

# Archived in ANU Research repository

<http://www.anu.edu.au/research/access/>

This is the accepted version published as:

*Melanie Nolan*

*Classic Third Way or Before its Time? The New Zealand Labour Party in Local and Transnational Context*

*Labour History Review 75 (2010): 98-113*

This is a copy of an article published in Labour History Review Society for the Study of Labour History © 2009, Labour History Review is available at <http://www.maney.co.uk>.

Deposited ANU Research repository

Deposited ANU Research repository

---

## **‘Classic Third Way or Before its Time? The New Zealand Labour Party in Local and Transnational Context’**

**Melanie Nolan**

*Australian National University*

*The exceptionalist debate in labour history has concentrated upon the distinctiveness of a country's labour, its uniqueness and historical contingency. Some historians are concerned that the current popularity of transnationalism in comparative history achieves exactly the opposite because it, 'flattens and schematizes the richness, messiness, complexity, and the individuality' of the case study.<sup>1</sup> What would transnational sceptics make then of politicians', political scientists' and sociologists' enthusiasm for the Third Way model, which seems to concentrate upon commonalities and convergence in the political economies of the western world from the 1930s and 1940s? New Zealand appears to be a classic example of First Way under its First Labour governments (1939-1949), Second Way under its Fourth Labour governments (1984-1990) and Third Way under its Fifth Labour governments (1999-2008). On closer examination, this view only holds if one adopts a distorted view of 'Old Labour' and, although not considered here, the 'New Right', too. A model like the Third Way can be just as useful to labour historians of later twentieth century social democracy as the exceptionalist debate has been to labour historians of class and consciousness at the turn of the twentieth century. Rather than flattening experience, a fine-grained historical consideration of the Third Way model is useful for it indicates the extent to which New Zealand labour was early to modernise its social democracy. New Zealand's social democratic party was first in the western world to abandon the socialisation objective without splitting and it should come as no surprise to see early intimations of the Third Way in the antipodes either.*

At its highest level of abstraction the Third Way model posits a development from the postwar period of a series of political regimes: 'Old Left'; 'New Right'; and 'New Labour' or 'Third Way'. Rather than a compromise between Old Labour statism and market radicalism on every

issue, the Third Way is posited as a middle way of doing things, a ‘new pragmatism’. It was a rejection of the old styles of socialist settlement or social democratic states implementing Keynesian welfare state policies as practiced by British Labour Prime Minister Clement Attlee in the postwar years (1945-1951). It was also a negative response to the neo-liberal, free market fundamentalism as practiced by the Margaret Thatcher and John Major governments in Britain (1979-1997).<sup>2</sup> British Tony Blair (1997-2007) and US Bill Clinton (1993-2001) led Third Way governments.

Antipodean sociologists, political scientists and some politicians have invoked this broader western political typology to describe local developments. David O’Reilly suggests ‘that there are probably no two political parties operating at great geographical distance’ with more common backgrounds and startling parallels in Third Way strategies as in Britain and Australia.<sup>3</sup> Not only does this downplays the US example but also New Zealand. Helen Clark’s ‘centre left’ governments (1999-2008) are prime examples of Third Way governments; the case could be made even more than Australia.<sup>4</sup> The New Zealand example has been more neglected than the US<sup>5</sup>; much less has been written of the Third Way in New Zealand than Australia.<sup>6</sup>

This article has a dual purpose: to contribute to the process of writing the history of the social democracy in New Zealand and to offer a critique of current Third Way perspectives. New Zealand is a good example: at first appearances, it seems a classic example of the development of Third Way.<sup>7</sup> The New Zealand case study, however, does not fit the standard typology: it was early to modernise its social democracy; in 1951 it became the first social democratic party in the western world to abandon the socialisation objective; and it should come as no surprise to see early intimations of the ‘Third Way’ in the Antipodes either. Above all, a consideration of the Third Way exposes its proponents’ distortions of Old Left and New Right. Historians and political scientists taking a long-term and fine-grained approach have much to contribute to the debate..

While the Third Way typology has a number of flaws, the following discussion will suggest that these do not completely obviate its usefulness. Indeed, it can be contended that the Third Way can be just as useful to labour historians of later twentieth century social democracy as the

exceptionalist debate has been to labour historians of class and consciousness at the turn of the nineteenth and twentieth centuries.<sup>8</sup> The ‘exceptionalist debate’ involved taking the English experience as the benchmark.<sup>9</sup> Few now argue that England provides the clearest example of the historical development of class consciousness in the industrial age and class-struggle and that other industrial countries are deficient if they did not follow that experience.<sup>10</sup> Yet, the exercise to explain difference against that standard model has been a fillip for much productive research over the years, locally for regional historiography and for transnational comparisons.<sup>11</sup>

### **Standard Third Way Typology, Anthony Giddens and the Antipodes**

The standard ‘Third Way Typology’ posits three ideological and policy phases. The First Way is characterized as ‘old-style social democracy’ putting an excessive faith in the role of the state. The welfare state in its classic form was based on state provision of health services, an adequate income in retirement with an education system based on equality and an economic policy that maintained full employment. Keynesian, egalitarian social democrats embody the First Way and were in the ascendancy in the postwar period: they are held to have tended to favour statist forms of economic and welfare governance within the context of a mixed economy. They were concerned with redistribution (tax and spend policies) and not the creation of surplus; granting rights and not spelling out responsibilities or obligations, and collectivist policies in terms of social behaviour and social units such as the family. Traditional social democratic ideas, whether they be radical or reformist, were based on ideas of state planning of economic management and development. But, according to Third Way literature, this kind of economic order was inefficient by the late twentieth century with most countries being hit with wage spirals as the system initiated with Bretton Woods unravelled, budgetary deficits and the energy crises in 1973-74 rendering unaffordable a ‘comprehensive’ postwar welfare state.

The Second Way or the New Right was neo-liberal and policies and beliefs were redirected from being state-centric to market-centric. Neo-liberalism favoured a laissez-faire view of the state, as minimal as possible, economic individualism and market solutions. Government policies involved deregulation of the financial system and privatization of state enterprises. According to Third Way literature electorates abandoned the Second Way, however, by the 1990s because

deregulated economies and markets were seen to be unstable in the wake of financial crises and mounting unease over the social implications of the New Right policies.<sup>12</sup>

The Third Way which emerged at the end of the twentieth century is said to combine social justice (Old Left aims) with economic efficiency and a hard-headed realism (New Right objectives). The welfare state ought not be abandoned but it needed to give way to the ‘workfare state’. The Third Way set out to create wealth and, at the same time, achieve social justice. The policies adopted were meant to promote market, private enterprise *and* the community, without automatically favouring market solutions. There was a role for the state to run some aspects of the state. That is, it was considered to be inherently pragmatic. It was based on a new communitarian rather than an individualistic view of society — not simply a compromise between left and right, capitalism and social democracy, but a whole new set of values including ‘equal worth’, ‘opportunity for all’, ‘responsibility’ and ‘community’. It is seen as a response to the excesses of the ideologically-determined policies of both First, but particularly Second Way, governments; it is seen as emerging in countries recovering from neoliberal governance; particularly Reaganism in the USA and Thatcherism in Britain.

