

# National Party Spice Boys

Keith Rankin, 3 October 2014

Where does John Key fit in the pantheon of significant National Party leaders over the last half-century? Is he a moderating influence on policy, a man of the centre, like his predecessors? Or is he, as often depicted by left-wing activists, really a sneaky Trojan Horse representing the one percent?

Key is the fourth significant National national leader since the 1960s. Maybe we can call them, respectively if not respectfully: Kiwi Spice, Scary Spice, Potato Spice, and Sneaky Spice?

## **Kiwi Spice (1960-72)**

Our leaders have to be understood in terms of their times. The 1960s was a special time in which equitarian values prevailed across the political spectrum, in which the economic policy consensus was diametrically opposed to the present consensus, and in which political left-right division was expressed through Cold War rhetoric.

The universal welfare state, ushered in by Labour in 1938 under Michael Savage, reached its full fruition in the 1970s. It was an equitarian period in which the public interest was understood, clearly though implicitly, as a separate interest from the interests of labour and private capital. Taxes were high, and everybody got something back. This social compact was relatively easy to fulfil in the prosperous early 1960s, and was defended effectively by both Labour and National governments in the economically difficult 1970s.

Kiwi Spice ('Kiwi Keith' Holyoake) epitomised this era. Though pompous in formal speech, he was accessible and unpretentious. His governments maintained Holyoake's commitment to the equitarian policies and institutions which began with the Savage-led government. The 1967 Ross Report on taxation was predicated on equitarian principles.

## **Scary Spice (1975-84)**

Scary Spice is of course Robert Muldoon. Finance Minister for 15 of the 18 turbulent years centred on the 1970s – and Prime Minister for half of those 18 years – he oversaw the extension of universalism through the welfare reforms associated with the 1972 McCarthy Report, and through the introduction from 1976 of what is now called New Zealand Superannuation. (See my paper [New Zealand's Income Tax in the Rollercoaster Muldoon Years: 1967-84](#), presented this year to the 2014 Asia Pacific Economic and Business History Conference, for a discussion of income tax circa 40 years ago.)

Muldoon, possible more than any other New Zealand leader, recognised that everyone had a stake in New Zealand Inc., and that every New Zealander was a beneficiary of the public interest. There was no distinction between the deserving employed and undeserving non-employed.

His scary style however was both part of his strength, his ability to push through policies that little miserly men might have resisted (including the Open Information Act and a number of liberalisations that are commonly presumed to have occurred after his time), and his weakness. His style put too many people offside, and meant that the transition in the mid-1980s from equitarian to neoliberal governance was very rapid indeed.

In 1981 the three parties that dominated were explicitly equitarian. (So was the fourth party, the incipient green Values Party, which had declined somewhat from its early 1970s heyday.) 1981 was also, I understand, the year of least inequality in New Zealand's history. Yet politics was fractious,

reflecting the global economic turbulence (and another high point in the Cold War), and New Zealand's historically low terms of trade arising from that turbulence. Social Credit was high in the polls, and the Social Credit candidate defeated Don Brash in the East Coast Bays by-election.

The first shot in the neoliberal coup d'état was the deposition of Bill Rowling as Labour Party leader, replacing him with the economically naïve David Lange. Next was the Karori campaign to unseat National in its Wellington stronghold. Neoliberalism was already in the ascendant in the United Kingdom and in the USA. The right-faction of the National Party was embracing the new Friedmanite monetarist dogma, which already had gained substantial sway in New Zealand academia. (It was actually during the Sunny Jim Callaghan Labour Government in the UK, and the Peanut Jimmy Carter administration in the United States, that monetarist policy prescriptions were first implemented. Thatcherism and Reaganomics were simply extensions of policy programmes already in place.)

The public face of the Karori campaign became Bob Jones, who, while never actually wanting to gain any seats in Parliament, formed the New Zealand Party. This party, economically neoliberal and socially liberal, was formed explicitly to end the Muldoon government by splitting the National vote. Bob Jones himself stood in Karori to undermine the National vote there. It proved to be the first of many electoral accommodations that facilitated Peter Dunne's long political career. Jones and Lange were particularly chummy on the 1984 campaign trail. The 'Jones Party' gain 12 percent of the vote. Jones himself has always been a bit of a prankster; see his [latest](#) blog.

