Not All Black & White

INSIDE NEW ZEALAND'S SOCIAL LABORATORY

BY CRAIG SHERBORNE

If a revolution ever happens in Australia, it won't start in Australia. We're not that kind of people. We follow; we don't lead.

If a revolution happens, it will happen overseas first. New Zealand, for instance. The perfect place for an ideas summit. A small revolution might come of it, not bombs and corpse-lined streets but the peaceful death of the two-party power base in politics. Female prime ministers. No mere lip-service apology to right the wrongs of a racist past, but hard cash as compensation. A political party, with seats in parliament, that exclusively represents the interests of the country's indigenous people.

If you think Australia and New Zealand are peas in a pod, you are mistaken.

In social justice, New Zealand has, for most of its modern history, been advancing the lantern into the future's blank mist, where Australia has been hesitant to venture. In indigenous land rights, most obviously. For 33 years, reconciliation has officially been underway. Tribes and the Crown are hammering out reparation deals, one long legal battle after another.

In the lead-up to the last Australian election, the Howard government sent the military into Northern Territory Aboriginal communities on the pretext of protecting children at risk of abuse and death. Prime Minister Rudd intends to continue the policy, in principle at least. New Zealand, meanwhile, has the fourth-highest infant-mortality rates in the OECD. Maori poor are major contributors to that statistic. Would Prime Minister Helen Clark send troops in to run hotspot Maori communities?

"Unthinkable," she says, frown-laughing and steadying her cuppa.

Why unthinkable?

She shakes her head as if the answer is axiomatic. "It could not happen in New Zealand. We live in a totally different reality. Maori occupy a completely different position in the broader New Zealand community. They're not isolated in what Americans would call reservations. We just don't have that. There's a lot more contact between people. There'd be very few European families here who didn't have a Maori relative. I think in mine there are at least two."

'Assimilation': a taboo word in Australia. A word for politicians, the clergy, bureaucrats, historians and dinner-party worrywarts to fret about using. And understandably so. In Australia it accrued an extra meaning: the breeding out of Aborigines, watering them down from brown to white. Doing away with that meant leaving Aborigines as a separate, sidelined people not to be bothered too much with Western ways: perhaps one day, miraculously, they will grow strong and healthy in a viceless dreamtime where parasitical grog-runners and art dealers are shooed away forever. If assimilation must take place, we'll not call it that, but substitute a genteel softener, a word such as 'integration'.

In New Zealand, assimilation just *is*. There is no sinister sub-plot of ethnic cleansing. Those of Maori descent make up 17% of the nation's 4 million people. Aborigines are

2.5% of Australia's 21 million. That superior percentage is one explanation for Maori political clout. Their traditional warlike way is another. In 1840 the colonising British, sick of conflict with tribes, drew up a treaty. Those tribes soon learned that a treaty, like any legal agreement, can be overridden, altered, broken. But it provided a foundation document for the nation, albeit a contestable one, and a tenet for future Maori generations' political and financial grievances.

Later this year, New Zealanders go to the polls. Clark, 58, is tipped to be voted out of her ninth-floor office in 'the Beehive' (so-called because of its squat, honeycomb design), the government wing of parliament in New Zealand's capital, Wellington. She has been prime minister for nine years. That is a fair time by any democracy's standards. Kiwis are due an electoral swing. In February, support for Labour – unlike us, Kiwis spell it the British way – was estimated at 32%, compared with 55% for the conservative National Party. Australia may have just voted out a conservative government but its mate across the ditch is set to go the other way, though a recent Morgan survey claims Clark is making ground: 35% support for Labour, 40.5% for National.

Yet if National wins, the reconciliation process is unlikely to change. The new PM would be the 46-year old John Key, a millionaire financier from working-class stock, tailored to the white-shirted nines but with a pleasant hint of plainness, goofiness. His Canberra equivalent would be a flashier male with slicker rhetoric. He'd crack a joke about the footy. Then, when the note-taker was switched off, drop in a 'fuckwit' or 'dickhead' in reference to a parliamentary opponent to appear combative, no fool, not too polished and twee. Clark's Canberra equivalent might do much the same.