Anthony Giddens is widely regarded as the intellectual muscle behind the Third Way. He came to the concept, in the early 1990s, when considering modernisation and globalisation. In considering how, during the late twentieth century, there had been significant changes around the roles of women, family, technology and the political economy, he also noticed a growing disaffection with politics with falling electoral turnouts and a general cynicisms towards politicians. He set out to explain how social democracies, which were so strong at the mid-century, changed so much by the late twentieth century. How was it that New Right ideas had gained so much purchase in the 1980s? Giddens argued that there have been three main changes that resulted in a retreat of social democracy in the western world: the decline of the blue-collar, the internet revolution and the rise of individualism. He argued, as others were doing at the same time, that European social democratic parties had become organizations devoid of their traditional ideology, instead focusing on controlling the functions of the state. Neo-liberalism was able to flourish because social democratic parties failed to provide effective intellectual criticism having traded an ideology about economic redistribution for one focused on non-

material issues. Class solidarity had declined as a result of the changing composition of occupations and the disassociation of socialist parties from their traditional long-established support bases, especially unions; leftist parties, particularly those in Holland and France had no resistance to neo-liberal economic policies.<sup>13</sup>

Giddens' work differed from his contemporaries in the extent to which he wanted to consider pasts and presents for the purpose of contributing to a new political agenda on which he published widely: *The Third Way. The Renewal of Social Democracy* in 1998, *The Third Way and Its Critics* in 2000 and *The Global Third Way Debate* in 2001.<sup>14</sup> Giddens came to argue that 'there [was] an overall political orientation and policy programme emerging, not just in Europe but also in other countries and continents, which can be described as the Third Way (or updated social democracy)'.<sup>15</sup> He was very optimistic about what Third Way could achieve. It was a political antidote to the social changes, a vehicle to achieve equality and community and inclusiveness, and it involved a new 'social contract' which linked rights and responsibilities.<sup>16</sup> The policies included, on the one hand, 'dynamic full employment' (that is 'flexibility') and, on the other, social and economic policies such as getting tough on crime and ecological crisis balanced with business.

Third Way advocates, following Giddens, effectively concentrated upon the need for Labour or social democratic parties to modernise. The 'Third Way' had already gaining traction under 'New Democrat' Bill Clinton in the USA, chair of the Democratic Leadership Council 1990-1991, who went on to develop policies including welfare reform described as 'conservatism with a human face' in his successful presidential election campaign in 1992 and later presidency. A process of Labour Party modernisation had also begun in Britain in the 1980s. It was the UK's Blair governments (1997-2007) which popularised the term New Labour or Third Way, however. Tony Blair had himself been moving towards the 'Third Way' with most citing his speech to the Fabian Society in 1995 at the occasion of the 50<sup>th</sup> anniversary of the Atlee government. About the time of his election as Labour Prime Minister in 1997, he turned to academics, essentially sociologists and policy thinkers and in particular Giddens, to help define the ideological basis of the late twentieth century British Labour Party.

Blair and Giddens joining forces was a critical teaming. Blair published a pamphlet at the same time as Giddens began his trilogy of major publications on the Third Way.<sup>17</sup> The transnationalism of ideas and policies around the turn of the twentieth century was embodied in proletarian globe-hopping. The transnationalism of the Third Way was based on elite globe-hopping. Blair initiated an unprecedented series of international gatherings of Third Way politicians.<sup>18</sup> In 1998, With Giddens, he conferred with Clinton and the Italian Prime Minister Romano Prodi in a high level seminar on the potential for the Third Way concept to form the basis of a new transnational approach to social democracy. Above all they sought to build an international leadership network.<sup>19</sup>

A common theme in the large Third Way literature is the acceptance of different pathways to modernisation and new politics: there 'are many Third Ways not just one'.<sup>20</sup> Giddens argued that 'Across the world left of centre governments are attempting to institute Third Way programmes - whether or not they favour the term itself'. He claimed that the Third Way had 'very wide purchase'; at the turn of the twentieth first century there were 'self-declared Third Way parties in power in the UK, New Zealand, Korea, Taiwan, Brazil, Argentina and Chile, among many other countries'.<sup>21</sup> As Robert Reich, former Secretary of Labour for Clinton, declared 'We are all third wayers now'.<sup>22</sup> Much debate over Third Way revolves around the extent to which modernized social democratic parties are really pragmatic and continue to be concerned about equality or merely supporters of equal opportunity. Far too few questions are asked to what extent Third Way is a new ideology or, more fundamentally, the ideological cacophony of labour in the twentieth century. New Zealand is a good example of the latter.<sup>23</sup>

### **New Zealand: A Classic Example of Transnational Third Way?**

Each of the three 'ways' in New Zealand political history were relatively, in international comparison, emphatic. New Zealand appeared to follow a classic trajectory from Old Left to New Right to Third Way but it is conspicuous because Labour governments led all three ways, including the New Right in the 1980s and 1990s.

First, the New Zealand Labour Party (NZLP), formed in 1916, was elected to government for the first time in 1935 with an objective of 'the socialisation of the means of production, distribution

and exchange'.<sup>24</sup> With its foundational objective still officially intact, the NZLP won 46.1 per cent of national vote; in 1938 its proportion rose to a rare electoral majority, 55.8 per cent.<sup>25</sup> It built on the social contract established by the Liberals with its protectionism: tariffs, arbitrated wage system and white walls or racism. The NZLP revived the arbitration system which had been suspended during the depression, legislated for compulsory unionism in 1936 and trade unionism increased three times. Similarly it instituted a welfare state in 1938.<sup>26</sup> From 1942 to 1949 it managed a policy of economic stabilization, controlling prices and wages more successfully than any other western democratic country. It was an early example of an Accord between labour government and unions.<sup>27</sup> The government took over full public ownership of the Bank of New Zealand in 1945.<sup>28</sup> New Zealand was said to have the third highest standard of living in the world in 1953.<sup>29</sup> So successful was the NZLP said to be that the National Party simply adopted its policies in a case of political cross-dressing. Indeed, the system the NZLP initiated is said to have lasted from 1935 to 1984, despite what government was in power.<sup>30</sup> Few have suggested that New Zealand became socialist; it was on the 'path to socialism', an experiment to 'change capitalism to socialism' democratically.<sup>31</sup>

The Fourth Labour government, which was in power from 1984 to 1990, adopted a 'New Right' stance.<sup>32</sup> The reasons for this lurch away from a socialist tradition were numerous. The success story of social democratic had unravelled. The general global crisis was exacerbated for New Zealand because it coincided with Britain joining the EEC in 1973. Significant unemployment re-emerged and the values and ideology of the wage earners welfare state dissolved as the economy and every socio-economic indicator spiraled downwards. The Lange-Palmer governments (1984-1990) introduced economic rationalism, starting with the floating the New Zealand dollar in 1984, reductions in trade tariffs, taxation reforms including a Goods and Services Tax (GST), the privatisation of the government services, and deregulating the banking system. There was a bureaucratic revolution as the public service was slashed.<sup>33</sup> Just as the UK had Thatcherism and the US Reaganism, so New Zealand had 'Rogernomics', named after Roger Douglas the Finance Minister.

Labour's New Right policies were publicly justified as the 'only alternative' to financial disaster in the wake the non-Labour Muldoon governments (1975-1984). A Royal Commission on Social



Policy was established to consider a range of social policy issues, but Lange resigned before attending to social issues.<sup>34</sup> The Bolger governments (1990-1996) took up labour market deregulation discarding centralized wage-fixing and introducing enterprise bargaining. Its 1991 Employment Contracts Act amended the employment laws and a centuries-long industrial relations system that had been enacted with the 1894 Industrial Conciliation and Arbitration Act. Welfare benefits were cut. The Shipley government (1998-9) tried to enact a new social contract. Under its 'New Right Experiment', carried out by both major political parties, New Zealand moved extraordinarily quickly, from the most regulated country outside the Eastern block to the most de-regulated country.<sup>35</sup> Most people referred to the changes as revolutionary. Indeed, New Zealand has figured prominently in debates about the impact of free market philosophies because of the speed and the extent of policy changes introduced since 1980s.<sup>36</sup> Many people on the left talked about political betrayal.

