.

Jock Barnes has related how Fraser came back from wining and dining in Britain. "Oh, a consummate actor, that boy; he was bloody near crying, how bad they were over there and the Russian menace: 'We've got to have peacetime conscription, must have it'. He actively campaigned for it. He had Cossacks in the Waitakeres and Russian submarines in Cook Strait." [25]

To overcome internal party opposition to this proposal, Fraser put the matter to a national referendum. He utilised public funds, spending an enormous amount - around £80,000 - on propaganda for a "Yes" vote. The Labour Party was forbidden to spend any part of its election funds on anti-conscription propaganda. It was decided that only MPs in support of the peace-time conscription could participate in the campaign. Fraser had the press unanimously behind him and all newspaper editors were requested not to use either the word "military" or "conscription" in the campaign. Instead, the euphemism "national service" was substituted. Forty percent did not vote and Fraser won his battle. Anti-conscription had been a longtime Labour principle: Fraser showed what principles Labour really stood for. [26]

While the reactionary nature of Labour seems to have been lost on much of the far left, leading liberal-left academics have often seen things more clearly. For instance, prominent political scientist Raymond Miller has noted that during WW2 and its immediate aftermath, "Labour became an increasingly reactionary force in New Zealand politics", while New Zealand's leading historian, the late Keith Sinclair, wrote that, from 1938 on, Labour and National had "become alternative conservative parties" to each other. [27]

On the liberal-right, leading military historian (and former lieutenant-colonel) Christopher Pugsley has noted (favourably) that after WW2, Labour tended to be keener than National to spend more money on New Zealand's military forces. National Party leaders Syd Holland and Keith Holyoake, he says, tended to want to restrict military spending. This brought them into conflict with leading members of the Chiefs of Staff Committee, who were subsequently denied knighthoods by National - when Labour got back into power in 1957, these military leaders (Major-General Keith Stewart and Major-General William Gentry) were soon awarded KBEs (1958). In contrast to National, Peter Fraser got New Zealand more involved in post-war Commonwealth military arrangements and in "a highly secret regional defence arrangement known as 'ANZAM'"; Nash's government (1957-60)

“signalled the shift away from citizen forces to totally professional Regular forces.” Labour’s projected substantial expansion of New Zealand military forces was pruned back by Holyoake, when National won the 1960 election.[28]

Labour preparations for war on workers abroad coincided with its intensification of war on the working class at home. For instance, in 1949, the Auckland carpenters began a go-slow to regain travelling time allowances. The Labour Government deregistered the Carpenters’ Union to cripple the industrial action and registered in its place a scab union. They wanted to try and break the Watersiders’ Union, too (Fraser had declared in 1947 that “drastic action” might be needed against the watersiders), but that was not such a simple matter. What the government did manage was to suspend the watersiders’ guaranteed wage.

Labour even managed to give Canadian shipping employers a hand against their workers in 1949. A seamen’s strike broke out in Canada and was joined by Canadian seamen in New Zealand, who refused to sail the ship *Tridale* out of Wellington. Labour promptly had the seamen jailed and the party’s chief henchman in the unions, Fintan Patrick Walsh, worked with the government to isolate the Canadian crew and deprive them of support by New Zealand unionists.[29]

From 1946 to 1949 consumer prices rose some 4.5 percent annually. In 1947 Labour abandoned the clause in its constitution to enforce “the socialisation of the means of production, distribution and exchange”. And, while Labour continued to impose austerity on workers in the immediate aftermath of WW2, Labour cabinet ministers went on “extensive overseas visits” and Walter Nash bought a “fleet of huge ministerial Chryslers” in the US for Labour government ministers to ride around in.[30] The first Labour government also preserved the upper house in parliament, the Legislative Council. It took the first National government to abolish it. Labour’s attempts at maintaining the facade of being a workers’ party had slipped a long way.

Labour’s long reign ended in 1949 with a landslide victory to National.

Labour in opposition continued to sell out the workers. When the 1951 watersiders’ lockout began with their refusal to work compulsory overtime, the Labour Party did not support the workers. Walter Nash tried to cover his

tracks by saying "We are not for the watersiders and we are not against them".[31] Not supporting the locked-out workers in this major class struggle was in effect opposing them. Moreover Nash made only mild criticisms of the Emergency Regulations used against the watersiders and said that "a Labour government would have used emergency powers to see that the population was clothed and fed".

Labour was re-elected in 1957, but didn't last long after Arnold Nordmeyer, Minister of Finance, released what was known as the Black Budget in 1958. It imposed heavy taxes on consumer goods such as beer, petrol and tobacco. As always the hardship fell far heavier on workers while the rich continued safe with their tax exemptions and loopholes. Even Labour's chief enforcer in the trade union movement, the notorious anti-communist Fintan Patrick Walsh, released a statement denouncing the budget as an attack on workers' wages and conditions, lowering workers' purchasing power and reducing their standard of living.[32] Walsh also attacked Labour prime minister Nash for promising state aid to Catholic Church and other private schools, adding, "Walter wanted to gain power at any price and was prepared to promise anything to get it. . ."[33]

Labour's 1960 election slogan was "You've never been so well off in New Zealand as you are today". They lost the election, getting 43 percent of the vote to National's 48 percent. While Labour's votes fell by 5.87 percent, National's rose by only 1.64 percent. Rather than vote National, disillusioned Labour supporters stayed home on election day.

Labour did not return to power until 1972. The fact that National maintained Labour's "welfare state", including the framework and most of the content of the economic approach of the first Labour government, indicates how little any of it had in common with socialism.

The late 1960s and early 1970s were a time of political ferment in New Zealand, especially due to the rise of the anti-Vietnam War movement, Maori and other anti-racist struggles and the emergence of the women's liberation and gay liberation movements. Most activists were suspicious of Labour's conservatism and only a handful of upwardly mobile students, influenced by the new social movements, joined the Labour Party during this period. This layer of recruits, who were overwhelmingly professionals, made up a large

chunk of the fourth Labour government in the 1980s and of Helen Clark's government from 1999 onwards.

The Labour hierarchy was largely hostile to the new social movements and, although these movements had created the changed political climate which made the election of Labour possible in 1972, Labour ran a strong law-and-order campaign in the election that year. A major plank of Labour's policy was to crack down on bikies and, in 1973, they passed a piece of "unlawful assembly" legislation which gave the police draconian powers to break up gatherings of people whenever they chose, including political gatherings.

Before this new repressive legislation was passed, however, Labour resorted to using 100-year-old unlawful assembly legislation to attempt to smash a political protest at Weedons earlier in 1973. Police tactics at this protest prefigured those used by Muldoon during the 1981 Springbok tour. Murray Horton, one of the protest organisers, has recorded:

That demo saw a number of new Police tactics. People were arrested at Weedons (a Royal New Zealand Air Force [RNZAF] base south of Christchurch, part of the US military communications operation) under 100-year-old unlawful assembly laws. The whole operation was massive (over 400 police) and heavily militarised. Police were flown into Christchurch on RNZAF planes and practised their tactics at King Edward Barracks (since demolished). RNZAF personnel were used in large numbers to guard Weedons."

The Labour city council in Christchurch banned anyone other than passengers from Harewood airport, while

(p)ublic roads were blocked off, RNZAF helicopters were used to transport police and actively harass demonstrators (e.g. by deliberately drowning out speakers, hovering overhead). Those arrested were handcuffed for long periods of time and "processed" on the spot. They were kept all weekend without bail.

The systematic, coordinated use of police violence was a feature that marked this demonstration off from those that went before (where police violence was uncoordinated). Demonstrators were cleared from the road by police marching into them - the front row rhythmically kneed people in the

balls, the next one punched them in their faces. All of them chanting "Move, move". Tait's own words, from his book "...100 police, all marching in close formation and chanting in rhythm. They were a formidable sight. Some of the demonstrators turned and fled. Those who did not move - voluntarily - were pushed back or fell over, trampled on if they did not move fast enough...I could see real terror on many of their faces." [34]

This will sound eerily familiar to people who were involved in the protests against the 1981 Springbok tour. In fact, the police tactics of 1981 were being developed under the aegis of the previous Labour government.

