

## TROUBLE IN PARADISE

— by Roderic Alley

"Last, loneliest, loveliest, exquisite, and apart"—so begins Rudyard Kipling's 1896 ode to Auckland, on New Zealand's North Island. Even today, facing the quiet waters of mile-wide Waitemata Harbour and flanked by a phalanx of 60 volcanoes, Auckland retains a certain South Pacific flavor.

In the shadows cast by Air New Zealand's glass and concrete office tower, Polynesian greengrocers sell taro, yams, and coconuts to Maori housewives along Karangahape Road. Amid the hibiscus, frangipani, and banana trees in Albert Park, briefcase-toting bankers dressed in shorts, knee-socks, shirts, and ties discuss the latest trade agreements with Australia. Comfortable Edwardian cottages overlook weekend bathers on the city's numerous secluded beaches.

Yet during the last few years, Auckland has lost just a bit of its special charm. Tourists may now gawk not only at bowlers on the lawns of the Mission Bay Club but also at the nude revue at the Pink Pussy Cat. On downtown Queen Street, the city's main shopping thoroughfare, broken windows and looted shops periodically attest to skirmishes between Maori and Samoan youth gangs, members of New Zealand's new underclass. With 825,000 inhabitants, Auckland now suffers the distinction of ranking number one among cities of the world in burglaries.

Aucklanders—and indeed, all New Zealanders—have long considered themselves "a special people with a special destiny," in the words of expatriate journalist Peter Arnett. Yet the economic upheavals of the 1970s and '80s have shaken this cherished assumption. The first jolt came when Britain entered the European Common Market in 1973, effectively ending its days as New Zealand's largest overseas market for farm products. Then New Zealand's energy bill jumped 123 percent in a single year after OPEC raised the price of oil in 1973-74. Soon thereafter world prices for lamb, wool, and butter slumped. New Zealand's once-healthy export economy began to sicken. By the end of the 1970s, "New Zealand had come through the most relentlessly traumatic decade . . . since the Great Depression," wrote economist Mervyn Pope. The hard times left in their wake an "anxious, lethargic, and bitter" people.

Today, feelings of pessimism and uncertainty persist. The economy is still in an uneasy state. No longer sure of their spe-



*Tourists may gawk at Auckland businessmen sporting knee-socks, shorts, ties, and short-sleeved shirts; New Zealanders do not mind. The 550,000 tourists who visited the islands in 1984 spent nearly \$300 million.*

cial destiny, bitterly divided in their politics, New Zealanders wonder whether their society remains capable of assuring a “fair go” for the ordinary citizen. “For better and for worse,” as economic historian John Gould put it, “New Zealand has become much more like everywhere else.”

New Zealanders have long been accustomed to a certain modest, if unimaginatively expressed, prosperity. “The average house of the average New Zealander displays his soul truly, and utility is its essence,” an anonymous contributor once wrote to the *Triad* magazine. Yet 70 percent of the nation’s families own homes, slightly more than in the United States. Even the “inner-city” neighborhoods of the poor, with their indistinguishable, red-roofed “ticky-tackys” built on exactly one-eighth of an acre, look to Americans like respectable lower-middle-class suburbs. Most families have enough extra income\* for at least a small Australian-built Ford—even though gasoline at \$3.50 a gallon

\*The average New Zealand family now makes about \$233 (U.S. dollars) a week, compared to \$472 for Americans. To support the country’s massive welfare system, taxes may eat up to 66 percent of personal income, not far behind Sweden and Denmark.

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makes driving expensive. And food is plentiful, although the average household's cuisine may strike visitors as uninspiring. "They exhaust their ingenuity on . . . vast cream sponges," complained novelist Eric Linklater. "Soup is neglected . . . [and] their admirable mutton . . . incinerated."

The citizens of what a Welsh poet once called "the suburb of the South Seas" put a high premium on leisure. Few New Zealanders spend more than 40 hours a week on the job, and those who work on weekends may command a fortune in overtime pay. Indeed, until 1980, shops closed on both Saturday and Sunday; a few remain obdurately shut on Saturdays, and all are still closed on Sundays. The weekends, instead, are for gardening, hiking, or sports. Sailboats tack across the bays around Auckland each Saturday, and even the smaller cities empty as workers head for the "bach," a family cottage in the mountains or on the beach. Of those who stay closer to home, the women play a weekend version of basketball called netball, while the men go off to watch rugby or to drink with cronies. (Getting "a bit full" is a national male indulgence; New Zealanders rank 12th internationally in consumption per capita of alcohol.)