The fifth period of Labour (1999-2008), under the country's first female Prime Minister, Helen Clark, is held to be New Zealand's 'Third Way' period. As with other examples of political change, New Zealand pursued transformation vigorously. Indeed, some commentators have suggested 'that Clark pursued more diligently "Third Way" economics than either of its other practitioners, Clinton and Blair'.<sup>37</sup> The Australian press noted that Clark 'as a good social democrat renationalized both the country's railways and took back a majority stake in the national carrier, Air New Zealand', although the government was motivated to stop the companies in question collapsing as much as by 'core labour values'.<sup>38</sup> More deliberately, the Clark governments' distributional policies benefited bottom quintiles between 1998-2007 compared to 1984-1998, in keeping with 'labourism', to reform capitalism for the benefit of the majority.<sup>39</sup>

Above all, internationally, Helen Clark was said to be in the club.<sup>40</sup> She went to the international Third Way conferences, for instance, attending the 'Conference on Progressive Governance for the 21<sup>st</sup> century' in Berlin in June 2000 along with fourteen other national Third Way leaders.<sup>41</sup> The meeting discussed a 'third way consensus' involving the redefinition of the role of government, the curbing of rampant globalization and the call for social responsibility. In 2003 Clark attended another Third Way meeting in London which gathered together 500 centre-left thinkers and leaders. And Clark was not alone: among her cabinet colleagues in particular was Steve Maharey, one-time

sociologist, NZLP MP (1990-2008) and Cabinet Minister.<sup>42</sup> Having set out an agenda for something like the Third Way before entering parliament,<sup>43</sup> he described the NZLP's policies as 'Third Way' continually.<sup>44</sup> Currently Maharey is working on a book about 'the ideas' behind changing policy under the Clark Labour governments, from New Right, neo-liberal market deregulation to the 'Third Way'.<sup>45</sup> At the time, Clark set out her Third Way credentials most fully in her speech to the London School of Economics in 2002 which Giddens chaired. Her government had social objectives but, in her own words, 'We were also determined to be good managers of the economy'. She made clear that her government followed Giddens's intellectual lead: 'We do seek in Professor Giddens's words "to reconcile social justice with an energetic and competitive economy"'.<sup>46</sup>

Ironically, within New Zealand those opposing Third Way policies argued, with much enthusiasm, that the policies were exogenous, foreign and 'unauthentic'.<sup>47</sup> Because Clark and her government were identified as social democrats, there were high expectations that the NZLP would do more to prevent foreign capital influence and to promote redistribution.<sup>48</sup> Critics of the Third Way locally and internationally have pointed to how Clark was cautious and the NZLP, true to its tradition, could have more substantially transformative.<sup>49</sup>

Assessments of the Third Way are relational, that is they are calibrated on the basis of earlier political achievements. Have commentators on the Third Way got the 'history is right'? There has been some work on the New Right policies in New Zealand which questions the extent to which both the social welfare system was dismantled in the 1980s and that a 'foreign' ideology was adopted.<sup>50</sup> We need to consider First Way policies too. Should the Third Way be distinguished so sharply from its social democratic tradition? Were there radical ideological and strategic breaks or has Labour always been a 'cacophony' of ideological and strategic positions with different groups simply holding power?<sup>51</sup> Has Third Way literature misrepresented the earlier period and exaggerated strategic differences between the two 'social democratic' ways?

Question of continuity and change have received much discussion with respect to New Labour in the UK. Steven Fielding and others have suggested that New Labour in 1994 was not a clean departure from Labour's past.<sup>52</sup> Richard Toye and others suggested that Labour was always a

‘broad church’ but that 1994 marked not just a shift in the balance of forces within the party but a ‘definite break’.<sup>53</sup> None of the contributors to this debate have simplistic ideas about Third Way but, as Toye suggests, the debate tends to focus on vague issues as ‘core values’ and concentrates upon the party’s parliamentary leadership.<sup>54</sup> It panders to a Whiggish interpretation of labour history with labour’s ‘infinitely malleable’ core values held simply to have adapted to social and economic climate changes.<sup>55</sup> In the NZLP case, instead of ‘vague core values’ we must evaluate three central claims of the contrast between Old Left (First Way) and New Labour (Third Way) approaches in principles and policies.<sup>56</sup> First, both approaches were distinguished by modernization: Old Labour upheld the objective of socialisation whilst modernized was the nostrum of Third Way social democratic parties. Secondly, Old Left policies were designed to ensure equality, but, in a subtle shift, this metamorphosed into equality of opportunity in the Third Way. Thirdly, whereas Old Left used the state, the Third Way promulgated the pragmatic deployment of both public and private enterprise. We will consider each in turn.

A powerful symbol of modernization is the BLP’s amendment in 1995 of its nearly 90-year old Clause Four, ‘the social ownership of the means of production, distribution, and finance’.<sup>57</sup> In 1916, when it was formed, the NZLP had the objective of socialization, and this was still intact when Labour was elected to power for the first time in 1935. But in 1951 the NZLP was the first social democratic party in the Western world to abandon its socialization objective publicly: ‘at least, the first to do so without splitting’.<sup>58</sup> One might explain this policy change in 1951 in terms of the desire of the party to distance itself from the negative mood towards unions brought about by the 1951 waterfront lockout in the context of Cold War politics. The National Party was able to capitalize on both these in a snap election in 1951.<sup>59</sup> As well as anti-unionism and the massive waterfront lockout, the NZLP was also trying to distance itself from communism. The National Party hammered the NZLP for being linked to communism after World War Two.<sup>60</sup> This is all very well, however, many would argue that the NZLP had not been putting its policy into effect before this.

The NZLP’s official change of policy was related to the New Zealand Federation of Labour (NZFOL) policy on socialisation.<sup>61</sup> The NZFOL provided the majority of party members and funding, by way of union affiliation fees, political levies and donations, for the NZLP.<sup>62</sup> The 1937

Conference at which the NZFOL was established left the issue of contradictory ‘socialisation’ versus ‘raising living standards’ objectives unresolved, but the issue was resolved in 1941. The overwhelming majority of unions supported stabilisation, maintaining living standards and reformism, at the 1941 NZFOL conference instead of socialisation. Conference endorsed the joint industrial and political labour executives’ stabilisation plan by 166 to 26. By 1949, the NZFOL executive stated, ‘Capitalism, whether we like it or not, is the system whereby we, in fact, gain the means to live. If we smash it, without bothering whether we are able to replace it with something better, we must destroy our own livelihoods with it’.<sup>63</sup> The report of the secretary, F. P. Walsh, to the NZFOL’s National Council in 1946, published as *The Walsh Report* set out federation policy: higher productivity would ensure a higher standard of living and was the federation’s policy, rather than socialisation.<sup>64</sup> The NZFOL conference endorsed stabilisation in 1947.<sup>65</sup>

In 1951 the NZLP conference resolved to remove any ‘ambiguity’ as to the party’s aims and replaced socialization with three other targets: first to educate the public in the principles of co-operation and socialism; secondly to elect competent men and women to Parliament; and thirdly to ensure just redistribution of the product of labour. In June 1951 Deputy Prime Minister Walter Nash’s address to the NZLP Conference had taken the theme of ‘preparing for a New Society’:

We believe that the major purpose of the New Society is the recognition of the dignity of Labour and the well being of every individual that after caring for those who cannot care for themselves, everyone is entitled by right to the full fruits of their industry, and that the best method of government is that of Democracy.<sup>66</sup>

The party president, Arnold Nordmeyer, had declared that ‘Labour Must have positive, progressive policy’:

Labour must go before the people with a policy which is at once practical, visionary, a policy which will appeal to commonsense and also to idealism, a policy which will win the approval of the electors because it is positive, dynamic, humanitarian, bold and progressive.<sup>67</sup>

This kind of rhetoric echoes Third Way language. Nordmeyer argued that it reflected what the NZLP had been promoting since 1935: security and prosperity for all, rather than socialization. The point is that the NZLP had a modernizing tradition.