### **Imperialist alliances**

Decade after decade Labour remained consistently pro-imperialist. At no time during the US invasion and attacks on Vietnam and other Indo-Chinese states did the parliamentary Labour Party declare itself in opposition to the US aggression, nor did it ever demand withdrawal of New Zealand troops. Individual Labour MPs occasionally criticised specific aspects of US policy, but never the US aggressive war as such. Nor did the Labour Party officially campaign against either the aggression or New Zealand's support of it, though a number of individual members and a few branches participated in demonstrations against it.

Labour supported the blitzkrieg of Panama in 1989 and in October, 1990 offered military help to the imperialist powers who were preparing to invade Iraq.

Labour has never made any move to get New Zealand out of imperialist alliances. As a junior partner in the US bloc New Zealand has taken part in nearly all America's military adventures in the postwar period, from Korea (1950-53) onwards, as well as pursuing its own specific imperialist interests.

Most recently, Labour was quick to support the invasion of Afghanistan in 2001 and sent SAS troops, and in 2003 sent army personnel as part of the occupation of Iraq. Although the New Zealand military presence in Iraq was supposedly merely "engineers" helping "rebuild" the country "our allies" had devastated, investigative journalist Nicky Hager uncovered papers showing the "engineers" were spending a lot of their time guarding the British military compound, repairing British combat vessels and working inside the

British headquarters in Basra. A confidential New Zealand Defence memo reported that New Zealand “engineers” were filling British staff officer positions which were heavily stretched at the time. The “engineers” were also authorised to use deadly force to “defend” themselves, other occupation personnel and buildings of importance to the occupation.[35] Far from being greeted as liberators, the New Zealand “engineers” were regularly pelted with rocks and security became the priority for them.[36] The involvement of the Labour government in the occupation of Iraq was a message to the US that “we” are still on their side and helped New Zealand firms gain access to lucrative occupation contracts.[37]

The Labour government has also supplied naval vessels to work alongside the US navy in blockading the waters of the Middle East. Not surprisingly, Nicky Hager wrote in the NZ Herald that “Helen Clark is moving much closer to the US military than the last National government ever did.”[38]

Similarly, the Labour Party never officially campaigned against rugby or other sporting tours to apartheid South Africa, although individual members did. When the first protests against rugby tours to South Africa began in 1948, Peter Fraser merely kept aloof. When a tour to South Africa was proposed in 1959, a big protest movement developed in New Zealand and a petition of 153,000 signatures called for the abandonment of the tour. At this stage the anti-tour protest was on the basis of opposition to the exclusion of Maori from the touring team.

The Labour Government went a long way to support the Rugby Union with its all-white tour. Nash said that the chairman of the Rugby Union, C.S. Hogg, was a real friend of the Maoris and acting in their highest interest in excluding them.[39] Nash used the same argument which later Reagan and Thatcher were to use: that to ostracise apartheid would merely accentuate bitterness in South Africa.

Even as the anti-apartheid movement grew most individual Labour MPs said nothing during the campaign to stop the 1981 Springbok rugby tour. Only a few openly opposed it. When Muldoon shouted “Law and Order! Law and Order!” most Labour MPs buttoned their lips or crawled under the table whimpering “Law and order. Law and order”. Later Muldoon was openly contemptuous of what he termed their “pusillanimous stand”. John Minto, a leading campaigner against the 1981 Springbok tour, recalled in a talk in

2004, how Jim Anderton, while president of the Labour Party, made a special visit to an anti-tour meeting to urge the protesters to abandon a planned march to block the harbour bridge in Auckland. The anti-tour movement strategy had been to have simultaneous demonstrations in all the centres, making it impossible for the police to concentrate their forces in the town where the rugby match was on. Anderton succeeded in swaying the meeting and a far more tame march to a park went ahead. The policy of the Labour Party was that MPs were not to go on marches or to have a public profile in opposing the tour.[40]

### **Rightwards to Rogernomics**

Throughout its history the New Zealand Labour Party has shown it was never really "left", just reformist. However, the neo-liberal wave which spread over the world in the 1980s moved it even further to the right.

Minister of Finance, Roger Douglas, had already made his thoroughly bourgeois economic views public in his book, *There's Got To Be A Better Way* in 1981. Lange reinforced this by making speeches to business associations assuring the employers that Labour's policies would help them no end. Lange had also already invited Don Brash to join Labour.

On November 9, 2005, as parliamentarians spoke to commemorate Lange's life, National Party leader, former Reserve Bank governor and longtime leading neo-liberal Don Brash recalled meeting Lange just after Lange had been elected to parliament in 1977. Lange, said Brash, invited him to join Labour and become a Labour MP. Brash considered the offer for a few days but decided not to and told Lange the reasons for this were that Labour supported too much government involvement in the economy and was too closely tied to the unions. "I'll never forget his response," Brash told parliament. "He said, 'I agree with you, join the Labour Party and help me change it.'"

In fact, Labour had long since shown its full commitment to capitalism and its interventionist policies had been part of saving capitalism in the 1930s. The 1980s required this pro-capitalist party to follow a different set of economic policies.

National was “increasingly out of favour with business by 1983”[41] and, although few on the left understood this at the time, the ruling class was switching to Labour. A 1984 National Business Review poll of business leaders, for instance, revealed a majority in favour of a Labour victory.[42] With backing from the financiers and big-businessmen and a split National vote, Labour cantered into office in 1984. Their fiscal juggling gave the opportunity that speculative financiers were waiting for. Enormous fortunes were soon accumulated by the new ultra-rich through stock exchange speculation. The workers waited for the promised millenium; it did not come.

Still, with business and middle-class backing, together with the naive belief by many workers in Labour’s heartfelt promises, the same Labour Government was returned in 1987.

Suddenly Nirvana disappeared. A new crisis hit with the stockmarket crash of October, 1987 and recession raced to the lead. “Restructuring” was the order of the day with the state-owned enterprises shedding thousands of workers. Factories closed - over one hundred and forty in Auckland in less than two years - and hundreds of shops and offices, too. Bankruptcies were up by fifty percent, eighty-six thousand jobs disappeared and unemployment had soared to over 180,000 by early 1989.

The employers’ response was to tighten the screws on the workers. They mounted a campaign to bring in a twelve-hour day, abolish penal rates, and put an end to the forty-hour week. Did the Labour Government denounce them? No, it gave the employers carte blanche. Not only this, it carried out “privatising” reforms in health and education of the sort that private enterprise had always been clamouring for. They sacked elected area health boards and power board trustees, and paved the way for the privatisation of power boards. Dozens of state assets were sold including Petrocorp, Post Bank, Rural Bank, Air New Zealand, Telecom, State Insurance, Government Print, New Zealand Steel, Forestry Cutting Rights, Tourist Hotel Corporation, Development Finance Corp, Health Computing Service, Maui Gas and the Shipping Corporation. The privatisation of state-owned enterprises was an enormous handout to big business. They bought vast assets cheap and made fortunes out of them. The sales were said to be necessary to raise funds to pay back the foreign debt but the foreign debt didn’t go away.