#### **Cradle-to-Grave Mendicants?**

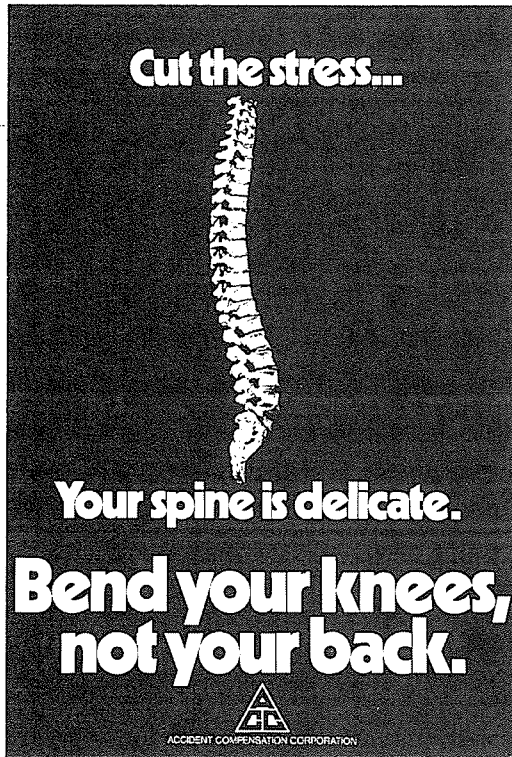
In short, New Zealanders, civilized and courteous, are not a people driven by ambition. In egalitarian New Zealand, "everyone receives the same amount of the world's goods," according to essayist Bill Pearson, and the consequence is that "everybody acts the same . . . everyone moves in the same directions." Some students from New Zealand's 34 private secondary schools, such as the pinstriped lads of Christ's College in Christchurch, ape the mannerisms of their British public school peers, and a few of the "old boys" have gone on to Parliament or the Cabinet. But to most New Zealanders, private schooling, like wearing black tie to an art gallery opening, smacks not of status and sophistication but of pretentiousness. "No particular prestige adheres to rising in society from poverty to power, affluence, or eminence," notes historian Keith Sinclair. "Nor does any great stigma attach to changing from white collar to overalls."

Hard-driving Americans may feel a twinge of envy over the slower pace of life. Some New Zealand authorities, however, became so alarmed by their countrymen's disdain for upward

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*A government poster warns homemakers and wage-earners alike to guard against accidents. The state-run accident insurance program pays lost wages, medical bills, even funeral costs, for some 120,000 people a year—to the tune of nearly \$55 million. The state treasury disburses another \$200 million in other health benefits, more than half of it going for prescription drugs.*



mobility that New Zealand's state-owned TV network interrupted regular programming during most of 1979 with the message: "We must work harder, otherwise we are not going to make it." Ronald Nairn, entrepreneur and native son, criticizes not only the leisurely suburban lifestyle but also the country's social welfare cushion for creating a race of "cradle-to-grave mendicants" reluctant to strive or excel in any sphere.

This "time trap of the spirit," as local humorist Gordon McLauchlan calls it, a desire to hang on to a "village mentality," may have left New Zealanders singularly unprepared for the disorderly and disturbing 1970s. When the economy suddenly sagged and real income per capita began to plunge in 1973 (dropping 45 percent by 1976), New Zealanders searched for a scapegoat. The ruling Labour Party, in power for the first time in 12 years, took the blame.

In opposition, conservative National Party leader Robert D. Muldoon, an accountant from Auckland, emerged as what one political writer called a "tough-talking father-figure" who would return New Zealand to its former prosperity. His pledge to "pre-

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serve what we have always enjoyed" attracted even old-time Labour partisans from the city's working classes. They, together with National Party loyalists—the farmers and wealthy urban manufacturers—handed Muldoon the prime ministership, with a landslide 23-seat Parliamentary majority in November 1975.