Secondly recently social democratic parties are said to seek equal opportunity rather than the 'old labour' objective of equality for their citizens. It has been argued that 'equality has been "the polestar of the Left" and the redefinition of this concept by Giddens and New Labour marks a significant departure from post-war social democratic goals'.<sup>68</sup>

New Zealand's citizens had a fair degree of equality before Labour was first elected in 1935. It has been commonplace to note for over seventy years that governments, 'even Conservative Governments' before 1935 had 'highly socialized' New Zealand by introducing a range of workers-orientated legislation'.<sup>69</sup> Clement Atlee in a preface to the 1938 book, *Socialism in New Zealand*, noted that its author, John A. Lee 'recognized frankly the work of the Radical Governments which held power from 1891-1912' was in general 'socialistic'.<sup>70</sup> From this basis, however, the standard view is that the NZLP honoured its pledge and 'removed many inequalities'. The general consensus is that New Zealand emerged from labour's legislative programme as the most egalitarian, homogenous, classless and affluent of nations.<sup>71</sup>

However, the NZLP sought equal opportunity in its policies from 1935 rather than equality. Its policies targeted particular groups to which to redistribute resources, not expecting individual equality in outcomes. In addition to social welfare measures, the NZLP targeted its resources to soldiers' rehabilitation and the education of the young.

Massive amounts of money were put into soldiers' rehabilitation; New Zealand gave more to its soldiers in the wake of World War Two than any other country in the western alliance. World War Two cost New Zealand £700 million over six years, something like the total national income for 2.5 years. It dispersed £264 million to soldiers in rehabilitation over two decades after the war- in addition to pensions and patriotic society grants.<sup>72</sup> This largesse was not so much a reward as to ensure that soldiers were no worse off than other groups in the community who did not go to war. It was an attempt to create equal opportunity.

The same was true for its education policies. Education was second only to defence in expenditure until Labour; its education budget rose from £3.3 million in 1936 to £11 million in 1949-50, making it second only to government expenditure on defence and war in Labour's administration. Between 1945 and 1960 the number of children at secondary school more than doubled (from 47,000 to 111,000). The Minister of Education and later Prime Minister, Peter Fraser's stirring words are oft-quoted:

The government's objective broadly expressed is that every person, whatever his level of academic ability, be he rich or poor, whether he live in town or country, has a right, as a citizen, to a free education of the kind for which he is best suited and to the fullest extent of his powers.<sup>73</sup>

Crucially, this was an objective for equal opportunity rather than equality and permeated its policies. The 1944 committee's Thomas Report resulted in the adoption of a common core for all students represented the culmination of several decades of gradual implementation.<sup>74</sup> As G.D. Lee observes that, in general, the core curriculum was a broad general education programme for all students which consisted of literacy, numeracy, science, social studies, physical education and arts and crafts.<sup>75</sup> However, schools continued to stream students into academic, commercial, technical (including domestic), or agricultural courses according to the special aptitude of the individual and there continued to be a range of outcomes.

Certainly the First Labour government did not prioritize addressing women's and Maori (indigenous New Zealanders) inequality.<sup>76</sup> The NZLP was avowedly socialist but by its leadership's own admission, it was 'conservative socialist', particularly looking 'upon the family as the foundation of the nation'.<sup>77</sup> From the 1990s the NZLP concerned itself with 'closing the gaps' between women and men and between Maori and non-Maori, with equal pay for women and redistribution policies.<sup>78</sup> Rather than a descent from equality, one might observe, that in significant ways, First and Third Way governments have both pursued equal opportunity.

What of our third argument: that Old Labour resorted to the State and state monopolies and nationalisation as a matter of ideology while New Labour uses state and private enterprise

pragmatically?<sup>79</sup> Eric Shaw and others have argued that the pragmatic operational code of Third Way is a key element.<sup>80</sup> Are Third Way governments conspicuous in choosing a policy strategy of pragmatism? Britain for instance has recently instituted Public-Private Partnerships (PPP) or the Private Finance Initiative (PFI) in health. A main problem for the Third Way literature is that it assumes that the Old Left was successful in its aims of translating its ‘fixed ideological formulae’ without any amendment of policy. This assumption begs consideration. The housing policies of the First Labour governments in New Zealand are good example of how a social democratic party developed public-private partnerships in the 1930s and 1940s rather than government monopolies.<sup>81</sup>

The NZLP planned a public housing scheme. The parliamentary party secured a mandate from the 1920 conference which resolved that the ‘state should limit all elements of private profit from building’ by vertical integration: national saw-milling, cement and construction industries.<sup>82</sup> The state would provide the finance and land; the Building Trades Federation would supply the labour.<sup>83</sup> However, in 1935 the NZLP had ‘neither the capacity not the expertise’ to build houses.<sup>84</sup> It turned to James Fletcher.<sup>85</sup> His company Fletchers, established in 1908, had invested in brickworks, quarrying, and a foundry and structural steel manufacturing business which ensure supplies of building materials on favourable terms.<sup>86</sup> A new arm, Fletchers’ Residential Construction Company Ltd, was responsible for state housing contracts and won tenders to build about half of the state houses up to 1939.<sup>87</sup> Then a range of other contractors took over the building: for instance Grimes and Browning, W. M. Angus, H. Naylor and J. Love Limiteds, and later the larger and better-known Keith Hayes and Beazley Homes.<sup>88</sup> The point, though, was that the famous government scheme was achieved with the state providing loans and in association with a private construction company, Fletchers’, a partnership between private and public enterprise.<sup>89</sup> Labour was criticized for being in bed with big business— such as Ernest Davis, Henry Kelliher and James Fletcher — an accusation common to Third Way governments.<sup>90</sup>

## Conclusion

So how do we explain the sharp contrasts made between Old Labour and New Labour in New Zealand political commentary?<sup>91</sup> The NZLP did not respond with a history lesson when faced in the 1970s with a New Zealand National Government election campaign suggesting that the NZLP would nationalize the country. Cossacks representing the unions and the NZLP gaily danced across

television screens. Labour seemed reluctant to alienate ‘core’ supporters by pointing out the extent to which the party had changed from its socialist origins in 1916, 1927, the strategies adopted from 1936 to 1949 or the events of 1951. Stephen Driver and Luke Martell argue that fact that the Third Way is defined in relational and negative terms that has allowed Labour modernizers to make contrasts for political reasons, to highlight- and exaggerate- the novelty of New Labour. Continuities with the old left- or parts of it- are downplayed, as are continuities with

Conservative policy making in the 1980s and 1990s- except, of course where it suits New Labour to appear ‘tough’ on inflation or trades unions, for example.<sup>92</sup> Continuities in strategy have been downplayed.

Clearly there have been seams in the history of social democratic policies. The First Labour governments did not distinguish between policies that promoted equal opportunity and equality. The concepts for the First Labour governments were intertwined and not mutually exclusive. In later periods, the focus on opportunity was perhaps more separated from outcomes. However the point is that there is more continuity in matters of strategy in social democracy, namely modernization, equality of opportunity, and pragmatism, than the classic Third Way typology allows.