In starting the privatisation scramble Labour was performing a job for the capitalist class. That is why in difficult times their rule particularly suits the capitalists. Reactionary changes demanded by the ruling class (such as "privatisation", indirect taxes replacing graduated income tax, tough measures to discourage strikes) would have the workers up in arms in resistance if an openly Tory government pushed them through. They could, however, be brought in by Labour because workers were duped into believing Labour was a workers' party. The historian of both Labour and National, Barry Gustafson, has noted about the fourth Labour government, for instance, "It is doubtful that any National government would ever have been allowed to do what Labour did without massive resistance by the trade union movement." [43]

The 1984-1990 Labour Government's introduction of a Goods and Services Tax (GST) initially at 10 per cent, then later raised to 12.5 per cent, was another gift to the capitalist class and a blow to the workers. It enabled the rich to transfer part of their "tax burden" to the poor and lower the tax rate on high incomes. Working class people already on tight budgets were hard hit by the extra 12.5 per cent cost on everything. The imposition of GST significantly raised the level of indirect taxation. The proportion of government income derived from indirect tax rose from 22.5 percent before GST to 33.2 percent within just the first two years of the new tax. Victoria University economist Bob Stephens has pointed out the overall effect in the 1980s of the partial replacement of income tax by indirect tax. Between 1982 and 1988, "effective average tax rates including GST for couples on average earnings with two dependents increased from 18.7 percent to 24.1 percent. Average tax rates for similar couples on three times the average income declined from 40.3 percent to 34.9 percent." [44]

### **The foreign policy of the fourth Labour government**

One of the biggest myths about the fourth Labour government is that, while it may have implemented right-wing economic policies, it pursued a radical foreign policy epitomised by the ban on nuclear warships coming to New Zealand ports.

In fact, a growing popular anti-nuclear movement fought for much of the 1970s and well into the 1980s against New Zealand involvement in imperialist alliances such as ANZUS. The ban on nuclear-armed and nuclear-

powered ships, which became a ban on all US warships when Washington refused to provide information about which of its ships were nuclear, came about for entirely opportunist reasons. It was partly a concession to the mass movement, partly a cover behind which New Zealand stepped up its own military activity in the Pacific and asserted its own place in the imperialist order and partly a means to gain moral credibility while it launched the biggest attack on workers' rights in New Zealand in half a century. It might also be noted that Labour was not the first party to adopt this position: two conservative parties, Social Credit and Bob Jones' New Zealand Party, already went further than Labour by favouring neutrality and withdrawal from imperialist alliances.

Behind the cover of the anti-nuclear ban, David Lange's Labour government stepped up New Zealand military activity in the South Pacific to levels not seen since WW2. It carried out major military manoeuvres in Western Samoa (1985), the Cooks and Niue (1986), Vanuatu (1987) and the Solomons (1988). The Cooks exercise, which involved all three wings of the New Zealand armed forces, was the biggest off-shore exercise ever carried out by New Zealand imperialism.

Labour also continued with the Muldoon-era plan for the Ready Reaction Force, setting up a 1500-strong body of regular force personnel trained to intervene in the Pacific should any government supported by New Zealand be threatened by internal opposition.

In February 1985, Lange made it clear that New Zealand would "continue to act as a stabilising influence in the South Pacific. Maintenance of an appropriate level of conventional forces is part of that commitment." [45] He also stated that his government remained "an unshakeable member of the Western alliance and our policies are not directed at any of our traditional friends." [46] The following year Helen Clark, a member of Lange's regime, assured the US that New Zealand's role in the South Pacific was to ensure "stability" for the imperialists and to create an area where "(the US) does not have to engage in direct controversy with the Soviet Union." [47]

Labour's contribution to the "stability" of the Pacific also meant Lange claiming in a radio interview in late 1984 that the human rights situation in East Timor, under brutal Indonesian rule following an invasion a decade earlier, was improving. The transcript of this interview was used by the

Indonesian military dictatorship to help get East Timor off the agenda of the United Nations Commission on Human Rights. In 1985 Lange refused to meet with East Timor independence leader Jose Ramos Horta, saying, "I do not believe that keeping alive the issue of independence will do anything to help the East Timorese people." Both Lange and Helen Clark (who was at the time chairperson of the foreign affairs committee of Parliament) made visits to Indonesia in 1986, and both urged looking beyond the "stumbling block" of East Timor to develop closer ties with the Indonesian military dictatorship.[48]

In 1984 Lange opposed Vanuatu's attempts to have New Caledonia returned to the United Nations list of territories to be decolonised. He also successfully opposed the Kanak independence movement of New Caledonia being seated at South Pacific Forum meetings. Throughout this time, the Labour government continued to support the blood-covered Indonesian military dictatorship's brutal wars against the people of East Timor and Irian Jaya. The Labour government took to applying pressure on the left-wing Vanuaaku Pati government of Vanuatu, which was seen as something of a thorn in the side of imperialism. The VP government had the temerity to attempt to pursue an independent foreign policy and establish diplomatic relations with Libya and Cuba. The New Zealand Labour government joined with their counterparts in Australia and with Washington in putting pressure on the Vanuatu government to bring it into line with the Western powers.

In line with its general policy of ordering around people in the Pacific, the Labour government in 1989 forced the Samoan government to restrict the number of migrants coming to New Zealand. To enhance the power of New Zealand imperialism in the Pacific, it also signed a massive frigate contract with Australia.

Not surprisingly, the South Pacific Policy Review Group, set up by this government would later report that "New Zealand policy towards the region should be guided by clear and explicit considerations of national interest." [49] As one perceptive foreign policy analyst has noted, although New Zealand policies in the Pacific have a "radical 'feel' (they) are clearly classic interest-driven policies." [50] Of course, New Zealand's "national interest" really means the interest of the ruling class.

As well as revealing its true colours by its policies in relation to the Pacific, Labour set up the Waihopai spy base, an integral part of the international spying network of the Western imperialist powers.

### **Workers leave in droves**

The Labour Party in its early years relied on the working-class for its support and most of its members were working people. To some this is taken as a sign that Labour was a workers' party. Yet whether a party is actually a political party of the working class does not depend merely on a membership of workers but also upon the people who lead it, its programme, the content of its actions and its political tactics. It is the latter factors which determine really whether it is a party of the working people.[51]

Not only was Labour's programme thoroughly capitalist it lost working class members by the droves from the first Labour Government and membership plunged by 72 percent between 1940 and 1975 when the membership was little over 14,000.[52] Nor was the influence of unions on the Labour Party as great as some would think.

In 1918 there were 72 affiliated unions and just 11 party branches. In the 1919 general election, nine Labour candidates won seats, eight of them being active unionists. In 1938 three quarters of all union members were affiliated to the Labour Party; by 1971 it had fallen to just one half.

Even formal connections with the unions withered. For instance, after the 1951 waterfront lockout, in which the militant unions led by the wharfies were smashed, a Joint Council of Labour was set up involving the party and the right wing-dominated Federation of Labour (FOL). It met five times in the second half of 1952, after it was set up, but in the years 1967-75 met only four times. The fields it discussed became increasingly narrow. Basically, the parliamentary Labour Party was primarily interested in using the FOL to ensure the dampening down of any worker militancy, while maintaining the regular flow of cash from the unions into the party coffers and election workers every three years.

In fact, as early as 1937 it was clear that union influence was negligible, and "Fraser warned conference delegates in 1937 that he would be 'dishonest' if

he let them believe that 'any resolution passed compelled the government to do anything, regardless of the consequences'." [53]

Nor did workers all vote Labour. Even in safe Labour seats in the three elections 1978-1984 the Labour candidates in the thirteen safe seats averaged only 43 per cent of the votes of registered electors.[54]

By 1972 only 27 percent of Labour MPs had active union backgrounds. By 1975, 49 percent of Labour MPs were businessmen, farmers and professionals and another 12.5 percent were public servants. (In - in 1919, not one single Labour MP had belonged to any of these categories). By the 2002 general election, of the top ten Labour list candidates, only one was an active unionist. The total number of Labour MPs with union backgrounds could virtually be counted on the fingers of one hand - and these were far from radical union activists. By and large, like the Labour bosses, these "unionists" see the trade unions as businesses and career pathways rather than as fighting organisations of the working class and schools for socialism.

