

NZ Labour installs new leader

By John Braddock
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David Cunliffe, who postured as “left-wing” during the lengthy campaign for the New Zealand Labour Party leadership, won the ballot that was announced last Sunday. While he failed to gain a majority of the parliamentary caucus, Cunliffe won 60 percent of the membership vote and 70 percent of votes allocated to the affiliated unions, to defeat rivals Grant Robertson and Shane Jones.

The installation of Cunliffe is a desperate attempt by Labour to overcome the profound hostility in the working class towards the party. Beginning with the Lange-Douglas governments of the 1980s, the Labour Party has been instrumental in imposing the demands of big business for slashed social spending, privatisation and pro-market restructuring.

As a result, its membership has plummeted and, despite widespread hostility to the present National Party government, Labour faces a third consecutive election rout next year. The previous leader David Shearer resigned last month after shifting Labour further to the right, following landslide defeats to National in 2008 and 2011.

All the candidates in the leadership contest made cynical pitches to working people. Cunliffe denounced inequality and declared he was dedicated to restoring “fairness” and lifting living standards. His limited promises included raising personal taxes on the wealthy, repealing a raft of draconian employment laws, and backing a union-led campaign for a “living wage” of \$18.40 an hour.

Cunliffe is the first leading Labour MP to repudiate the pro-market policies of the 1984-89 Lange government, since Jim Anderton led a 1989 split to form New Labour. At a speech to the New Lynn Women’s Branch in April last year, Cunliffe argued that by adopting the free market “neo-liberal” dogma, Labour had, to its “eternal shame”, embraced a system that “simply handed over most of the wealth and power

to rich people.”

The speech was lauded in “radical” circles. Columnist Chris Trotter, a former Anderton supporter, enthused over Cunliffe’s “singular and radical understanding of the need to steer Labour into the new, fast-flowing tides of historical change.” The pseudo-left International Socialist Organisation (ISO) claimed that a Cunliffe victory would “push Labour, to some extent, to the Left.”

Following Cunliffe’s victory, Trotter declared it was “a great day for David Cunliffe, the Labour Party and the New Zealand working-class.” Blogger Martyn Bradbury wrote: “David has emerged as the peoples [sic] champion for Labour. The winds of history are now at his back and he represents the first real post-[Helen] Clark Labour Party.”

Cunliffe himself has continued to feed these illusions. When Prime Minister John Key declared that the new Labour leader would shift his party to the “far-left”, Cunliffe responded: “If putting a warm dry home around every Kiwi child and making sure their tummies are fed and they have shoes on their feet is suddenly far-left, well go ahead with that tag.”

All of this posturing is entirely bogus. Cunliffe’s elevation does not represent any shift from the agenda of pro-market restructuring begun under the Lange-Douglas governments. While feigning concern about child poverty, he has assured big business that Labour would implement its agenda.

On TV One’s “Q and A” program on September 1, Cunliffe emphasised his commitment to the “market” economy, saying that the role of government was to be an “active partner” to big business and outlining a series of pro-business policies on taxation, research and regional development.

In an interview on National Radio on Monday, Cunliffe declared that he would lift the top personal tax rate from 33 percent to its previous level of 39 percent,

but promised to leave corporate taxes untouched. He emphasised that his proposal for a capital gains tax at the “low level” of 15 percent was to deter property speculation.

Cunliffe has studiously avoided making any promises to reverse any of National’s deeply unpopular policies, including asset sales, public service job cuts, school closures, its increase to the regressive Goods and Service Tax, or recently-enacted spying legislation. On foreign policy, he already declared support for a criminal US-led strike against Syria.

Writing in the *Herald* on September 14, business commentator Fran O’Sullivan reassured her readers about Cunliffe’s “socialist” posturing: “There is considerable room for doubt over whether Cunliffe really embraces socialism. Or whether it is just convenient window-dressing to boost support in the Labour Party at large to make up for the considerable distrust he faces within the caucus.”

Cunliffe helped implement anti-working class policies of the 1999–2008 Clark administration. He was first elected in the Titirangi electorate seat, later New Lynn, in 1999. He graduated from Harvard University with a masters degree in public administration then worked as a diplomat, economist and business strategist for Boston Consulting Group. To allay business concerns, he peddles his corporate background, claiming he can match Key, a former currency trader, on the prime minister’s own terms.

Under Clark, Cunliffe held the health and commerce portfolios. As minister of commerce, he was responsible for unbundling Telecom’s local loop monopoly and further opening up the IT sector to investors. When Labour was defeated at the 2008 election, he took the shadow finance portfolio. As opposition spokesman, he advocated fiscal “prudence”, lowering debt levels, “partnerships” with business—including public-private partnerships—and boosting the Maori business base.

Cunliffe has been a consistent advocate of austerity measures that have devastated the living standards of working people. In May 2011, in response to the release of National’s budget cutbacks, Cunliffe told Radio NZ that “under any government there would have to be cuts”, because finances were tight. His main line of attack against National this week has been over the deficit, boasting of Labour’s record of budget

surpluses, achieved by slashing spending on health, welfare and education. His message is clearly that the government’s measures are not harsh enough.

As the New Zealand economy deteriorates, Cunliffe is promoting Labour to the corporate and financial elite as the best political instrument for implementing its agenda while containing any resistance from working people. This right-wing bourgeois politician is only able to get away with his fraudulent posturing as a defender of the working class with the assistance of figures like Trotter and the pseudo-left ISO.

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