The historiography about pragmatism in New Zealand politics, for instance, concentrates on the period before 1935.<sup>93</sup> Indeed, there is no history of the postwar NZLP.<sup>94</sup> There is a robust discussion in political science about the neo-liberal turn especially the Fourth Labour governments from 1984 to 1990.<sup>95</sup> But the earlier comparative debate over ‘exceptionalist’ has engaged historians almost exclusively rather than longer term comparisons.<sup>96</sup> New Zealand labour historians have not had to face the difficult task of finding agreement on a definition of the Third Way; elsewhere it is a ‘hotly contested and consistently underspecified’ concept with some suggesting that it is empty rhetoric or simply a branding exercise.<sup>97</sup> New Zealand labour historians have concentrated on the ‘Old Left’, particularly between 1935 and 1984 rather than postwar social democracy.<sup>98</sup> As noted, New Zealand does not have the debates that have been generated, for instance in the United Kingdom, over continuity or change. Eric Shaw was critical of characterizations of ‘Old Labour’ as collectivist, suspicious of market forces, playing loose with the nation’s finances and so on.<sup>99</sup> Similarly, ‘traditional socialism’ in New Zealand accented



partnership with the private sector, planning and social transformation and more pragmatism than is generally accepted.

The continuing exaggeration of differences between the First and Fifth labour governments also results from the kind of comparative methodology employed. A favoured political method has been to analyze or compare contemporary governments or voting comparing one or two elections or, in the case of New Labour, pre-1994 and after.<sup>100</sup> Although statistically sound, this approach can be misleading because it narrows in on a single period, election or government without drawing out the cumulative processes over numerous elections or governments, but more importantly, when the authors do comment on the social impact of the economic reforms they add to the impression of drastic change. This compression of time and space creates an impression, in the New Zealand case, that the NZLP had suddenly turned on its traditional values in a revolutionary manner.

Finally, the Third Way model is currently only potentially useful for profitably putting a range of historiographies into transnational conversation. New Zealand political scientists' presentist concerns and its historians' concentration on pre-1984 labour party developments have contributed to the neglect of consideration of Third Way in historical perspective locally. By contrast there is a large UK historiography that considers the Third Way in historical perspective. However there has been little transnational comparison, beyond some British and Australian comparisons concentrating upon the last quarter century to show that the Third Way emerged first in the antipodes.<sup>101</sup> The New Zealand case study draws our attention to two aspects: the neglect of non-standard trajectories in Third Way literature, such as those that show early 'modernisation'; and the need for more historical transnational comparisons and consideration of the Third Way model for the second half of the twentieth century.

---

<sup>1</sup> John Belchem, presentation to 'World of Labour', Society for the Study of Labour History, Coleraine, 1 September 2008; published 'Hub and Diaspora: Liverpool and Transnational Labour', *Labour History Review*, vol. 74, no. 3, December 2009.

---

<sup>2</sup> Robert Skidelsky (ed.), *Thatcherism*, London, Chatto and Windus, 1988. Eric Evans, *Thatcher and Thatcherism*, London, Routledge, 1992.

<sup>3</sup> David O'Reilly, *The New Progressive Dilemma. Australia and Tony Blair's Legacy*. Basingstoke, Palgrave, Macmillan, 2007, p. 19. Andrew Scott, *Running on Empty*, Pluto Press, Sydney, 2000.

<sup>4</sup> Chris Eichbaum and Peter Harris, 'Introduction' in S. Chatterjee, P. Conway, P. Dalziel, C. Eichbaum, P. Harris, B. Philipott, B. and R., Shaw (eds.), *The New Politics: A Third Way for New Zealand*, Palmerston North, Dunmore Press, 1999.

<sup>5</sup> Kenneth Baer, *Reinventing Democrats*, Kanas, University Press of Kansas, 2000.

<sup>6</sup> Lindsay Tanner, *Open Australia*, Annandale: Pluto Press, 1999. Peter Botsman and Mark Latham, (eds.) *The Enabling State: People Before Bureaucracy*, Annandale, Pluto Press, 2001.

<sup>7</sup> There have been some considerations of it thus: See, for example, Neil Lunt, *Close Encounters with the Third Way. Reflections on British and New Zealand Social Policy*, The 2004 H. J. Dellar Memorial Public Social Policy Lecture, CSISJ, University of Hull, 2004, Alexander Turnbull Library, Wellington (ATL).

<sup>8</sup> Eric Foner, 'Why is there no Socialism in the United States?' *History Workshop*, 17, 1974, pp. 57-80. Jerome Karabel, 'The Failure of American Socialism Reconsidered', in R. Miliband and J. Saville (eds.), *Socialist Register 1979*, pp. 204- 227. Mike Davis, 'Why they US Working Class is Different', *New Left Review*, 123, 1980, pp. 3-46. Deborah L. Madsen, *American Exceptionalism*, Edinburgh, Edinburgh University Press, 1998. Jonathan A. Glickstein, *American Exceptionalism, American Anxiety: Wages, Competition, and Degraded Labor in the Antebellum United States*, Charlottesville, VA, University of Virginia Press, 2002.

<sup>9</sup> The classic work was Werner Sombart, *Why is there no Socialism in the United States?* 1906, reprinted with P. M. Hocking and C. T. Husbands (eds.), London, Macmillan, 1976.

<sup>10</sup> James E. Cronin, 'Neither Exceptional nor Peculiar. Towards the comparative study of labor in advanced society', *International Review of Social History*, 38, 1993, pp. 59-75. Christine Eisenberg, 'The Comparative View in Labour History: Old and New Interpretations of the English and German Labour Movements before 1914', *International Review of Social History*, 34, 1989, pp. 403-32. Ira Katznelson and Aristede Zolberg (eds.), *Working-Class Formation: Nineteenth-Century Patterns in Western Europe and the United State*, Princeton, Princeton

University Press, 1986, especially 'How Many Exceptionalisms?', pp. 397-456. Friedrich Lenger, 'Beyond Exceptionalism: Notes on the Artisanal Phase of the Labour Movement in France, England, Germany and the United States', *International Review of Social History*, 37, 1992, pp. 1-23. Ross McKibbin, 'Why Was There No Marxism in Britain?', in *Ideologies of Class: Social Relations in Britain, 1880-1950*, Oxford, Oxford University Press, 1990, pp. 1-41. Sean Wilentz, 'Against Exceptionalism: Class Consciousness and the American Labor Movement', *International Labor and Working Class History*, 27, 1984, pp. 1-24, response, by Nick Salvatore, pp. 25-30 and Michael Hanagan, pp. 31-36.

<sup>11</sup> Typical is Neville Kirk, *Comrades and Cousins: Globalization, Workers and Labour Markets in Britain, the USA and Australia from the 1880 to 1914*, London, Merlin Press, 2003.

<sup>12</sup> Kim England and Kevin Ward, *Neoliberalization: States, Networks, Peoples*, Oxford, Blackwell, 2007

<sup>13</sup> Stuart Hall, 'The Battle for Socialist Ideals in the 1980s', *The Socialist Register*, 1982, pp. 1-18. John Callaghan, *The Retreat of Social Democracy*, New York, Manchester University Press, 2000. Herbert Kitschelt, *The Transformation of European Social Democracy*, Cambridge, Cambridge University Press, 1994.

<sup>14</sup> Anthony Giddens, *The Global Third Way Debate*, Cambridge, Polity, 2001.

<sup>15</sup> Anthony Giddens, *The Global Third Way Debate*, Cambridge, Polity, 2001, p. 3.