The changes in the New Zealand Labour Party's social composition and union involvement began, albeit slowly, from an early stage. In 1926, 60.5 percent of LP conference delegates were from affiliated unions. By 1945, after a decade of experience of the first Labour government, this had fallen to 47.2 percent. By 1955 it was only 33.8 percent. In the 1960s and 1970s, it continued to decline dramatically. In 1965 30.2 percent of LP conference delegates were still from unions but by 1975 only 17.7 were. The experience of the third Labour government - that of Kirk and Rowling - certainly speeded up the decline in unionists attending LP conferences.

Moreover, while the number of unionised workers had expanded rapidly between 1940 and 1975, the number of union members affiliated to Labour through their unions actually fell slightly, from 185,500 to 184,700. Whereas in 1940 nearly 75 percent of the unionised workforce were affiliated to Labour through their unions, by 1975 only a little over 42 percent were. In 1950, just over 57 percent of all unions were still affiliated to Labour; by 1975 it had fallen to under 27 percent.

During the 1950s and 1960s there was a small increase in affiliation by the reorganised waterside unions and some labourers' unions, however there was a much more noticeable decline in affiliation by biscuit, confectionery,

clothing, iron and brass and shop workers, painters and decorators, carpenters, freezing workers, boilermakers, drivers, store workers and packers, and fire fighters. Today about half a dozen unions remain affiliated and they organise only about 15 percent of the unionised workers and a tiny percentage of the overall workforce. If you took away the engineers' union, there'd be little left of union affiliation at all.

The decline of union involvement in the 1950s, 60s and 70s also gives the lie to the attempts of National in the 1960s and 1970s to portray Labour as dominated by unions. While much was made by National, the media and the pro-Labour left groups of union "block voting" at Labour Party conferences, the reality was that between 1963-1975 only 6.3 percent of all remits at Labour Party conferences came from unions.

The role of unions and unionists at Labour conferences, in any case, was not to fight for working class interests but, as long-time leading Labourite of the 1970s and 1980s Richard Northey put it, to assimilate the views of Labour Party conferences (i.e. the party leadership cabal) and transmit them back to the union members. John Wybrow, who was party secretary for part of the 1970s, was even more blunt: the role of conference was "to discuss policy, not to formulate it." [55]

What this meant was that the real policy was set by the top leadership - essentially the MPs and a couple of top party apparatchiks, sometimes with a few top union bureaucrats along as well - and then handed down to conference delegates for transmission back into the affiliated unions and local party branches.

This realpolitik of the Labour Party was the opposite of the naïve, fantasy view of pro-Labour "revolutionary" groups like the Socialist Action League (the remnant of which is today's tiny, cult-like Communist League) that LP conferences could or would reflect any radicalisation in the working class and force a shift left by the organisation, creating a "class struggle left wing" and split which would lead to a mass revolutionary workers party! These illusions were being sown even while the third Labour Government had started funding private schools, opposed liberalising abortion law, and opposed homosexual law reform .

Because the real motion was in the other direction - the pro-capitalist leadership transmitting its ideas and instructions down to the ranks through vehicles such as party conferences - no "class-struggle left wing", as dreamed of by the pro-Labour left groups, was ever on the cards.

In fact what actually happened was that Labour Party conferences became increasingly dominated not by radical rank-and-file workers but by professionals. Basically, workers began dropping out of the Labour Party in significant numbers as early as the 1930s, especially after 1938 by which time they'd had three years experience of the first (supposedly "socialist") Labour government. They never returned.

As workers have dropped out of the Labour Party over the past seven decades, the middle class has increasingly joined, albeit providing much smaller numbers. Thus the fall in individual membership has been especially dramatic. There were 51,000 members of local LP branches in 1940, still mainly working class, but only 14,250 individual members by 1975 and even less after the party's election defeat that year. The largest losses of membership were in working class strongholds. For instance, from 1940-1975 branches in Grey Lynn, Otahuhu, Napier, Westport and Port Chalmers, all of which had been among the party's largest branches, lost 87-94 percent of their membership figures.[56]

When the process of "modernisation" of the party was undertaken in the late 1970s and early 1980s, largely by Jim Anderton, membership rose to 50,000. However, the new recruits came increasingly from the liberal middle class alienated by Muldoon and attracted by the "modernising" project in the Labour Party. .

This project was a precursor of the Blairite "New Labour" project in Britain, consciously shifting the organisation away from the working class. Indeed, as early as 1963 John A. Lee had noted that Labour MPs were now recruited "from among school teachers, lawyers, journalists, small businessmen, and from the trade union secretary class" rather than from ordinary workers.[57] This layer of new middle class members provided the base of the neo-liberal economic reforms and the accompanying liberal social reforms.

A leading political scientist, Jack Vowles, has noted the following clearly observable trend since the early 1950s: "Party membership declined, most

particularly that of blue-collar workers and trade unionists, and most steeply during periods of Labour government." When membership rose in the late 1970s, recruitment came mainly from white-collar sections.[58] Vowles conducted an in-depth study of the social composition of the Labour and National annual conferences in 1983 and 1988. He found that in 1983, one of Labour's largest ever national conferences, only 19 percent of conference delegates were manual and service workers, a figure below their weight in the labour force. By far the largest group of conference attendees were professionals, making up 26 percent, while teachers made up 16 percent.[59] By 1988, 40 percent of the delegates to Labour's conference had university degrees, compared to only 20 percent of the delegates at National's 1988 conference. A third of the delegates at Labour's 1988 conference earned over \$57,000, a very hefty salary in 1988.[60]

Not surprisingly, Vowles notes that by 1988 Labour "clearly over-represent(ed) elites, higher-paid workers, and those with higher education at the expense of the larger mass of workers in less attractive jobs on lower incomes." [61] The blatantly anti-working class nature of Labour had an effect on how workers saw the party and how they related to it at election time. Thus Vowles writes that by 1987, "members of the traditional productive core of the working class were no more likely to vote Labour than any others. . . and more likely not to vote at all. Labour's working class losses to non-voting were offset by gains in the middle class." [62] That this trend has, with some ups and downs, basically continued can be seen in the historically high non-voting figures for the 2002 election: 25 percent of the electorate did not vote. Abstention was highest in working class areas; in the Maori seats, for instance, it was almost 50 percent.

After the experience of the first three-four years of the fourth Labour government, membership collapsed again, to a mere 11,000 by May 1988 and possibly less than 4,000 by 1994.[63]

Clearly, the idea still being perpetuated on much of the radical left at the time that Labour was still some kind of "mass workers' party" was a nonsense. Although membership rose again in the late 1990s to possibly over 10,000, middle class layers continue to dominate within this small remaining party membership. This is also reflected in the Labour list at election time, the list being dominated by academics, lawyers, managers and other members of the professions.

The Labour Party, like any respectable capitalist party seeks - and gets - corporate funding. Big business spends hundreds of thousands of dollars backing Labour because it knows it can be relied upon serve its interests. In 1999 Labour won the elections and formed a coalition government with the Alliance. In recognition of Labour's thoroughly capitalist credentials big business gave just as much to Labour as to National for electioneering. Labour's total declared donations came to \$1.1million while National's were \$1.2. The Act Party got \$805,000.[64] The Engineers Union gave \$80,000 to Labour's campaign, big dollars for a union, but this was just a tiny drop in the bucket for the Labour Party. At a time when unions were in dire straits that money could have been much better used on union campaigns and organising resistance to the attacks on workers' rights. In 2002 the Labour Party surpassed National, raising \$1.6 million in election donations, mostly from big business.

The Labour Party in recent years has been the most well-funded party. Not content with big business donations, Labour also receives substantial funds from the public purse. In all, the extra-parliamentary Labour Party organisation appears to operate on a budget of about \$2.5 million per year. Compared to this, the Parliamentary Service provides the parliamentary wing of Labour with \$5 million in Party and MP Support alone. The Labour parliamentarians also receive about \$12 million worth of Services to MPs, and Labour ministers currently receive nearly all of Ministerial Services' staffing budget of over \$15 million. These lucrative resources greatly overshadow the party organisation's finances.[65]

The list of anti-worker laws introduced by Labour is long. To cite a few: it was the Kirk Labour Government that issued injunctions against the Drivers' Union in 1975. This was one of the first major uses of injunctions in industrial disputes. The 1984 Labour Government intensified anti-worker legislation with the Labour Relations Act, making injunctions against workers and their unions a powerful weapon in the bosses' hands and enabling employers to bring huge damages claims as in Tory-ruled Britain. This legislation was the forerunner to National's Employment Contracts Act.