Muldoon proved to be a curious ideological amalgam. A senior French official visiting Wellington decided that rather than trying to locate Muldoon along any conventional Left-Right spectrum, he would place the Prime Minister midpoint between the rabble-rousing French populist Poujade and the Italian dictator Mussolini. The comparison was far from inapt. Muldoon's undoubted strength as Prime Minister lay partly in his willingness to use the long arm of the state to direct the economy as he thought fit. But he also profited from his ability to appeal to the prejudices and instincts of "the ordinary kiwi bloke."

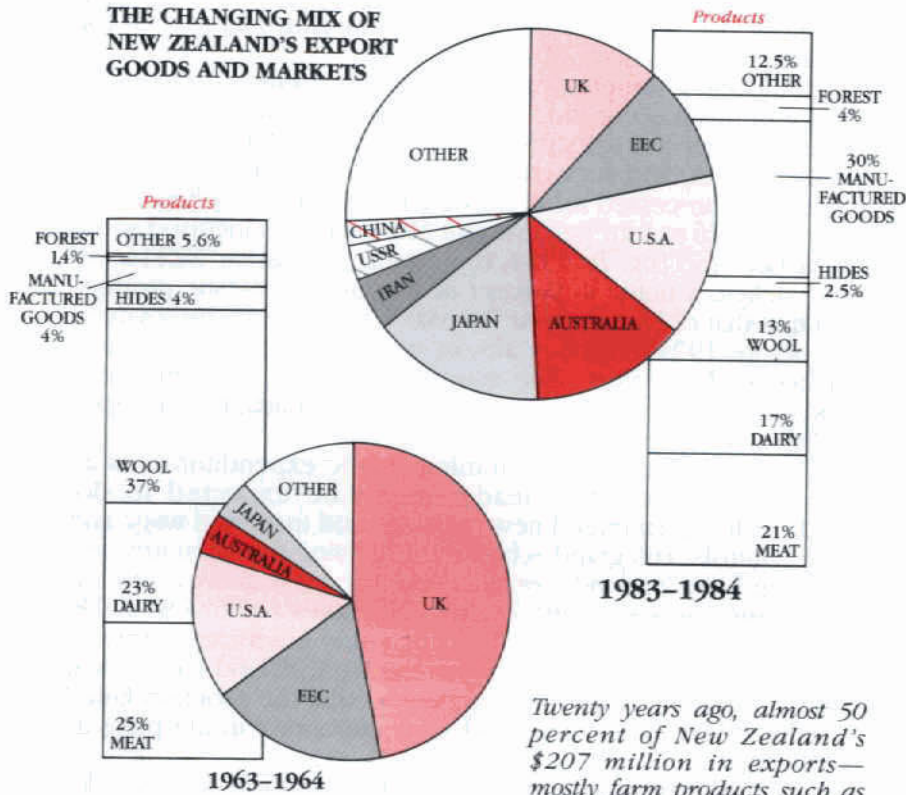
### **Rob's Mob**

Those instincts were—and are—not completely benign. One product of New Zealand's pragmatic way of life is what James Michener once called "probably the most conservative white man still living," and Muldoon played to his sentiments. He campaigned against the "stirrers," the militant trade unionists, feminists, and radical students who dared criticize New Zealand's "unique qualities." He ordered police to raid the homes of Pacific Islanders—"the Turks of the South Pacific"—suspected of exceeding their allotted time in the country as guest workers. "Rob's mob," Muldoon supporters with a penchant for "rugby, racing, and beer," applauded his declaration that critics of a New Zealand rugby tour to South Africa were nothing less than traitors (see box, page 72).