<sup>16</sup> T. H. Marshall, *Citizenship and Social Class*, Cambridge, Cambridge University Press, 1949.

<sup>17</sup> Tony Blair, *The Third Way: New Politics for The New Century*, London, Fabian Society, 1998.

<sup>18</sup> Blair, *The Third Way* and Tony Blair, 'Third Way, Better Way', *Washington Post*, 27 September 1998. Mark Latham, 'The Third Way: An Outline', *Australian Economic Review*, 32, 4, pp. 384-98. Mark Latham, *Civilising Global Capital*, Sydney, 1998.

<sup>19</sup> T. Blair and H. Schroeder, 'Europe and the third Way/Die Neue Mitte', London, British Labour Party, 1999.

<sup>20</sup> Luke Martell, 'Introduction' in Sarah Hale, Will Leggett and Luke Martell (eds.), *The Third Way and Beyond. Criticism, Futures Alternatives*, Manchester and New York, Manchester University Press, 2004, p. 7. Stuart White, 'Interpreting the "third way": not one route, but many', 1998, <http://www.netnexus.org/library/papers/white2.htm>, accessed 26 June 2009.

<sup>21</sup> Giddens, *The Global Third Way Debate*, p. 15.

---

<sup>22</sup> Robert Reich, 'We are All Third Wayers now', *American Prospect*, 43, 1999, pp. 46-51.

Robert Reich, *The Work of Nations*, New York, 1992.

<sup>23</sup> Melanie Nolan, *Kin. A Collective Biography of a Working-Class New Zealand Family*, Christchurch, Canterbury University Press, 2005.

<sup>24</sup> Follow the New Zealand Labour Party platform: *Objective and Platform. New Zealand Labour Party*, Wellington, New Zealand Worker Print, 1926; *Labour's Plan, 'The Vital Issues: Banking, Prices, Productive Employment and Rational Distribution'*, revised Policy, 1933, New Zealand Labour Party papers, MS-papers 0270-025, ATL; *Labour's election policy: security and prosperity for all: maximum production and equitable distribution*, Wellington, NZLP, 1935. In addition the NZLP published a series of propaganda pamphlets about its platforms in 1935, the best-known are no. 3, J. A. Lee, *Labour has a plan: the way out of chaos to a land fit for heroes*, and no. 7, M. J. Savage, *The case for—Labour*, Wellington, Labour Book Room, 1935, ATL. In addition there were local version of the platforms for most electorates, for example, E. J. Howard, *Win New Zealand for Labour: vote Howard for Christchurch South and prosperity*, Wellington, New Zealand Worker Print, 1935 and Ormond Wilson, *What I believe a Labour government would do*, Marton, Rangitikei Advocate, 1935, ATL.

<sup>25</sup> W. B. Sutch, *The Quest for Security in New Zealand, 1840-1966*, Wellington and New York, Oxford University Press, 1966. W.B. Sutch, *Poverty and Progress in New Zealand: A Reassessment*, Wellington, Reed, 1969. Keith Sinclair, *Walter Nash*, Auckland, Auckland University Press, 1976. Barry Gustafson, *From the Cradle to the Grave: A Biography of Michael Joseph Savage*, Auckland, OUP & Auckland University Press, 1986. M. Bassett and M. King, *Tomorrow Comes the Song. A Life of Peter Fraser*, Auckland, Penguin, 2000. See also

<sup>26</sup> James Roberts, 'National President's Address', 23<sup>rd</sup> Annual Conference Report, 1939, p. 3, New Zealand Labour Party papers, MS-papers-0270-025, ATL.

<sup>27</sup> The Prices and Incomes Accord was a social contract between the ALP and ACTU, which went through a number of iterations between 1983-1996. The British Labour Party also developed a social contract with British unions 1974-79.

<sup>28</sup> See NZLP's self-assessment, *New Zealand's ten years of progress: security and statemanship: achievements under the Labour Government, 1935-1945*, Wellington, Standard Press, 1945, ATL.

---

<sup>29</sup> United Nations, *Per Capita National Product of 55 Countries 1952-54*, New York, United Nations, 1957.

<sup>30</sup> See Barry Gustafson, *His Way. A Biography of Robert Muldoon*, Auckland, Auckland University Press, 2000. In addition to the welfare state, similarly the National Party took over the NZLP's housing policy in 1949, although it subverted the policy from state ownership to private ownership of state facilitated housing. Of course Labour also cross-dressed. For instance, in 1927 the NZLP abandoned the leasehold policy for freehold in land. In 1957-69 Labour adopted National's restraint and brought down what was regarded as an anti-labour 'Black Budget'.

<sup>31</sup> Compare: J. C. Beaglehole, *New Zealand: A Short History*, Wellington, 1936 and J. A. Lee, *Socialism in New Zealand*, London, T. Werner Laurie Ltd., 1938, p. 17.

<sup>32</sup> See, for instance, Dolores Janiewski and Paul Morris, *New Rights New Zealand: Myths, Moralities and Markets*, Auckland, 2005; and Bruce Jesson, A. Ryan, and Paul Spoonley, *Revival of the Right: New Zealand Politics in 1980s*, Auckland, 1988.

<sup>33</sup> Jonathon Boston, John Martin, June Pallot and Pat Walsh, (eds.), *Reshaping the State: New Zealand's Bureaucratic Revolution*, Auckland, 1991.

<sup>34</sup> The Royal Commission on Social Policy, *Report of The Royal Commission on Social Policy. Te Komihana A Te Karauna Mo Nga Ahuataanga-A-Iwi, April 1988*, 1-5, Wellington, New Zealand government, 1988.

<sup>35</sup> Jane Kelsey, *At the Crossroads*, Wellington, Bridget Williams Books, 2002, especially 'The Third Way - A Road to Nowhere'. Simon Shepard, *Broken Circle: The Decline and Fall of the Fourth Labour Government*, Wellington, 1994, p. 4.

<sup>36</sup> Francis G. Castles, Rolf Gerritsen and Jack Vowles (eds.), *The Great Experiment. Labour Parties and Public Policy Transformation in Australia and New Zealand*, Auckland, Auckland University Press, 1996.

<sup>37</sup> *The Press*, 16 September 2007.

<sup>38</sup> *Sydney Morning Herald*, 5 January 2005.

<sup>39</sup> Ministry of Social Development Report, 'Household Incomes in New Zealand: Trends in Indicators of Inequality and Hardship 1982 to 2007'.

<sup>40</sup> Alison R. Holmes, *The Third Way: Globalisation's Legacy*, 2009, p. 246.

---

<sup>41</sup> BBC Saturday, 3 June, 2000. Gerhard Schroeder chaired the meeting which included Argentina, Brazil, France, Germany, Greece, Israel, Italy, New Zealand, Holland, Portugal, Sweden, South Africa, US and Britain, (Blair was on parental leave).

<sup>42</sup> Steve Maharey (1954-) was a lecturer in Sociology at Massey University teaching social politics and cultural studies, local councillor 1986-1990, Chairperson of the Labour Electorate Committee in Palmerston North, MP (1990-2008) rising to fourth ranked in the parliamentary party. In 2008 he became Vice-Chancellor of Massey University.

<sup>43</sup> Steve Maharey and Mike O'Brien (eds.), *Alternatives Socialist Essays for the 1980s*, Palmerston North, Department of Sociology, Massey University, 1986.

<sup>44</sup> See Steve Maharey 'Why families are better off with a Labour-led Government' presentation to 'Five years of Strengthening Families Seminar, Dunedin 2004.

<sup>45</sup> *Dominion Post*, 3 January 2009.