While eroding social welfare the Labour government took corporate welfare to new heights. A layer of thoroughly parasitic, overpaid managers and consultants flourished in the new environment.

During December 1999 and January 2000 the government spent \$5 million on consultants. Privatisation policies had led to a vast growth in consultancies that charged out at huge fees. In the three years till 1990 the Labour Government spent \$114 million on advertising and consultancy work. The National Government after them spent over \$100 million on health reforms - much of that money going to consultancy firms.[66] Alliance was no better - when leader Jim Anderton was given the post of deputy prime minister in the first six months in office he spent \$2 million on consultants for his Ministry of Economic Development.

State houses continued to be sold off under Labour and stocks of state houses that had been badly depleted during the selloffs in the 1990s were not being replaced.

### **Disillusionment sets in**

With Labour's openly right-wing policies in the 1980s many Labour Party members became disillusioned and left the party. In 1989 Jim Anderton, MP and former party leader, broke away from Labour to setup the New Labour Party which adopted a mildly social democratic programme very similar to that of the Labour Party prior to 1984. Impatient to get seats in parliament (the highest goal of social democrats) the New Labour Party cobbled together an alliance of the Green Party, the Democrats and the Liberals. It was hardly a left-wing association and it was clear that the Alliance was no more a genuine working-class party than the Labour Party. Like Labour, Alliance aimed to run capitalism, not get rid of it.

However, with the advent of the Alliance the Labour Party began demonstrating even more blatantly how close it was to the National Party. During the Tamaki by-election in 1992 Labour virtually allied itself with National to keep the Alliance out. On the announcement of the National Party candidate's victory Helen Clark personally congratulated him at his headquarters. A few years later, in 1994, the Selwyn by-election showed that the Labour Party had lost its hold on a large part of its former supporters who had moved to supporting Alliance.

After a period of head-scratching, introspection and internal wrangling the Labour Party tried to present a new face of "going back to its roots". But it faced a dilemma, because while it wished to regain lost support among the

workers it wanted to maintain a corporate face - and corporate funding. Even today the Douglas years have not been entirely forgotten by many workers who have little faith in Labour. So rightist was Labour that the Alliance appeared as leftism to them.

### **ECA gets a facelift**

While out of government in the 1990s Labour made noises about scrapping the anti-worker Employment Contracts Act yet when in office all it did was a little cosmetic surgery. Labour repealed the act but replaced it with almost identical legislation that kept all the restrictions on the right to strike and introduced some new restrictions. For the workers the advances in the new legislation amounted to very little - improved access for union officials to work sites and the right to form multi-employer collective agreements. How little the law had changed the environment could be seen in the failure of the union movement to revive in number and strength.

After two terms of Labour union membership remains around 20 percent of the workforce, just a few points above the slump of the 1990s.

The unemployed were promised little and have got less from the fifth Labour government. While poverty soared during the 1990s with the benefit cuts and job cuts Labour addressed this by raising the unemployment benefit by the princely sum of 75 cents a week in 2000. At the same time it refused to raise minimum youth rates which were \$4.55 an hour.

Then in 2004 the government delivered another attack on beneficiaries. It declared 259 towns as virtual no-go areas for the unemployed and jobless people who moved to those towns faced having their benefits taken away. The list of towns included Whangara where the hugely successful film Whale Rider was set, most of the Coromandel, large parts of the West Coast of the South Island and much of the Far North.

Typically the government was blaming the unemployed for their jobless state when the 1980s and 1990s neo-liberal policies of Labour and National governments had decimated jobs in these regions. The decay of whole regions of the country were an indictment of the capitalist system.

### **The limits of Labour's social liberalism**

While Labour's economic policies have been rightist it has become, at the same time, socially liberal, especially from the 1980s on. It has introduced liberal reforms around prostitution and homosexual relationships, although both of these were introduced as private member's bills rather than as Labour government legislation. Indeed, for much of the time, Labour has been far from liberal on issues such as abortion and homosexuality, and there have been serious limits on how far it is prepared to go on these. For instance, the Civil Union Act continues to bar the path to gay marriage at a time when the (traditional capitalist) Liberal Party government in Canada has introduced legislation allowing gays to marry and Catholic Spain has legalised gay marriage. New Zealand under Labour is certainly not a trend-setter in progressive legislation on gay marriage. Moreover, the first attempt to reform laws discriminating against homosexuals in New Zealand came not from Labour but, over a decade earlier, from National MP Venn Young. In 1974, during the third Labour government, Young introduced a private member's bill to decriminalise sexual acts between consenting males over 21. The Labour government wouldn't have a bar of it, and a string of Labour MPs competed with the most reactionary National MPs to vent their anti-gay prejudices. For instance, Napier Labour MP Gordon Christie called homosexuality a "disgusting act" and claimed, "the evidence shows that those who practice this perversion have the sort of mentality that could incline them to passing on their perverted and disgusting practices to young boys." [67]

Labour prime minister "Big Norm" Kirk was a virulent opponent of gay rights and the right of women to abortion. Even in 1985 when Labour's Fran Wilde introduced her successful homosexual law reform bill, Labour MPs could be found denouncing homosexuals in the most bigoted terms possible. Long-time prominent Labour figure Frank O'Flynn, for instance, described homosexual activity as "totally repugnant" and supported the right of landlords not to rent parts of buildings to gays and of employers not to hire them. [68] In 1977 the Labour caucus forced one of their own MPs, agriculture spokesperson Colin Moyle, to resign after National prime minister Robert Muldoon gay-baited him in parliament. This was in stark contrast to the National caucus which rallied around their own lesbian MP, Marilyn Waring, when she was outed by NZ Truth in 1976. [69]

In any case, the eventual social reforms of Labour, far behind most of the advanced capitalist countries, were a response partly to mass pressure from liberal political campaigns and partly a reflection that a string of laws governing "morality" and personal behaviour were outdated and unenforceable. Managing capitalism often requires reforming outmoded laws and bringing legislation into line with social reality. Whereas genuine socialists act as the vanguard on issues of opposing discrimination, the record shows that Labour acted as a rearguard, defending discriminatory laws until these laws were simply no longer tenable.

Essentially what has happened is that non-market forms of discrimination have been replaced by intensified market forms of exploitation and oppression; Labour has been the chief party supervising this process.

It is in the same spirit that Labour also eventually abolished some minor feudal relics such as titular honours, has replaced the Privy Council with a New Zealand Supreme Court and has hinted at support for republicanism. This fits in with the reality that links with Britain have been much weakened in recent decades and the project of the New Zealand ruling class, and the middle class elements which do their managing, are shaping a new national identity which reflects the present-day and future place of New Zealand as an independent, junior imperialist in the global capitalist system.

At the same time, Labour's hostility to real civil liberties remains strong. When the SIS were caught illegally breaking into anti-globalisation activist Aziz Choudry's house in Christchurch, it was former Labour prime ministers (and lawyers) David Lange and Sir Geoffrey Palmer who started the call for new legislation to make such break-ins legal. Labour voted with the National government for the resulting legislation, the 1998 Security Intelligence Service Amendment Act, followed closely by the 1999 SIS Amendment Act (No.2). When it got back into power in 1999, Labour began expanding the power of secret agencies and attacking civil liberties. Since 2001 Labour has introduced a raft of anti-civil liberties legislation such as the Crimes Amendment Bill (no 6), Government Communications Security Bureau Bill, Terrorism Suppression Bill, Telecommunications (Interception Capability Bill), Counter-Terrorism Bill and the Terrorism Suppression Amendment Bill (no 2).