No culture has a national trait, some essential quality consistent among its people. But anyone with a lifetime of observing New Zealanders must sketch a white Kiwi exemplar as less abrasive and coarse in manner than a white Australian: a quietly dour type with a bitten-down dialect of English that planishes vowels and places 'ay' at the end of a question or statement, as if in exclamation or apology, it's never clear which.

Twenty years ago a meanness was detectable in Kiwis, especially where money was concerned. The white working and middle classes were derisive of Maori, referred to them pejoratively as horis, and complained that those horis were lazy, wouldn't work, got too many handouts. Their better-educated children, richer and travelled, are lighter in heart and more likely to embrace, not resent, indigenous rights, and have progressive social views in general. Not so in Australia: we are more authoritarian, with a bogus myth of larrikinism to mask our distaste for non-conformity and ingenuity.

Key, like Clark, wants reparation deals with Maori sewn up within the next decade. Five have already been settled, but five is a paltry number. Many more are with the lawyers. "We're very keen to continue and accelerate that process of resolving historical claims. We like to think we can achieve that in a timeframe of around 2014," Key says, nodding with confidence.

Two floors down from his small pale-wood office sits the mullet-haired Pita Sharples, his framed doctorate for anthropology and linguistics displayed among family photos, Maori carvings, warrior weapons. He scoffs at the notion of a 2014 deadline. He shrugs and pouts his bottom lip when asked: Where do they end, all these reparation claims?

"It won't stop," he says.

They'll just keep coming and coming?

"Yes."

No end to it?

A shrug. Sounds as if the colonisers will be made to pay in 50, even 100 years.

Helen Clark isn't surprised by that. Nor apparently too fussed. She stretches into the cushions of her Beehive sofa, a long woman with a patient if interrogative stare. "That ain't the end of it," she declares of deadlines. "You have to continually work on reconciliation issues. Looking at it from 1200 miles' distance, we tend to view the Rudd apology as a first step, not a last."

Perhaps there is no last.

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European New Zealand began as a seal-hunting colony in 1792. Maori had migrated in canoes from east Polynesia many hundreds of years before that. In contrast to Australia, where Aborigines were classified by colonialists as no better than wildlife, subhuman, no impediment to the notion of Terra Nullius, Maori were treated as a formidable branch of humanity. By the time Christianity was introduced, along with the staple European livestock – cattle and sheep – in 1814, Maori were considered the British of the south by settlers for their village structure and warrior culture. Years of tribal conflict had made them capable defenders of their lands against the Pakeha (white people).

In the 1820s New South Wales courts had jurisdiction over New Zealand's British settlers. But on 6 February 1840, the treaty with Maori was signed at Waitangi, in the Bay of Islands. It ceded sovereignty to the British, with Maori given rights to continue their way of life on their traditional lands and fishing places. Parliament was established in 1852, and by 1867 four Maori men were admitted. Aborigines weren't even included in the Australian census until a century later.

But as European migration surged, the Waitangi Treaty was treated as defunct by Pakeha. In 1874 alone, 31,774

Ko Wikitoria te Kuini o Ingarani ... Rangatira ... Hapu ...

VINTAGE BOTTLE No.

LARGE MEETING OF SETTLERS AND MAORIS AT A NATIVE VILLAGE NEAR NAPIER, HAWKE'S BAY, NEW ZEALAND.—SEE PAGE [illegible]

settlers had arrived through an assisted-migration program. They needed land. They wanted more rights than the treaty afforded new citizens determined to spread out across the country and establish communities, polities. A rift, often violent, developed between Maori and the emerging modern state. The state won. Maori grievances became an ignorable inconvenience. All but 10% of Maori land was now owned or controlled by Pakeha. Though Maori had once numbered 100,000, deprivation and intertribal war reduced the population to 30,000.

