

An exchange over the Labour-Alliance government in New Zealand

3 May 2000

Hi guys,

Nice website. I believe that there is a worldwide swing back to socialist principles (of a sort), considering how far the world has shifted to the right in the last couple of decades. We now have a left leaning Labour/Alliance coalition government in NZ. It's still a struggle but at least it's a start after what we've undergone in this country in the last 15 years.

We are rolling back New Right reforms—no more asset sales, the abolition of the Employment Contracts Act and the reunionisation and collectivisation of the wage bargaining system, renationalisation of our industrial insurance scheme (ACC), rises in government-funded pensions, abolishing bulk funding for schools (no more public money for private schools), more money for the public health system, government assistance for job development and regional economic development and a low cost, government subsidised “People's bank”, and you know the current NZ story on defence. No F16 fighters off the good old USA and no more frigates off Aussie.

We also managed to hold off the attempted privatisation of the water and waste water systems of NZ and also the attempted privatisation of our electricity generating infrastructure which is now firmly in public control and ownership. It's good to see multinationals such as Transalta, who were lining up for our electricity assets at fire sale prices, suddenly lose interest and pull out of NZ.

The list is endless at the moment and this government is moving with great speed to implement the election promises of the two coalition partners. As the junior coalition partner, the Alliance, (originally formed as a breakaway after the NZ Labour party lurched to the right in 1984) has a very hawkish attitude to our senior coalition partner and we have dragged them kicking and screaming back to something like their roots. I am

proud to have helped in the fight to end the rule of the new right in NZ. You in Australia are undergoing the desperate and strident push of a right wing government (on policy issues) that knows that its days are numbered. Hang in there.

Regards,

TB,

Alliance candidate

Dear TB,

I write in reply to your recent e-mail to the *World Socialist Web Site*. While your letter reflects, in extremely enthusiastic terms, the current media hype around the “popularity” of the Labour-Alliance government, it is necessary to come to a more sober assessment of its political character. This is a particularly important task, in order to prepare working people for the betrayals that will inevitably come.

You begin by pointing to the growing mood internationally away from market reforms and towards socialism. It is certainly true that there is a growing frustration and discontent among broad masses of people with the institutions and policies of global capitalism, as we have seen recently, for example, in the demonstrations in Washington and Seattle.

However, neither the Labour Party nor the Alliance represents, in any shape or form, a socialist alternative to capitalism. The installation of the coalition government in New Zealand follows similar political developments internationally, which have seen social democratic parties, such as New Labour in Britain and the German Social Democrats/Greens, brought to office. Having come to power by exploiting the growing mood of popular opposition to market reforms, all these parties have then moved to pursue even more vicious big business policies behind a facade of liberal/reformist window dressing. This will be the role with the Labour-Alliance government, which you

represent, in New Zealand.

Nowhere among your “endless list” of the new government's achievements are there any real policies, as far as the social and economic conditions faced by working people are concerned, which “roll back” the reforms to the pre-1991 period. Despite miserly increases to aged pensions, the benefit cuts imposed by Ruth Richardson's “mother of all budgets” are still in place. The replacement of the Employment Contracts Act has nothing to do with improving wages and conditions for workers but is designed to bring the unions into the centre of enforcing productivity increases.

A number of other measures—such as the so-called “re-nationalisation” of ACC—have been brought forward with the assurance that they will be no more costly to employers than the former private scheme. If asset sales have been temporarily halted, then one must comment that there is, by now, not much left to sell. This government certainly has no perspective of re-nationalising key public assets such as telecommunications, transport, airports, the forests or anything else. Your own party's attempt to establish a so-called “people's bank” is a completely fraudulent attempt to convince working people that their interests can be served by turning back to policies of national regulation and protectionism. How will a tiny, undercapitalised local bank compete in a banking world where even massive international financial institutions are currently engaged in a mutual feeding frenzy?

In foreign policy, the cancellation of orders for the F-16 fighters and the ANZAC frigates in no sense represents a move away from New Zealand's past role as a minor imperialist power. As Helen Clark's Anzac Day announcement indicated, the government is now intending to shift its defence funding commitments in order to concentrate on boosting the army. This is because it is preparing the army to be deployed internationally, under the cover of “peacekeeping,” in the emerging inter-imperialist conflicts over global strategic and business interests. The preparations for this role are currently in evidence with the invasion of East Timor, an exercise that the Alliance not only backed, but for which it acted as the principal cheerleader and sabre-rattler.

Any pretensions the Labour-Alliance Government might have had to left-wing credentials should have

been put to rest by Finance Minister Michael Cullen last week. Speaking to the National Press Club in Tokyo, Cullen spelled out that the election victory should not be seen as one for “radicalism”. He went on to assure the international representatives of big business and finance capital that this would be a “financially conservative” government—which means there will be no significant change to monetary policy, and no massive injection of funds into social programs. Such reassurances also have a further agenda—they act as a signal that whenever a crisis arises that might force the New Zealand government to take sharp measures against its own working class on behalf of the international financial institutions, this government will be ready to do their bidding.

Your final comments about the attitude of the Alliance to its senior coalition partner Labour, have an air of utter fantasy about them. Far from adopting a “hawkish” position in relation to Labour, the Alliance has, from well before the election, adopted the opposite approach. Did not the Alliance, over the period between the 1996 and 1999 elections, go to enormous lengths to moderate its own financial and taxation policies in order to bring them more in to line with Labour's? Did not Alliance leader Jim Anderton, the day after the election, announce that with only 7 percent of the vote, your party was in no position to make demands on the Labour majority? In fact, in the five months of this government, the Alliance has proved itself so compliant that it can point to no significant policy “victories” over Labour, and its base of support, according to the most recent polls, has declined accordingly.

Yours faithfully,

John Braddock,

World Socialist Web Site



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