**Women still in second place**

If people thought that a female Labour leader with a socially liberal orientation would mean progress for women's rights they were soon forced to think again. Pay equity did not advance noticeably under Labour and women's incomes on average hovered around 20 percent less than men. Labour compounded the problem by repealing both the Government Services Equal Pay Act 1960 and the Equal Pay Act 1972 and replaced them with a process that only covered equal pay for identical or substantially similar work.

While the old legislation was barely implemented and was riddled with shortcomings the new provisions were even more inadequate. Not only did they prevent equal pay for work of equal value claims, the legislation individualised the process when a collective approach was needed. Nor did the replacement legislation offer any new protection for women as existing human rights and personal grievance procedures provide for these individualised approaches.

The third Labour government, moreover, was confronted by the rise of a radical women's liberation movement, demanding legal abortion, free childcare and equal pay and opportunity. That government opposed all the demands of the women's liberation movement and many Labour MPs were actively involved in the anti-abortion lobby group SPUC (Society for the Protection of the Unborn Child).

Labour's reluctance to advance equality for women was also in full view when in 1999 its coalition partner, the Alliance, pushed for a package that would give 12 weeks paid parental leave and Helen Clark angrily declared it would be passed over her dead body. Labour were willing to consider a measly 8 weeks, with small financial support for parents paid out of the public purse, not by the Alliance's proposed fund built up by an employer levy. In the end a public campaign forced Labour's hand and 12 weeks paid leave was granted, but the employer levy was out of the question. It soon became clear that the scheme imposed so many restrictions that many parents were not eligible for the paid leave. In 2002 out of 55,000 new births only 15,000 people received payments.[70] Later, in 2005, the scheme was broadened to include self-employed women and was extended to 14 weeks.

Throughout its reign, the current Labour government has maintained Muldoon's anti-abortion law on the books (although in practice it is widely flouted) and has done nothing to expand childcare places.

The chief female beneficiaries of Labour reforms have been professional and upper class women. But, while it is now possible to have women atop government, employers' groups, the country's biggest companies, government departments, the judicial system, the police and so on, working class women remain both exploited and oppressed, barely registering on Labour's radar.

### **Labour racists**

Other oppressed sections of society have not fared well under Labour either.

From the 1930s Labour had been able to rely on Maori electoral support but the historical alliance has been eroded and now both the Maori Party and New Zealand First have attracted Maori away from Labour. An even larger number do not vote, abstaining from participation in parliamentary politics.

In the 1984-1990 period the fourth Labour government wiped out huge chunks of industry in which Maori were employed. These included jobs such as in the meat works, where pay was relatively good. Since Maori worked predominantly in industry and manufacturing, they were disproportionately hit by the "restructuring" of jobs out of existence.

Nothing has been done since, by any government, to restore pay and conditions. Maori have been largely left to wallow in increased poverty, as have many pakeha workers. Both the Treaty industry and iwi ownership, promoted and encouraged by the state, have created a substantial Maori middle class and even a layer of Maori capitalists. Meanwhile, statistics for Maori workers have remained as bad or, in some cases, worsened. At the same time, this is also true of the position of pakeha workers.

In February 2004 the case of the girl, known only as Thakshila, showed the inhuman and discriminatory nature of New Zealand's immigration laws and how far the Labour-led government was prepared to go to keep impoverished Third World people out of New Zealand.

Lianne Dalziel, the minister for immigration and someone who used to always pretend to be on the left of the party, put forward the very New Zealand First-ish argument that people from the Third World were making up false stories to get refugee status and thus access to New Zealand education and health services. The line here, perfected by Winston Peters, but actually invented by Labour and National in the 1970s when they were trying to deport large numbers of Pacific Island workers, is that all of us New Zealand citizens would have great health and education services except hordes of impoverished refugees are coming here using them all up.

In other words, the government which manages capitalism and therefore rations out health and education services on the basis of overall capitalist profitability, cutting back on public services when profit rates of their business friends deteriorate, was trying to scapegoat Third World people.

Dalziel even went beyond the call of normal capitalist duty to try to discredit Thakshila and justify deportations and rigid immigration controls. As well as continually implying the girl was a liar and a manipulator, without ever stating it openly and therefore having to provide any evidence, Dalziel organised the leaking to the media of a strategy letter by Thakshila's lawyer.

In the letter the lawyer spoke of the importance of a media campaign geared to winning public support. In other words, a completely sensible and reasonable idea for helping defeat the deportation. Dalziel, in leaking the letter, hoped to portray the suggested media campaign as somehow underhand. Happily, it backfired on her, as the media began asking how this letter had come into Dalziel's possession. When Dalziel brazenly lied, and was caught out in the lie, she was left with little alternative but to resign.

Labour's racism is not new, however. The Labour Party was racist from its earliest days. Soon after the party was founded it began campaigning for the "White New Zealand" immigration policy which was being developed at the time by the Liberal and Reform parties. The 1920 Labour Party conference had as a special guest Major-General Sir Andrew Russell, leader of the right-wing National Defence League (and former leader of Massey's Cossacks) as the Labour leaders projected a joint campaign with the NDL and other rightists against Chinese workers.[71] This conference criticised the Reform Party government of Massey for not more tightly curtailing Asian immigration and the report adopted on immigration expressed the view that

Asian immigration “would result in an intermingling of the races detrimental to all.” [72] Leading party militant Pat Hickey declared it was Labour’s “duty to keep New Zealand white. Internationalism did not mean a reckless intermingling of white and coloured races.” [73] Labour’s commitment to racial purity meant that Labour MPs also urged unions to adopt “White New Zealand” policies and, in the parliamentary debates over the 1920 Immigration Restriction Act, Labour MP after Labour MP rose to his feet to declare in favour of a “White New Zealand”. [74] Typical was Labour MP for Avon, Dan Sullivan, who declared, “What I want to say quite definitely to the House is this: the Labour party is just as keen as any member of this House, or as any person or party in the country, to maintain racial purity here in New Zealand. . .” [75] Party leader Harry Holland argued that British citizenship was too precious to be shared with impoverished Chinese and suggested a more rigorous education test to help keep them out. [76] In those days it was primarily Asians, especially Chinese, whom the “socialist” Labour Party and the more openly capitalist parties wanted to keep out. Later, it became Pacific Islanders.

### **Labour launches notorious dawn raids**

By the 1970s, Labour had shed most of its socialist rhetoric and pretences, so its assault on migrants with the “wrong” skin colour went hand-in-hand with its attacks on unions and on the working class more generally. In March 1974, the Labour government of Norm Kirk and Bill Rowling began a crackdown on Pacific Islanders, with dawn raids on homes in Auckland. The raids continued in the following years under National’s rule. However, in 1982 the Privy Council ruled that the 1949 New Zealand Citizenship Act had defined Western Samoans born before January 1, 1949 as New Zealand citizens. Labour and National therefore had been acting illegally in expelling Samoans and in generally denying them the citizenship rights they were entitled to under the 1949 legislation. The children of fathers born there were also covered.

The Muldoon government moved quickly to introduce legislation stripping away the citizenship rights of 100,000 Samoans. Given the blatantly racist nature of the Muldoon stance, and the fact that Samoans, like other Pacific Islanders, were overwhelmingly Labour supporters, one might have expected at least some criticism, even if fairly tame, from the Labour Party. On the contrary, however, Labour actually sent its deputy-leader, David

Lange, on the plane to Apia with Muldoon to help back up his blackmail of the Samoan government. While people took to the streets in Western Samoa and New Zealand in protest against the agreement - for instance, 8,000 people marched in Apia on August 30 - Lange attacked the Privy Council ruling as a "dream" and praised the "conciliatory" stance of Muldoon.

Among those speaking out against the bill was Helen Clark, then a new Labour MP. She told a public meeting in Auckland on September 4 that she would "oppose the Bill when it comes back to parliament, and I will be doing everything I can to persuade others to do the same". Most Labour MPs, however, voted for the new racist legislation.