Skip forward to 1975. The Labour government of the day decided it was time for Pakeha to make amends. Maori had suffered more than a century of injustice; any civilised society would do something. The Waitangi Tribunal was established to consider reparations. But this tribunal was more symbolic than expeditious. It was set up to consider only contemporary injustices. It had no brief to explore the sins of history.

That changed in 1984 following the election of Labour, led by David Lange, an Auckland lawyer who had spent most of his career defending miscreants in that city's southern ghettoes. His government gave the tribunal powers to consider injustices dating back to 1840. The tribunal's role was to decide what tribes had legitimate claims for compensation. Those that did would then negotiate with the Crown. It sounded straightforward enough.

But matters proceeded slowly and eventually stalled. Lange became frustrated to the point where, recalls the Wellington-based political journalist Anthony Hubbard, he was on record as saying, "We didn't know what we were getting into." Public opinion on the process fell into three categories, says Hubbard: "A third were liberal on the settlements issue; a third, indifferent; a third, hostile." Some Maori demanded the state adhere to the letter of the treaty – though the efficacy of the document itself was questionable, given discrepancies in the original Maori translation of the English drafting, and doubts over whether Maori knew what they were signing up to. Some activists began calling for Maori sovereignty to be reinstated.

Enter the National leader Jim Bolger, all craggy face and mangle-speak, who swept to power in 1990. Surely he wouldn't have any truck with this interminable reconciliation business. It was a patronising fake, scorners complained. You don't help people pull their socks up by pandering to their whingeing and whining about being victims. Maori

get enough handouts. Who do they think they are? Do they want to steal the land from hardworking farmers? And now we're expected to refer to tribes by using the Maori term, iwi. You go to a function in Australia and they start speeches by thanking traditional owners, like saying grace. But in New Zealand a Pakeha is expected to do a whole spiel in Maori. Then carry on in English, then Maori again, then English, a bit more Maori. The national anthem is sung in two parts: a verse in Maori, a verse in English. What next?

Then there was Pakeha resentment that New Zealanders with Maori ancestry could vote on an alternative roll which divided the country into seven Maori regions, each with a seat in parliament. Fifty percent of Maori vote this way.

Bolger came from cow-cocky stock in rich-pastured Taranaki, where Maori were more populous than in most agricultural communities. He'd been schooled with Maori, odd-jobbed and socialised with them, taken an interest in their culture and history. Rather than abandon reconciliation he committed his government to cranking it up, by giving more legal muscle to the Waitangi Tribunal. Over the next ten years two major claims were settled, with the Ngai Tahu tribe in the South Island and the Tainui in the north. Though 'major' is a misnomer. Those deals amounted to NZ$170 million each, including cash and Crown land (never private property). This figure represents between 1 and 3% of the land's value, and commercial benefit from it, that the tribes lost as colonisation spread.

The intention was never to compensate Maori fully for the economic loss they'd suffered since 1840. Such a claim would be so huge it would cripple the Kiwi economy. It was a symbolic gesture for wrongs done. The settlements do, however, contain relativity clauses that allow the tribes to renegotiate their payouts if future claims by others make their own appear too small. It has been estimated that settlements with all tribes will eventually amount to NZ$3 billion.

Tribal trusts were established to invest the compensation money. Profits were returned to Maori in the form of educational schemes, bursaries and upkeep of local cultural infrastructure. These trusts have been criticised by Pakeha and Maori alike as a means for the tribal elite to build empires, with little benefit trickling down through the tiers of the iwi.

Investing is a risky game, whether you're Maori trustees or WASP-ish Wall Street bankers. Some get richer; some lose a bundle. Ngai Tahu's investments have thrived. A Christchurch property portfolio, and fishing and tourist ventures, have built on that original NZ$170 million threefold. The Tainui haven't done so well. But that's their problem and theirs alone. Compensation money isn't public funding. It is classed as a payment between two parties in a commercial exchange. "It's iwi money," Helen Clark says. "They are accountable to their beneficiaries, all tribal descendents on the electoral roll for that iwi."

Says John Key, "The results have been quite good. Maori have been conservative managers of their money. They've been successful at managing their resources. And they have been pouring it back into economic development for their people."