<sup>46</sup> See Helen Clark, 'Implementing a progressive agenda in a small country after 15 years of neo-liberalism: New Zealand's Experience', lecture to the London School of Economics, 21 February 2003 chaired by LSE Director, Professor Anthony Giddens, <http://www.lse.ac.uk/collections/LSEPublicLecturesAndEvents/events/2002>, accessed 26 June 2009. See also Helen Clark, interview, 19 October, 2003, *Salient. Victoria University students' magazine*, no. 22, 2003.

<sup>47</sup> Kelsey, *At the Crossroads*.

<sup>48</sup> Denis Welch, *Helen Clark. A Political Life*, Auckland, Penguin, 2009.

<sup>49</sup> Kelsey, *At the Crossroads*. Richard Heffernan, *New Labour and Thatcherism: Political Change in Britain*, Palgrave Macmillan, 2002. Mark Bevir, *New Labour. A Critique*, Routledge, London, 2005.

<sup>50</sup> Andrew Gregg, 'Panic Attacks: The New Right, Media and Welfare Reform in New Zealand, 1987-1998', MA thesis, VUW, 2004. For a broader interpretation, see Paul Pierson, *Dismantling the Welfare State? Reagan, Thatcher and the Politics of Retrenchment*, Cambridge University Press, 1996.

<sup>51</sup> Erik Olssen, *John A. Lee*, Dunedin, Otago University Press, 1977, p. 55. Len Richardson, 'Parties and Political Change' in W. H. Oliver with B. R. Williams (eds.,) *The Oxford History of New Zealand*, Wellington, Oxford, 1981, p 220. Nolan, *Kin*, p. 30.

---

<sup>52</sup> Steven Fielding, *The Labour Party: Continuity and Change in the Making of 'New' Labour*, 2003. See also for instance Steven Feilding, *The Labour Party. Socialism and Society since 1951*, Manchester, Manchester University Press, 1997; and Eric Shaw, *The Labour Party since 1945, Old Labour: New Labour*, Cambridge, Massachusetts, Blackwell, 1996.

<sup>53</sup> Richard Toye, "'The Smallest Party in History'? New Labour in Historical Perspective', *Labour History Review*, Vol. 69, No. 1, April 2004, pp. 83-104.

<sup>54</sup> For a similar point about the predominance of memoirs, see Pat Moloney and Kerry Taylor (eds.), *On the Left: Essays on Socialism in New Zealand*, Dunedin, Otago University Press, 2002, p. 2005.

<sup>55</sup> Tim Bale, 'The logic of no alternative? Political Scientists, Historians and the Politics of Labour's Past', *British Journal of Politics and International Relations*, 1, no. 2, 1999, pp. 192-204.

<sup>56</sup> These three are derived from a reading of the Third Way literature including: Sally Newman, *Corporations and Third Way*, Oxford, Hale, 2002; Oliver Schmidtke (ed.), *Third Way Transformation of Social Democracy: Normative Claims and Policy Initiatives of the "New Social-Democratic Left" in the 21<sup>st</sup> Century*, Aldershot, Ashgate, 2002; Janet Newman, *Modernising Governance: New Labour, Policy and Society*, Sage, 2003; Hale, Leggett and Martell (eds.), *The Third Way*.

<sup>57</sup> Philip Gould, *The Unfinished Revolution. How the Modernisers Saved the Labour Party*, London, Little Brown, 1998. Sydney Webb drafted the original version of Clause IV in November 1917 and the British Labour Party adopted it in 1918: 'To secure for the workers by hand or by brain the full fruits of their industry and the most equitable distribution thereof that may be possible upon the basis of the common ownership of the means of production, distribution and exchange, and the best obtainable system of popular administration and control of each industry or service'.

<sup>58</sup> Miles Fairburn, 'Is there a Good Case for New Zealand Exceptionalism?' in Tony Ballantyne and Brian Moloughney (eds.), *Disputed Histories. Imagining New Zealand's Pasts*, Dunedin, Otago University Press, 2006, pp. 143-167.

<sup>59</sup> Michael Bassett, *Confrontation '51: the 1951 waterfront dispute*, Auckland, Auckland University Press, 1972.

---

<sup>60</sup> See some of the election propaganda, New Zealand National Party, *Tarred with the Same Brush - Why we fight Socialism*, Wellington, 1948, ATL.

<sup>61</sup> H. Roth, *Trade Unions in New Zealand*, Wellington, A. H. & A. W. Reed Ltd., 1973, chapter 4 especially pp. 68-69.

<sup>62</sup> T. W. Bentley, 'Trade Union Financial Assistance to the New Zealand Labour Party 1930-1960', MA Research essay, University of Auckland, 1973, p. 20.

<sup>63</sup> NZ Federation of Labour, *The History of the Carpenters' Dispute, 1949*, Wellington, 1949, p. 2, ATL.

<sup>64</sup> F. P Walsh, *Economic Stabilization in the Post-war World*, Report to the Federation of Labour, Wellington 1946. See also Otago Trade Council, *Analysis of the Walsh Report 1946*. S. W. Scott, *Communist Wage Policy and the Walsh Report*, Auckland, 1946. New Zealand Fabian Society, *Stabilisation or Socialisation*, Wellington, 1948. All are located in the ATL.

<sup>65</sup> New Zealand Federation of Labour, Minutes of the Tenth Annual Conference, 1947, ATL.

<sup>66</sup> *New Zealand Standard*, 13 June 1951, ATL.

<sup>67</sup> *New Zealand Standard*, 20 June 1951.

<sup>68</sup> Peter McCullen and Colin Harris, 'Generative equality, work and the Third Way: a managerial perspective', in Hale, Leggett and Martell (eds.), *The Third Way*, p. 48.

<sup>69</sup> This is an argument put forward by a range of commentators about the distinctiveness of New Zealand, including Leslie Lipson, *The Politics of Equality. New Zealand's Adventures in Democracy*, Chicago, 1947, pp. 8-9. Lee, *Socialism in New Zealand*, Appendix Four pp. 286-288, lists the 'Establishment of social institutions from 1864-1938'. Miles Fairburn, 'The Farmers take over (1912-1930)' in Keith Sinclair (ed.), *The Oxford Illustrated History of New Zealand*, Auckland, Auckland University Press, 1990, pp. 185-209 For a discussion, see Richard Mitchell, 'State Systems of Conciliation and Arbitration: The Legal Origins of the Australasian Model', in Stuart Macintyre & Richard Mitchell (eds.), *Foundations of Arbitration: The Origins and Effects of State Compulsory Arbitration 1890-1914*, Melbourne, Melbourne University Press, 1989, pp.74-103 and Francis G. Castles, *The Working Class and Welfare: Reflections on the Political Development of the Welfare State in Australia and New Zealand, 1890-1980*, Wellington, 1985, pp.82-8.

<sup>70</sup> 'Introduction by The Rt. Hon. C. R. Attlee, P.C., M.P. Leader of the Parliamentary Labour Party in Great Britain', Lee, *Socialism in New Zealand*.



---

<sup>71</sup>E. D. Simon, *The Smaller Democracies*, Gollancz, London, 1939, p. 172. Lipson, *The Politics of Equality*. Erik Olssen, 'Towards a New Society' in Oliver (ed.), *The Oxford History of New Zealand*, p. 277.

<sup>72</sup> For a fuller discussion of this point see, Melanie Nolan, 'Constantly on the Move but Going Nowhere? Work, Community and Social Mobility', in Giselle Byrnes (ed.), *The New Oxford History of New Zealand*, Melbourne, Oxford, 2009, pp. 357-387.