Two decades on, Helen Clark the prime minister declared the legislation would stay. She apologised for New Zealand's 1914 annexation of Samoa but would do nothing to redress the present day grievances.

The attacks on immigrant rights have increased in the hysteria around the so-called war on terrorism. Governments around the world introduced laws severely curtailing civil rights, and Labour was no exception. One of the most prominent victims of this was Ahmed Zaoui a refugee from Algeria who was held in detention when he arrived in New Zealand in late 2002. For two years he languished in prison not charged with any crime, let alone judged or sentenced. The first ten months he spent in solitary confinement. Mr Zaoui was not told exactly why he was being kept in prison but the Labour Government kept Mr Zaoui in prison on the grounds of a "Security Risk Certificate" issued against him by the Security Intelligence Service. A public and legal campaign finally saw his release from prison, but the harassment of Mr Zaoui did not abate.

### **Labour's capitalist credentials**

The history of the Labour Party that we have outlined shows that it has never been a genuine workers' party. One of the distinguishing features of the Revolutionary Workers League and the wider Anti-Capitalist Alliance is our view of the Labour Party as a capitalist party. Much of the ostensibly Marxist left in New Zealand has regarded Labour as a workers' party of one kind or another. The usual argument used for this latter view is that Labour is "the mass party of the trade unions". Sometimes the argument is used that Labour is based on workers' votes and is mainly made up of working

class people. The “workers’ party” analysis of Labour supposedly rests upon the authority of the Russian revolutionary leader V.I. Lenin who, in the early 1920s, described the British Labour Party as a “bourgeois workers’ party”. He argued that there was a contradiction between the bourgeois programme of the British Labour Party and working class aspects of the party. Lenin’s description of the British Labour Party is presumed by the pro-Labour left to apply to all social-democratic parties in all countries at all times.

This kind of argument, however, is mistaken on a number of accounts.

Firstly, this argument distorts what Lenin actually said about the British Labour Party.[77] Lenin specifically rejected the idea that the British Labour Party was the political organisation of the unions. Drawing attention to the inaccuracy of this statement, he said it “cannot be agreed to” and continued: “It is erroneous. . . the concepts ‘political department of the trade unions’ or ‘political expression’ of the trade union movement are erroneous.” For Lenin, the more important questions were the nature of the leadership, actions and political tactics of such parties. Only these “determine whether we really have before us a political party of the proletariat.” This standpoint was, in his opinion, “the only correct point of view” and from it he argued Labour “is a thoroughly bourgeois party. . . an organisation of the bourgeoisie, which exists to systematically dupe the workers. . .”

Secondly, Lenin pointed to a number of specific factors in Britain at the time that made it useful for revolutionaries to support Labour in a very specific way: “like a rope supports a hanged man” and not, as has been the case with the pro-Labour left, as a prop to help Labour. These specific factors revolved around the conditions existing in British working class politics at the time and the fact that Labour had yet to form a government.

Lenin argued that there was an advanced layer of militant workers in Britain who looked to the Labour Party to bring about socialism. By affiliating to the Labour Party, while maintaining a sharp political critique of the party’s politics, and by helping put Labour in power, revolutionaries could intersect with this layer of radical workers and expose the real nature of the Labour Party.

In fact, a couple of years later, in 1924, Labour was in government in Britain, led by Ramsay MacDonald. Labour lost a new general election later

that year, but managed to help stymie the radical Councils of Action that emerged in 1926 at the time of the general strike. The Labour Party helped save British capitalism from the spectre of revolution. Labour came back into power in 1929 and in 1931 McDonald followed "strictly orthodox economic measures", even attempting to cut unemployment benefits. While the latter was too much for many of his colleagues and there was a split in the cabinet, it was clear that Labour was committed to managing capitalism rather than leading the workers to socialism.

This raises the issue of the contradictory nature of Labour parties as "bourgeois workers' parties", parties which have a capitalist programme and orientation and a working class base of support. In particular, it raises the issue that these kinds of dialectical contradictions cannot be sustained indefinitely. We know from dialectics that specific sets of contradictions cannot be permanently sustained. Quantitative change eventually produces a rupture amounting to a qualitative change.

It could be argued, in particular, that once Labour-type parties get into government the contradiction between their capitalist programmes and working class social base is resolved through the triumph of the pro-capitalist aspects of these parties over the working class aspects. The internal contradiction, summed up in the "bourgeois workers' party" formulation, is resolved, giving rise to a new, external contradiction - between Labour as a capitalist party and the working class. Once they begin administering the capitalist system, they become purely bourgeois parties, no matter what links they maintain to trade unions or what votes they may still be able to get sections of workers to give them. Over time, this tends to lead to changes in the membership and political identity of these parties, too. For instance, workers drop out, middle class people join and unions increasingly fall away.

That has been the trajectory of the Labour Party in New Zealand from its earliest days. The overall significance of the Labour Party in relation to the working class has been neatly summed up by Shane Hanley: "Labour's role has been to suck in, contain and suppress working class political elements within the framework of a bourgeois political party. The only real danger for the Labour Party is that the working class should become politically organised outside its ranks." [78]

As you can see from the facts in this booklet the evidence is overwhelming: workers cannot depend on voting Labour in the hope of a better life. In fact, as we've noted here, time after time workers' living conditions and democratic rights have actually got worse under Labour governments. Our experience under National, Labour and all the other capitalist parties points to the need not only for a new workers' party but a new kind of workers' politics.

## **Endnotes**

**[1] The RWL is part of the wider Workers Party.**

**[2] Ministry of Social Development, New Zealand Living Standards 2004.**

**[3] Ibid.**

**[4] See The Making of a New Zealand Revolutionary: Reminiscences of Alex Galbraith, Auckland, the Workers Party, 1994.**

**[5] Lee noted of Fraser, "By avoiding socialist policy in action he pleased our opponents; by verbally declaring his devotion to fundamental socialist principles he pleased the party zealots" and that top party leaders were "fundamental to the last syllable in socialist talk, evasive to the last consonant in socialist action." See John A. Lee, Simple on a Soapbox, Auckland, Collins, 1963, p32 and p34.**

**[6] See Bruce Curtis, "The evolution of the Labour Party", in revolution #14, Xmas 2000-March 2001. Curtis' paper was originally a Sociology honours research paper at Canterbury University.**

**[7] Ibid, p17.**

**[8] Ibid, p22. The quote comes from Labour's 1928 election platform.**

**[9] The quote is taken from the party's official 1935 election manifesto (Security and Prosperity for All), cited in Curtis, p26.**

[10] Lee, p36.

[11] References to the Labour leaders' professions and business interests come from Lee, pp29-35.

[12] Graeme Hunt, *The Black Prince: the biography of Fintan Patrick Walsh*, Auckland, Penguin, 2004, p114.

[13] Graeme Hunt, *The Rich List: wealth and enterprise in New Zealand, 1820-2003*, Auckland, Reed, 2003, p161. Davis appears as Sir Ernest Booze in John A. Lee's *For Mine is the Kingdom*.

[14] For an outline of Fletcher's relationship with the first Labour government, see Hunt, *Rich List*, pp171-5. Hunt states that Fletchers originally lost money on the 1930s state houses, as Labour wanted them built extremely cheaply, which says something about the party leaders' attitude to housing for workers. However, Labour provided an additional fund for Fletchers to make good their initial losses. The big time for Fletchers, Hunt argues, came with WW2 and its immediate aftermath, especially since Sir James played an important part in Labour's overall wartime administration..

[15] Savage cited in Tom Brooking, *Milestones: turning points in New Zealand history*, 2nd edition, Palmerston North, Dunmore Press, 1999, p158.

[16] Labour election leaflet/poster in *ibid*. This material also emphasised the domestic role of women.

[17] Lee, p31.

[18] An extract from the 1933 diary appears in *ibid*, p29.