Three government-funded Maori wananga (universities) train iwi to manage their communities and the wealth they generate. One, Te Wananga-o-Raukawa in Otaki, two hours' drive north of Wellington, offers degrees and diplomas in business administration, Maori laws, philosophy, health, information technology. Students are taught at the Otaki base and small satellite campuses in Maori communities throughout the country. What makes the university unique is that the satellite campuses are housed at a town's local marae (an iwi meeting house), and all subjects are taught in the Maori language, known as Te Reo. The idea is to make students, both young and mature, bilingual and trained for work in their traditional cultural groups and in the wider society, able to administer their tribal lands and be employable in the private and public sector.

In many New Zealand towns the dole and grog have preoccupied two generations of Maori, just as they have in many Australian Aboriginal communities. Kawerau, in the North Island's Bay of Plenty, is one. A hamlet of 7000 people, mostly Maori, most on welfare. A timber town hedged by steep hills planted in spiky pine, and studded with weatherboard box-like state-owned houses. Fifty years ago, when unskilled workers were in demand for manual jobs, the local mill employed the majority of Kawerau's population. As machinery became more complex, more efficient, the unskilled were unwanted. There was little encouragement or enthusiasm among Maori to upgrade their skills, says Hone Te Rire. "Our people didn't keep up with the technology. I'm not talking about computers and the like that they learn now; I'm talking up-skilling with new equipment."

Te Rire spent his childhood in Kawerau but 20 years ago left town to find work. He joined the army before studying Maori laws and administration at the Otaki campus. Recently he moved back home to teach and co-ordinate the Kawerau arm of the university. He has 70 students who study at benches behind the marae. "In some pockets of the country there's that ghetto mentality. But not here now, I believe. We're taking the parents of the future and giving them an education and respect for their Maori culture; it goes to their self-esteem. They'll pass that on, instead of feeling they're unemployable and dependent on welfare," he says.

In 2003, Kawerau became one of the five settled reconciliation claims. It included the return of some traditional lands and NZ$10 million, much of which is invested in the area's geothermal energy, which fuels the town and the timber mill. Income from investments goes to the iwi for the upkeep of marae infrastructure, maintenance of social services, and student scholarships to city schools and mainstream universities.

Most of the iwi, 95%, voted in support of the settlement amount, including Te Rire. The other 5% viewed it as a pittance, an insult – especially given a Crown law from the nineteenth century that had made it illegal for Maori to resist land seizure. The law caused Kawerau's disempowered iwi family groups to turn on each other as they were duped by the Crown into trading the region's vast ranges and valleys for mere trinkets and whiskey and a small cache of muskets, as sweeteners to avoid trouble.

Says Te Rire, "I can see their point. We didn't get back what the Crown got all those years ago. But you can't say to the descendents of settlers who live there now, 'Get off that land.' Even though it was stolen from us. Neither Maori nor the Crown wanted to go down that route. I look at it this way: it wasn't the musket or sword used on Maori that damaged them. It was the pen. Now the pen is working on behalf of Maori."

'Sorry' is such a puny word, more verbal tic than meaningful offering given the frequency with which a person may use it in a day. An untrustworthy word too, used to assuage those we've wronged and may wrong again – to manipulate, to give the impression we empathise, care. Who hasn't said it just to shut a complainer up, or truly meant it at the time and then lost patience? Yet this tin word is all that can ever be found for reconciliation. It has been promoted to pre-eminence in a nation's political language, to the point where the Tainui settlement ceremony was postponed so that the Queen could visit and do the apology honours in person. Surely sorry doesn't have much resonance for long for the truly aggrieved.

Hone Te Rire says it does for his iwi: "Sorry from the Crown was very important. It was said face-to-face. That's important to Maori. To me, money wasn't the issue. There had to be a sorry, face-to-face." There had to be solemn ritual and theatrical deference. "The Crown came on to our marae at dawn. There was a haka from our men. Boy, did the Crown know they were coming on to our land, *ours*. The minister for treaty negotiations, Margaret Wilson, stood there in front of us, and for her to do that and say, 'I'm sorry for the wrongs done to you people,' was a momentous occasion."