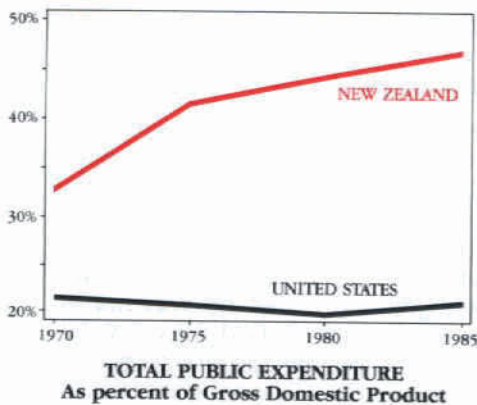
Muldoon's rhetoric and his ad hoc economic policies, however, were not universally popular. Newspaper cartoonists poked fun at his abrasiveness. Police raids against the Polynesians in particular stirred protests from civil rights groups and fed the burgeoning Maori rights movement. Environmentalists were unhappy with Muldoon's attempts to expand the country's tiny manufacturing sector. Inspired by their success during the early 1970s in saving the remaining "native bush" (including Kauri trees the size of California redwoods) from the pulp factories, protestors zeroed in on hydroelectric plants planned for scenic rivers such as the Clutha on the South Island and on government proposals to reopen old coal mines.

Muldoon ignored his critics because for most of a decade he could afford to do so. "Real bloke" New Zealanders, particularly in rural areas, continued to support him as opposition La-

**THE CHANGING MIX OF NEW ZEALAND'S EXPORT GOODS AND MARKETS**



Twenty years ago, almost 50 percent of New Zealand's \$207 million in exports—mostly farm products such as butter, meat, and wool—went to Mother England. In today's nearly \$5 billion export market, aluminum, steel, and machinery rank alongside meat in percentage of sales; the United States, Japan, and Australia buy as much as Great Britain. As New Zealand has diversified and expanded its exports, so too has government spending mushroomed. Today, public spending accounts for over 45 percent of the gross domestic product (versus 21 percent in the United States).



Sources: New Zealand Statistics Department; U.S. Department of Commerce.

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bour leaders disagreed amongst themselves over election tactics. Thus, Muldoon retained power, if by slim margins, in the Parliamentary elections of 1978 and 1981.

Muldoon's tumultuous regime finally came to an end in 1984. On the positive side, he had expanded markets for New Zealand's meat and dairy products in Japan, the Middle East, and Southeast Asia, and strengthened the manufacturing industries, particularly processed food, paper, and aluminum. Inflation was down from 16 to four percent. But Muldoon also incurred some big debts—too big. In 1984, the country's massive NZ\$14 billion\* deficit, a hefty 36 percent of the gross domestic product, matched that of Honduras or Bolivia. Where the unemployment rate before 1973 had been almost too low to calculate, it now reached eight percent. The country's standard of living, once ranked third behind the United States and Canada, had dropped to 29th among Western nations.

Ironically, instead of trimming public expenditures, as an ostensibly conservative leader might be expected to do, Muldoon had guaranteed new pensions and instituted wage and price controls. His grand scheme for reviving the economy and reducing New Zealand's reliance on imported energy, labeled "Think Big," was to attract foreign companies and investors. Yet so much red tape remained uncut (one American company planning to build a new factory on the North Island had to deal with 23 different government agencies) that the program failed to deliver what it promised and was lampooned in the press as "Sink Big."

To Wellington satirist Tom Scott, Muldoon looked like someone attempting to drive a car with both brake and accelerator pedals jammed to the floorboards.

### Rogernomics

If Muldoon was a state socialist in conservative clothing, then his Labour Party opponent in the July 1984 Parliamentary elections, a 41-year-old criminal lawyer named David Lange (pronounced LONG-ee), was an economic conservative masquerading as a middle-of-the-road socialist. Calling vaguely for "reconciliation, recovery, and reform" (the "Three R's"), Lange convinced New Zealanders, with difficulty, that he was not an "economic illiterate," as Muldoon charged. Anti-Muldoon sentiment was strong enough, however, to propel Lange's party to a 19-seat Parliamentary majority, ousting the National government that had been in power for nine years.

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\*By the end of Muldoon's tenure, the New Zealand dollar was worth about 63 cents; in January 1986, it was worth around 57 cents.

After the election, Lange moved almost immediately to support the sagging New Zealand economy with his so-called more market strategies. Dubbed Rogernomics, after Lange's finance minister Roger Douglas, the changes included fewer restraints on imports such as kitchen appliances and farm machinery; higher rates for government-produced timber, coal, and electricity; an end to cheap loans and price supports for farmers; and less state interference in wage negotiations.