[19] The government statistician's figures are taken from the 1949 documentary *Fighting Back*, directed by Cecil Holmes.

[20] Jock Barnes, *Never a White Flag*, Wellington, Victoria University Press, 1998, p53.

[21] *Ibid*, p56.

[22] Ibid, p58.

[23] For good accounts of Labour's repressive measures during WW2 see Barnes (chapters 2 and 3) and Murray Horton, "The first Labour government and WW2", *revolution #26*, August-October 2006 (first published in *Canta* in 1974). Labour's suppression of dissent during the war is also the subject of the new Russell Campbell documentary *Sedition*. For a sympathetic account of Communist Party policy and activity in the early stages of the war, see Joseph Robert Powell, "The History of a Working Class Party", MA thesis, Canterbury University, 1949, pp89-96.

[24] See, for instance, the new Russell Campbell documentary, *Sedition*.

[25] Interview with Jock Barnes, *The Spark*, May 1991.

[26] For an account of the campaign against Labour's peacetime conscription plans, see the article by Murray Horton in *revolution #28* (forthcoming in 2007); this article first appeared in *Canta* in July 1974.

[27] See Raymond Miller, "Labour", in Raymond Miller (ed), *New Zealand Government and Politics*, Melbourne, Oxford University Press, third edition, 2003, p239 and Keith Sinclair, *A History of New Zealand*, Auckland, Penguin, 1980 edition, p289.

[28] Christopher Pugsley, *From emergency to confrontation: the New Zealand armed forces in Malaya and Borneo, 1949-1966*, Melbourne, Oxford University Press, 2003, see pp6-8. ANZAM involved Australia, New Zealand and the Malaya Area.

[29] Hunt, *Black Prince*, p144.

[30] Bruce Brown, "Holyoake's Precursors", in Margaret Clark (ed), *Holyoake's Lieutenants*, Palmerston North, Dunmore Press, 2003, p14. Brown was private secretary to Nash.

[31] Nash cited from Keith Sinclair, *Walter Nash*, Auckland, Auckland University Press, 1977 edition, p285.

[32] Extracts of the Walsh statement appear in Hunt, *Black Prince*, p173.

[33] *Ibid*, p182. Walsh was writing to a friend in November 1959.

[34] See Murray Horton, "Obituaries", *Peace Researcher* 28, December 2003. Tait's book is *Never Back Down*, Christchurch, Whitcoulls, 1978. Tait was also a second cousin of Labour's minister of police, Mick Connolly.

[35] See Anthony Hubbard, "Leaked papers suggest secret NZ role in Iraq", *Stuff* website, December 14, 2003. *Stuff* is the website for most of the leading NZ papers. The information about the Hubbard article is drawn from Murray Horton, "Full speed into the quagmire", *Peace Researcher* 28, December 2003:  
<http://www.converge.org.nz/abc/pr28-91.html>

[36] One of the few times the carefully-cultivated public image of the NZ contingent was ruptured was in a report by Ewart Barnsley on TV1's *One News*, November 11, 2003. See Horton, "Full speed. . ."

[37] See, for instance, Paul Gorman, "Hush-hush customer buys more" and Tracy Watkins, "NZ in pro-US listing", *Christchurch Press*, December 6 and 12, 2003 respectively; cited in Horton, "Full speed. . ."

[38] Nicky Hager, "In defence it's not size that matters", *NZ Herald*, August 5, 2003; cited in Horton, "Full speed. . ."

[39] Sinclair, p335.

[40] "People's Resistance - red hot and radical", *The Spark* 15 June 2004.

[41] Jack Vowles, "Party strategies and class composition: the New Zealand Labour and National Parties in 1988 and beyond", *New Zealand Sociology*, vol 7, no. 1, May 1992, p41.

[42] *National Business Review*, 2 July, 1984.

[43] Barry Gustafson, "Coming Home? The Labour Party in 1916 and 1991 compared", in Margaret Clark (ed), *The Labour Party After 75 Years*, Wellington, Victoria University of Wellington Department of Politics, 1992, p7. Gustafson perhaps, however, underestimates the ability of the top union bureaucrats to derail union action against even National government attacks on workers.

[44] The Stephens' quote and figures for rise of indirect tax are cited from Marina Cameron, "GST: the New Zealand example", *Green Left Weekly*, February 12, 1997.

[45] *Evening Post*, February 7, 1985.

[46] *Evening Post*, February 23, 1985.

[47] Carolyn Stephenson, "Interview with Helen Clark", *Bulletin of Concerned Asian Scholars*, vol 18, no 2, April-June 1986, p86.

[48] This paragraph on East Timor draws on human rights activist Maire Leadbetter's article in the *NZ Listener*, October 5, 2002. Thanks to Andrew Tait of *Socialist Review* magazine for this reference.

[49] South Pacific Policy Review Group, *Towards a Pacific Island Community*, Wellington, 1990, p4.

[50] Malcolm McKinnon, *Independence and Foreign Policy: NZ in the world since 1935*, Auckland, Auckland University Press, 1993, p271.

[51] See, for instance, V.I. Lenin, *Collected Works* vol 31, Moscow, Progress Publishers, 1977, pp257-8.

[52] Unless otherwise noted, the figures in this section come from D.C. Webber, "Trade Unions, the Labour Party and the Death of Working Class Politics in New Zealand", MA thesis, Canterbury University, 1976.

[53] Shane Hanley, "Labour: a middle class electoral party", in *revolution* #14, Xmas 2000-March 2001, p29. Hanley's paper was

originally a Sociology honours research paper at Canterbury University.

[54] Ibid, p28.

[55] The views of Northey and Wybrow are taken from Webber.

[56] Webber, p174.

[57] Lee, p23.

[58] Vowles, p40.

[59] Ibid, p44.

[60] Ibid, p46. Thirty-four percent of delegates at National's 1988 conference earned above \$57,000 (ibid).

[61] Ibid, p55.

[62] Ibid, p41.

[63] See Bryce Edwards, "Political Parties in New Zealand: A Study of Ideological and Organisational Transformation", PhD thesis, Canterbury University, 2003, p393. The figure of less than 4,000 comes from internal Labour Party documentation leaked by disaffected Labour MP and caucus secretary Jack Elder. Edwards' thesis also provides data showing that the capitalist state now provides the major part of the funding of parliamentary parties and analyses both why this has come about and its political ramifications.

[64] New Zealand Herald, 12 May 2000.

[65] Edwards, p518.

[66] New Zealand Herald, 16 June 1993.

[67] The quotes appear in the parliamentary record, Hansard, 1974; 3168; cited from a research article by Doreen Agassiz-Suddens at <http://www.gaynz.com/political/27SEP02.asp>

[68] Hansard 1985: 7608, cited from *ibid.*

[69] For a brief account of the Moyle and Waring events, see <http://qrd.org.nz/history/MoyleAffair.html>

[70] Lucy Marsters, "Paid parental leave - most miss out", *The Spark*, 19 February, 2004.

[71] Philip Ferguson, "The Making of the White New Zealand Policy: Nationalism, Citizenship and the Exclusion of the Chinese, 1880-1920", **PhD thesis, Canterbury University, 2003; see also *Maoriland Worker*, August 11, 1920.**

[72] *Maoriland Worker*, August 25, 1920, cited from Ferguson, p239.

[73] Hickey's comments are recorded in the same issue of *Maoriland Worker* and cited from Ferguson, *op cit.*

[74] Ferguson, pp238-240, 245-9; see also the article on Labour and the 1920 legislation in *revolution #17*, March-May 2002, pp8-12.

[75] *New Zealand Parliamentary Debates*, vol 187, 1920, pp924-5; cited in Ferguson, p245.

[76] *New Zealand Parliamentary Debates*, vol 187, 1920, p913, cited in Ferguson, p247.

[77] For Lenin's view, and the following quotes, see Lenin, pp257-63.

[78] Hanley, p31.