Colonisation is normal human behaviour. It is no longer de rigueur to colonise people and their lands, yet colonise we do: ideologues of every political persuasion colonise history, disputing and reworking events to impose their will on current debates. Writers colonise the lives of others to make narratives. Scientists, philosophers, corporations, prime ministers and presidents use the latest research to colonise the future and command its course.

Few races have not been both violently colonised, and violent colonisers themselves. Even the imperious English had those Viking invaders, those Romans and Normans to contend with. In his recent collection of critical writing, *Book Self*, the eminent New Zealand author CK Stead reminds us that reconciliation requires deliberate oversight of the sacked race's own brutal colonising behaviour. Stead refers to

a "present tendency to romanticise pre-European Maori life" and avoid discussion of the less-than-harmonious relationship Maori had with each other: bloody intertribal conflicts and a penchant for eating the bodies of their conquered enemies.

Stead tells of the historian Michael King's writings on the Moriori people of the Chatham Islands, 700 kilometres east of New Zealand, and their massacre and cannibalisation by Maori in 1835. Moriori survivors were enslaved and forbidden to use their own language, and most died out. When Te Papa, New Zealand's national museum, was opened in 1998, there was no reference to this massacre in the Moriori display, as if to do so would "show Maori in a bad light" and risk having the display labelled racist.

Where contemporary Maori are concerned, the bad light cast is in crime. Among Western countries, only America sends people to jail at a greater rate than New Zealand. According to Justice Department figures, Maori are 3.3 times more likely to be apprehended than non-Maori. That statistic may reflect stealthy racism among authorities, yet conviction rates for Maori are high: they make up 51% of the prison population.

It is estimated that one in ten Maori inmates are members of gangs. Maori gangs such as the Mongrel Mob and Black Power, bitter rivals, have attracted disaffected men to their fold for 40 years. They earned a reputation for violence, murder, rape, robbery and all manner of lawlessness. A stint in jail was a rite of passage for those who wanted to join. On city streets and the main drags of the provinces gang members milled about, waiting for trouble.

These days they have retreated to the fringes of society, less visible, all the better for involvement in organised crime – reportedly the drug trade. But in Kawerau, the Mongrel Mob has an obvious presence. Teenage boys walk the few streets and gather in parks, wearing Mob colours: red T-shirts, red bandanas and baseball caps worn askew. On the outskirts of town, next to a yellow aerobics centre, stands the chapter's headquarters – 'the Pad' – a mini aircraft hanger at the end of a long driveway. The afternoon I arrived to enquire about gang activities, a party was underway. It was Easter Friday, though this particular gathering was not in the service of religious piety.

Stale beer and cigarette stench fugged the air at the front door. AC/DC's 'TNT' blared. Inside, a dozen men and women played pool in the dimness, giggled slurry piss-talk. One of the men, hugely torsoed, hair shaven to a mohawk, face completely tattooed with two dozen blue British bulldogs wearing German army helmets – the Mongrel Mob insignia – stepped foward glaring wildly, upset that a stranger had suddenly appeared.

An older member, Mal Johnson, cooled him down. Johnson founded the Kawerau chapter 35 years ago. His mob has reputedly foresworn criminal activity in favour of being "more family orientated" and providing ad hoc community welfare, especially for the town's wayward young. He pointed to the three pre-teen children leaning near the door. "Have you heard of us up on [charges of] child abuse? Not at all." One member, Des Ngaheu, has set up a scaffolding business. He employs 25 of Kawerau's 50 senior Mongrel Mob members. Another, known as Foxy, is learning information technology at the marae university.

Says Johnson, "You can go to another town and they might be bad. But this is the Kawerau Mongrel Mob. That's who we are." The mohawk man nods his agreement. His name is Tahu Dog. "Our goal is legitimacy. The majority of us have been in jail," Dog says. "A lot of gangs do bad things. A lot of people not in gangs do too. But there's stability in the town now, where there wasn't in the '80s."