(The other agenda of the New Zealand Party was to put an end to Social Credit. Jones' most rhetorical rhetoric was anti- Social Credit, not anti-Muldoon. Jones always liked Muldoon on a personal level. While the demise of Social Credit as a political force in New Zealand was slow, the fatal arrow was that fired by Jones in 1984.)

After the 1984 election, the Labour Government essentially ditched its party's own brief manifesto (brief because the 1984 election was called early) and implemented the New Zealand Party's policies. Peter Dunne needed no accommodation to retain Karori in 1987 for Labour.

### **Potato Spice (1990-97)**

Jim 'Potato' Bolger was neither a neoliberal nor an anti-equitarian. ('Potato' refers to both his rural and Irish Catholic roots.) Further, he has one of New Zealand's greatest ever political legacies, the introduction of proportional representation (MMP).

The most prominent neoliberals in Bolger's National governments of the 1990s were Ruth Richardson and Jenny Shipley. Indeed the right faction of National turned to Ms Shipley to firstly dump Bolger in 1997, and then deal to Treasurer Winston Peters. Peters is interesting as a political remnant from the equitarian-left of the Muldoon National Party. (Indeed today Peters remains much more in tune with the actual concerns of ordinary New Zealand workers and non-workers than do Cunliffe, Robertson or Parker.)

New Zealand's neoliberal putsch ended in 1994, though was revived in 1998 with the electricity reforms. We have to thank Jim Bolger for taking his administration back to the political centre. A combination of second-term government moderation and improved economic conditions saw the all-time-low right-wing vote of 1993 turned around, enabling a third-term National-led government. (The huge growth of *income* inequality in New Zealand took place almost entirely between 1984 and 1994; while it's plateaued since then, we have seen a substantial increase in *wealth* inequality in the last ten years.)

### **Sneaky Spice? (2008-?)**

From 1999 Labour developed its own brand of neoliberalism, in which beneficiaries continued to be

marginalised as second-class citizens. The targeting, the flattish tax system, monetary policy, and Ruth Richardson's 'Fiscal Responsibility Act' became entrenched. Helen Clark's work-ethic neoliberalism created a new bipartite consensus, consigning the equitarianism of Holyoake, Kirk, Rowling and Muldoon to the history books, some of which have been written from a neoliberal standpoint. (Michael Bassett was a cabinet minister in the Lange government. Historiography is representation of the objects of study coloured by the zeitgeists of historians' own times.)

(Note that the apparent conservatism of the mainstream media is due to it being almost completely bound to the prevailing consensus; far more bound to it than even the politicians themselves.)

The Key-led National Government reflects these twenty-first century assumptions, as has the Labour Party for the last twenty years. I think the perception that Key is, like Bolger, a consensus-builder is valid. He is to the left of his own party, but not as far to the left of his party that Muldoon found himself during his 1981-84 last term.

Is John Key unusually sneaky? I take this tag to mean that he presents himself as being to the left of his party while in reality promoting the interests of the top one-percent. I do not accept that view. Indeed rich men in power are often to the left of their own parties. (Take Macmillan and Heath in the UK, during our Holyoake period.) We should probably accept that Key is our ablest politician within the prevailing consensus; noting that an able politician is one who is both able to manage the competing factions within his government, while governing on behalf of all his constituents.

Further, if it is sneakiness we are concerned about, then a good book to read would be the recently published biography of Richard Seddon (*Richard Seddon: King of God's Own*, by Tom Brooking). Seddon (God's Own Spice?) was our longest-serving practitioner of the black art. Seddon's legacy has stood the test of time well; he was undoubtedly at least as sneaky as John Key.

## **Conclusion**

On the whole, the National Party 'Spice Boys' have served us well. For the left to make progress today, the present consensus epitomised by Clark and Key needs to be shaken. That shaking needs to be undertaken on the basis of principles and policies, not personalities.

-----