Many New Zealanders have yet to feel the effects of Lange's tinkering. They still have enough time and money for the outdoor life and for betting at the racetrack. The state still provides full pre- and post-natal care free of charge. University tuition is still less than \$1,000 a year. The aged still get their pensions; national accident compensation covers everyone, regardless of whether they have other forms of insurance.



*New Zealand consistently produces able cartoonists, some of whom have built international reputations. Here, three Prime Ministers get their comeuppance: Fred Hiscocks caricatures "King" Dick Seddon (1893-1906), while Tom Scott lampoons Robert Muldoon (1975-84) and David Lange (1984- ).*



### POLITICAL FOOTBALL

Its aficionados call rugby New Zealand's "national religion," and only the brave dare disagree. Since the first local match in 1870, New Zealanders have developed a mania for the rough-and-tumble sport, following the fortunes of the national 15-man All Blacks team even more devotedly than Dallas watches the Cowboys.

Today, rugby remains the "last brave bastion of male brawn and skill" that a Canterbury sociologist once claimed it to be. Each Saturday, 200,000 self-described "dedicated amateurs" (even national players are nonprofessional) take to the field. Half a million more pitch in as umpires, spectators, and coaches. To Americans, rugby looks like sheer mayhem: a mix of soccer, football, and wrestling. But to former All Blacks coach J. J. Stewart, it is a game of drama and simplicity that "grips the player for life."

In recent years, however, the political furor generated by events off the field has threatened rugby's future as "an inalienable human right," as one Auckland columnist describes it. As early as 1967, the All Blacks made world headlines when Balthazar Johannes Vorster, then Prime Minister of South Africa, canceled their scheduled visit because Maori were members of the team. When the South African team, the Springboks, toured New Zealand in 1981, two matches in Auckland were canceled and oth-



ers played behind barbed wire to protect players from 6,000 anti-apartheid protestors hurling gasoline bombs.

Bitter pulls-and-tugs among the All Blacks, the New Zealand government, and South Africa surfaced again when Prime Minister David Lange tried, unsuccessfully, to dissuade the All Blacks from making a trip to South Africa in 1985. Nearly 42 percent of New Zealanders expressed support for the tour (according to a local poll). Yet more than 70,000 people protesting the trip took to the streets of Auckland, Wellington, and Matamata. Worse yet, a group calling itself Women Against Rugby declared war on the entire sport by refusing to chauffeur their husbands to games and by making them launder their own uniforms.

With New Zealanders at apparent loggerheads, two rugby-playing lawyers obtained an injunction from Wellington's High Court to bar the All Blacks' departure for Capetown, claiming that it would "damage, perhaps irreparably, the goodwill of the community." The national Rugby Union, with some ill grace, canceled the trip.

Meanwhile, New Zealand's local clubs are feeling the side effects of bad press and politics. Some secondary schools no longer teach the game; others ban rugby practice during school hours. But through it all, Cez Blazey, the 76-year-old head of the Rugby Union, remains stoutly optimistic: "People opposed to the Tour say that rugby is going to disappear. Nothing of the kind will happen."

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Even members of Lange's Cabinet are unwilling to speculate about the long-term consequences of his schemes. As Deputy Prime Minister Geoffrey Palmer put it, "This is the time to pause—to regroup after the first wave of policy development." But from the outset, there seem to have been some apparent winners and some big losers.

Lange's policies initially bolstered industry, something that business leaders had not expected from a self-proclaimed socialist. Entrepreneurs in Auckland and Wellington applauded loosened trade restrictions and a devalued New Zealand dollar, believing that they would spur local competition and make New Zealand exports more attractive abroad. Lower tax rates scheduled for mid-1986 promise more affluent New Zealanders some surplus income to spend at local art galleries or on private schools for their children.

### Sacred Cows

But Lange has not brought back a golden age. With last season's lamb crop still hanging in the freezers in Southland province and the country's principal markets for lamb in Europe and the Middle East drying up, country folk fleeing failing dairy and sheep farms now throng Auckland and Wellington. And since the New Zealand dollar unexpectedly strengthened in 1985, even some manufacturers are finding Labour's brisk version of private enterprise a bit risky.