Why stability now and not then? Two reasons. The Mongrel Mob is now the only gang in the area: "The other gang left. We gave them a hiding," boasts Dog. "If there's two gangs in one town, there's trouble." And savage economic reforms undertaken during that period threw a generation of the uneducated poor, a large swag of them Maori, into a futureless abyss. The reforms worked, but it took 15 years for places like Kawerau to begin to recover.

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Colonial New Zealand earned a reputation for progressive social politics. By 1893 everyone – Maori, Pakeha, men, women – was eligible to vote. New Zealand was the first country to grant this to women. When a cradle-to-grave social-welfare system was introduced in the 1930s, New Zealand was dubbed "the social laboratory of the world" by liberal thinkers, including George Bernard Shaw. More recently, it has placed a permanent ban on nuclear-powered and armed ships entering its waters, much to the chagrin of the Americans. It has elected two women prime ministers: National's Jenny Shipley (1997–99) and Labour's Clark, whose chief advisers are women. Women, Maori and Fijian-Indians have been governors-general. Until the announcement that Quentin Bryce would become the Queen's representative in Australia, we've preferred to stick with old white men in that role.

In the 1980s and much of the '90s, though, the social laboratory started producing toxic economic reforms that cruelled the lives of a generation of working people. New Zealand became a country of contradictions. It was expected that the election in 1984 of Lange's Labour would lead to idealistic reform such as reconciliation and the banning of nuclear ships. But there was little expectation that Labour would revolutionise the economy rapidly from quasi-socialist

to market-driven. Lange promised to "open the books" of the economy and reveal the true state of the nation's finances. The truth, he said, had been kept from New Zealanders for years under the protectionist-conservative Robert 'Piggy' Muldoon.

Lange discovered that the books were in a shocking state. Tight foreign-exchange controls, highly subsidised agricultural and manufacturing industries, and an expensive welfare system had all but bankrupted the country. Inflation was heading towards 16%. Business investment had almost ceased. Growth was negligible. He called the New Zealand economy a Polish shipyard for its insularity and inefficiency. His finance minister, Roger Douglas, devised a plan to overhaul it at once with what became known as Rogernomics.

The dollar was floated; the tax rate was cut from 66% to 33%; a 10% GST was imposed. Unlike Australia, New Zealand had no Senate in which to contest legislation. If a party had a majority on the floor of parliament, it could ram through policy in a sitting. Labour did. Farm and manufacturing subsidies were scrapped, virtually overnight. Farmland value collapsed by half; so too the stock market.

The government-owned railway system, which was 75% subsidised and provided guaranteed lifelong employment for New Zealand's least skilled, was corporatised. Three-quarters of railway staff lost their jobs, as did half of all coal workers. The postal system was privatised. A host of companies set up post boxes on street corners. It was not unusual to see three or four brightly coloured boxes positioned side-by-side. Most of the companies folded quickly.

Despite the upheaval New Zealanders returned Labour to power at the next election, in no small part because of Lange's masterful oratory and skilful selling of the changes as being for a good cause, the benefits of which would soon flow through. Yet halfway through his second term, even he doubted his own rhetoric. He decided to halt the reform process, saying it was time to "pause for a cup of tea". This led to a split in Labour, with Roger Douglas, the unrepentant architect of the new economy, starting his own party, Act.

"The new policies were brutal," says Matt Robson, a former left-wing MP and minister for corrections. "There seemed to be no real planning. There was just pain. The pain was felt by those at the bottom of society. Unemployment shot up from almost zero to 10%. It used to be that if you came out of school with little education, it didn't really matter – there were jobs at the freezing works or the railways. But all that changed. It hit Maori and Pacific Islanders most. They were concentrated in the industries that most suffered. There was a much higher imprisonment rate among those people as a consequence." He reviled the Rogernomics attitude which held that towns which couldn't withstand the shock of reform should simply be left to die. "There was no longer any reason for them to be there now. Whole towns were abandoned."