<sup>73</sup> Bassett and King, *Tomorrow Comes the Song*, p. 144.

<sup>74</sup> Department of Education, *The Post-Primary School Curriculum: Report of the Committee Appointed by the Minister of Education in November 1942* (The Thomas Report), 2nd edition, (first published in 1944) Wellington, Education Department, 1959, pp.17-18.

<sup>75</sup> Gregory Lee, 'Origins of the Common Core Curriculum', in Gary McCulloch (ed.), *The School Curriculum in New Zealand: History, Theory, Policy and Practice*, Palmerston North, Dunmore Press 1992. C. Whitehead, 'The Thomas Report - A Study in Educational Reform', *New Zealand Journal of Educational Studies*, 9, 1, 1974, pp.52-64.

<sup>76</sup> Melanie Nolan, *Breadwinning. New Zealand Women and the State*, Christchurch, Canterbury University Press, 2000.

<sup>77</sup> Walter Nash, *New Zealand. A Working Democracy*, London and Melbourne, 1943, p. 230.

<sup>78</sup> 'Closing the Gap' was originally an equal pay policy, New Zealand Council of Trade Unions, *Closing The Gap. Presentations to the forum on equal pay 13 June 1997*, Wellington, NZCTU, 1997 but it became the NZLP's policy over Maori disadvantage after 1999.

<sup>79</sup> M. Temple, 'New Labour's third way: pragmatism and governance', *British Journal of Politics and International Relations*, 2, no.3, 2000, p. 320.

<sup>80</sup> Eric Shaw, 'What matters is what works: The Third Way and the case of the Private Finance Initiative' in Hale, Leggett and Martell, *The Third Way*, pp. 64-82.

<sup>81</sup> See Labour's Election Policy 1935, reproduced in J.T. Paul, *Humanism in Politics: New Zealand Labour Party Retrospect*, Wellington, 1946, Appendix C, pp.164-74. D. G. McMillan, *A National Health Service*, Wellington, NZLP, 1935, ATL. Gustafson, *From the Cradle to the Grave*, p. 221. See also Sutch, *The Quest for Security*, p. 238 J.P.S. Jamieson, *The Medical Profession and Social Security*, Wellington, 1941, ATL. J. B. Lovell-Smith, *The New Zealand Doctor and the Welfare State*, Auckland, Blackwood and Janet Paul, 1966. Elizabeth Hanson,

---

*The Politics of Social Security: The 1938 Act and Some Later Developments*, Wellington, 1980.

D. G. Bolitho, 'Some Financial and Medico-Political Aspects of the NZ Medical Profession's Reaction to the Introduction of Social Security', *New Zealand Journal of History*, 18, 1, April 1984, pp. 34-49. Gustafson, *From the Cradle to the Grave*. Logan, Nurdy, pp. 175-190

<sup>82</sup> Gael Ferguson, *Building the New Zealand Dream*, Palmerston North, Dunmore Press, 1994. Ben Schrader, *We Call it Home: A History of State Housing in New Zealand*, Auckland, Reed, 2005.

<sup>83</sup> McAra Papers, D-11, box 2, University of Auckland Library.

<sup>84</sup> Ferguson, *Building the New Zealand Dream*, pp. 124-137.

<sup>85</sup> James Fletcher (1886-1974), Dictionary of New Zealand Biography,

<sup>86</sup> University of Auckland Business History Project- Fletcher Challenge, University Auckland,

<sup>87</sup> R.T. Metge, "'The House that Jack Built': the Origins of Labour State Housing 1935-38, With Particular Reference to the Role of J. A. Lee", MA thesis Auckland, 1972, pp. 12-15.

<sup>88</sup> See for instance discussion in *The John A. Lee Diaries 1936-1940*, Christchurch, Whitcouls, 1981, p. 88.

<sup>89</sup> Cedric Firth and Gordon Wilson, *State Housing In New Zealand*, Wellington, 1949.

<sup>90</sup> See, for instance, Chris Trotter, *No Left Turn, The Distortion of New Zealand's History by Greed, Bigotry and Right-Wing Politics*, Auckland, Random House, 2007, pp. 150-151.

<sup>91</sup> Keith Sinclair started to consider the representation of the First Labour governments in 'The Lee-Sutch syndrome: New Zealand Labour Party Policies and Politics', *New Zealand Journal of History*, vol. 2, October 1974, pp. 95-117. One could now perhaps consider a 'Sinclair-Gustafson interpretation' of NZLP party policies.

<sup>92</sup> Stephen Driver and Luke Martell, 'Left, Right and the Third Way', in Giddens, (ed.), *The Global Third Way Debate*, p. 40.

<sup>93</sup> Albert Métin, *Socialism Without Doctrine*, translated by Russel Ward, Sydney, 1977 (fp Paris, 1902).

<sup>94</sup> Bruce Brown, *The Rise of New Zealand Labour: A History of the New Zealand Labour Party from 1916 to 1940*, Wellington, Price Milburn, 1962. Barry Gustafson, *Labour's Path to Political Independence, 1900-1919*, Auckland, Auckland University Press, 1980. Margaret Clark (ed.), *Labour Party after 75 years*, Wellington, Department of Politics, Victoria University of

---

Wellington, Occasional Publication No. 4, 1992. There are also a number of pictorial and pamphlet publications, such as Peter Bates, *Labour 40 years on: New Zealand Labour Party 1935-1975*, INL Print, Wellington, 1975.

<sup>95</sup> From Bruce Jesson, *Fragments of Labour*, Auckland, Penguin, 1989 to Trotter, *No Left Turn*.

<sup>96</sup> Miles Fairburn, 'Is there a Good Case for New Zealand Exceptionalism?' in Tony Ballantyne and Brian Moloughney (eds), *Disputed Histories. Imagining New Zealand's Pasts*, Dunedin, Otago University Press, 2006, pp. 143-168.

<sup>97</sup> C. Pierson, *Hard Choices. Social Democracy and the Twenty-first century*, Cambridge, Cambridge Polity Press, 2001. Will Leggett, 'Criticism and the future of the Third Way' in Hale, Leggett and Martell, *The Third Way*, pp. 187-189.

<sup>98</sup> See in particular Sutch, *The Quest for Security in New Zealand and Poverty and Progress in New Zealand*. There have been a number of biographies: James Thorn, *Peter Fraser*, London, Odhams Press, 1952. Sinclair, *Walter Nash*. Olssen, *John A. Lee*. David Gee, *Our Mabel*, Wellington, Millwood Press, 1977. Gustafson, *From the Cradle to the Grave*. Michael Bassett with Michael King, *Tomorrow comes the song: a life of Peter Fraser*, Auckland, Penguin, 2000. Mary Logan, *Nordy. Arnold Nordmeyer; A Political Biography*, Wellington, Steele Roberts, 2008.

<sup>99</sup> Eric Shaw, *The Labour Party since 1945*, Oxford, Blackwell, 1996, pp. ix-xi.

<sup>100</sup> See for instance, the 1990 election: Elizabeth McLeay, eds., *The 1990 General Election: perspectives on Political Change in New Zealand*, Wellington 1991. Jack Vowles and Peter Aimer, *Voters Vengeance: the 1990 Election in New Zealand and the fate of the Fourth Labour Government*, Auckland, 1993. David Denemark, 'The Political Consequences of Labour's New Right Agenda: Findings from the Fendalton Survey, 1987', *Political Science*, 42, 1, 1990, pp. 62-82.

<sup>101</sup> Stefan Berger and Greg Patmore, 'Comparative Labour History in Britain and Australia', *Labour History*, no. 88, May 2005, pp. 9-24.