The biggest losers, though, are Labour Party stalwarts: blue-collar employees in New Zealand's construction, transport, and manufacturing industries. Union leaders warn that fewer trade restrictions on imported goods (and hence more competition from cheaper shoes, clothes, and machinery) may put as many as 400,000 workers out on the street. Nor does the working-man's paycheck buy what it did a year ago. Since Lange changed the way companies and unions negotiate wage increases, most union men have gotten smaller wage hikes than in previous years. At the same time, prices for gasoline, utilities, and housing have risen variously from 25 to 80 percent since late 1984. The net impact, as elegantly described by the *Economist*, has been "a sudden impoverishment of the working man, achieved during an abattoir session for Labour's most sacred cows."

Lange's foes, however, are not limited to critics of his economic policy. Social conservatives, fretting over a supposed Lange-inspired erosion of traditional values, may be the most aggrieved and most vocal of his detractors. In early 1985, liberal members of Parliament submitted a bill to decriminalize homosexual relations, fully expecting it to pass Parliament without

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debate. But American-style religious fundamentalists, galvanized by the fear that homosexuals would “teach their lifestyle in the schools,” led what they claim is the largest petition drive (800,000 signatures) in New Zealand’s history to stop passage of the bill. Founders of the organizing group, the Coalition of Concerned Citizens, warning Lange “that we have had enough,” now threaten to oust the Labour Party in the 1987 election.

Moreover, after nearly a decade of having the stage to themselves, New Zealand feminists in groups such as Auckland Women’s Liberation and Sisters Overseas Service—which helps women needing abortions to get them in Australia—now battle “conservative Christian” women over abortion, equal pay, and child care. Members of Women for Life and Save Our Homes champion the deeply entrenched idea that the husband is the breadwinner in New Zealand and that women, especially mothers, should be “satisfied with family life.”\* Their appeal is perhaps stronger than it would be in the United States, since the proportion of women working outside the home (40 percent) is roughly the same as one would find in Greece.† Working mothers often endure the opprobrium of women who remain at home. Feminist demands for state-supported child-care centers, Swedish-style, have been met with comments echoing those of a Cabinet minister who once said the government should not be in the child-care business because it “encourages mothers to place their children in day care unnecessarily.”

### No Nukes, Please

All in all, Lange has curtailed the growth of state spending, at least for the time being. Rollbacks in agricultural subsidies and fewer trade restraints have reduced the government’s ability to intervene in the economy; lower wages and higher fees for government services may have exacerbated social tensions. But none of this has attracted much attention abroad. What put New Zealand—and Lange—on page one in America and Europe was his February 5, 1985, decision to bar a U.S. Navy destroyer, the *Buchanan*, from New Zealand’s harbors unless Washington gave assurances that the ship was neither nuclear-powered nor nuclear-armed.

Lange’s defiant attitude was a novelty in a country whose Prime Minister in 1939, Michael Savage, declared as war broke out in Europe: “Both with gratitude for the past and confidence

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\*While a local poll shows that a majority of New Zealand women are happy at home, some clearly are not. Roughly one-third of all marriages now end in divorce, and though married women do not drink as much alcohol as their men folk, they take one-third more tranquilizers.

†The corresponding U.S. figure is 55.5 percent.



*Like Californians, New Zealanders enjoy easy access to outdoor recreation. Yachts fill the marinas in Auckland's harbor, and the city's residents can drive to the North Island's Mount Ruapehu in three hours for a weekend of skiing.*

in the future, we range ourselves beside Britain. Where she goes we go, where she stands, we stand.”

Yet Lange's hard line should not have surprised Washington officials. Muldoon and most of the members of his Cabinet belonged to the old breed, men who had fought alongside American troops during World War II. Lange is part of a generation that protested against New Zealand's participation in the Vietnam War during the 1960s. (The U.S. State Department once denied him a visa, probably because of his antiwar activities.) He and his young Cabinet are determined to set New Zealand on a “self-reliant” political course, independent of its traditional allies, including and perhaps especially the United States.

Leaders in the United States and Australia (New Zealand's partners in the ANZUS defense treaty) do not seem to understand that Lange's decision to ban nuclear ships from New Zealand ports is not the work of some leftist faction in temporary control of the Labour Party. Nuclear protesters have been intermittently active in New Zealand (as in Britain) since 1949, when a trade union in Canterbury on the South Island established an anti-nuclear peace group. As early as 1963, a petition endorsing

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a nuclear-free zone in the Southern Hemisphere ("No Bombs South of the Line") garnered 80,000 signatures. In the 1984 elections, Muldoon's National Party was the only major party that failed to endorse a nuclear ban.\*

Today, the anti-nuclear symbol, a nuclear warhead with a diagonal slash through it, has become a familiar sight in New Zealand's cities—displayed in stores, sold on "Nukebuster" T-shirts, and spray-painted on walls. The people who oppose nuclear weapons include 58 percent of all New Zealanders, according to local polls, and they represent a broad spectrum of middle-class groups—professionals, women, local guilds, and environmentalists—as well as the usual left-wing radicals.

### Reluctant Nation

Faced with strong public pressure, Lange is taking no political chances. Having alienated much union support with his conservative economic policies, the Prime Minister risks further fracturing the Labour Party—thereby jeopardizing the outcome of the 1987 election—if he reneges on his rebuff to Washington. With voters increasingly resentful over the nation's loss of prosperity, Lange knows that his future depends far more on whether he produces—or seems to produce—an economic recovery, this year and next.

One step toward that recovery, in Lange's view, can be taken close to home. Australia remains indisputably the biggest power in the South Pacific, but the Lange administration hopes to increase New Zealand's influence and—not coincidentally—to help strengthen the country's economy by becoming a major supplier to tiny countries such as Kiribati and the biggest buyer of local goods from islands such as Samoa. More importantly, Lange seeks to assure New Zealanders, at least, that "we in the Pacific are capable of making up our own minds." He wants New Zealand's "military efforts shifted to the South Pacific," in particular to the 13-member South Pacific Forum.† In August 1985, as part of this new "security commitment," Lange, along with Australian prime minister Robert Hawke, convinced the forum to declare its territories a nuclear-free zone, to avoid becoming "the cockpit of superpower confrontation."

How, in the long run, New Zealanders will take to Lange's "self-reliant" policy remains unclear. Unlike the Australians to

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\*Four major political parties ran candidates for the 95-member Parliament; the National, Labour, and Social Credit parties won seats.

†The members are Australia, the Cook Islands, Fiji, Kiribati, Nauru, New Zealand, Niue, Papua New Guinea, Solomon Islands, Tonga, Tuvalu, Vanuatu, and Western Samoa. New Zealand has a 5,700 man all-volunteer army, a 10-ship navy, and a small air force.

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whom they are so often compared, New Zealanders have not been enthusiastic chauvinists. The reasons for this difference are many. Australia began breaking away from Britain earlier than New Zealand perhaps because the Irishmen who settled there were less well inclined toward the Mother Country than New Zealand's Scottish colonists. Perhaps Australia's natural resources—coal, oil, uranium, iron ore—made self-assertion not simply desirable, but possible.

Whatever the reasons, New Zealand is still the "reluctant nation" that political scientist Austin Mitchell found it to be a few years ago. Despite the public furor over nuclear weapons, New Zealanders seem divided over what direction to take. A recent poll shows that most New Zealanders—regardless of their views on nuclear arms—favor remaining in ANZUS. Many older men who fought in World War II fear that Lange's anti-nuclear, anti-ANZUS policies will alienate a good friend in the United States. Many blue-collar workers worry that less trade with the United States could mean fewer jobs. Some journalists and educators who support Lange's policies are concerned that the government's current quest for economic and political self-assertion may prove too arduous for the voters. If so, New Zealanders may simply adopt a new "mother protector," becoming an economic underling of neighboring Australia.

During its long, often hesitant search for a national identity, "New Zealand has been like one of her own schoolboys," as local historians Keith Jackson and John Harré put it, "forced to continue wearing short pants long after maturity." As they cope with their present dilemmas, New Zealanders are discovering that wearing "long pants" takes some getting used to.