Chris Laidlaw, Lange's chief of staff, a former diplomat and champion All Black, defends the Lange–Douglas era as a blast of reality for a country whose economy had reached "the stage, to use Paul Keating's phrase, of banana-republic status". Says Laidlaw, "Lange inherited a major crisis. There was no point in piecemeal reform. The result was that it produced a competitive edge we're benefiting from now."

Now, yes. But not in 1990. That's when Jim Bolger was elected prime minister. Sympathiser of the Left's reconciliation cause he might have been, but in economic management he was hard-right. His government ramped up the '80s reforms. He advocated miserly budgets: savage cuts to public spending, especially to education and health. He excited business with industrial-relations legislation that effectively wrote unions and collective bargaining out of law. His fellow traveller on union-busting, John Howard, must have swooned with envy and vowed to follow the example one day. (Helen Clark would eventually wind back this legislation, but not to the point of giving unions their old power to have compulsory membership on the shop floor. Collective bargaining was revived, and voluntary unionism allowed.)

Unemployment hit 16%. Wages declined, and 1% of the workforce was emigrating each year, mostly to Australia. Living in a social laboratory is all well and good, but not if you can't get work and pay the bills. Yet Bolger, like Lange, was a charming salesman and, despite miserliness with his budgets, he was re-elected in 1993.

Besides, by then he had something to crow about. There was growth in the economy: 3%, after years of barely 1%. National debt had almost halved from its 1990 level, when it was half of GDP. And despite virulent opposition within his party, Bolger was going to do something unthinkable. He was going to give New Zealanders the chance to be rid of their first-past-the-post voting system, the three-yearly National-versus-Labour derby. They could vote in a referendum for a new system called Mixed Member Proportional that would end the two-party concentration of power. After nine years of ruthless economic policies, voters seized the opportunity. Clark couldn't blame them: "People got fed up with governments having absolute power. Under MMP we'd have to negotiate with other parties."

The blueprint for MMP was Germany's proportional-representation model. "Since we've had MMP, no party has come anywhere near getting a majority on its own," says Nigel Roberts, a professor of politics at Wellington's Victoria University. "The largest number of seats won by any party has been 52. Since 1998 there have only been minority governments." Clark's is a perfect example. Her

party currently has only 49 parliamentary seats. National has 48. Her minister of foreign affairs is the New Zealand First Party's Winston Peters. He has no official cabinet position, but his party supports Clark in matters of confidence and supply.

Initially the old guard scoffed at MMP. Too complex, they protested, too risky that weirdo types from the fringe might gain a voice and be disruptive. But Kiwis are, on the whole, happy with it, says Roberts' university colleague Jon Johansson: "It's acknowledged, even by people who were against it, that it's led to a more diverse representation than we ever had with first-past-the-post. It's undoubtedly fairer."

This year's election will be about money, a your-politics-is-your-pocket affair about which coalition – the one clustered around National or the one around Labour – can best extend the boom times of the past few years. Which can keep unemployment low? (It is currently 3.4%.) Which can prevent inflation from reaching the projected 3.7%, and thereby lower interest rates from the current 8.25%?

New Zealand, like Australia, prospered fabulously as the global economy boomed. But America's credit crisis has changed all that. The local housing market has slumped. Household debt has blown out from NZ$69 billion to NZ $160 billion. Each year 77,000 Kiwis head overseas long-term, most of them to Australia, where wages are NZ$120 a week higher and where some have to go anyway if they get cancer and need radiotherapy: the New Zealand health system is too rundown to offer some people treatment. In the Auckland district alone, between Christmas 2007 and March this year 90-odd patients had to be flown by the local health board to Australia.

In the lead-up to the 2005 election, John Key's predecessor, Don Brash, way behind in the opinion polls, tried to make race an issue by accusing Maori of separatism for having their own electoral roll. Maori, he said, were pursuing greedy reconciliation claims, including ownership of the seabed and foreshore and even the airspace above tribal land. His strategy failed miserably. New Zealanders had outgrown that divisive tactic.

Key has fashioned himself as a centrist, progressive on social issues and in favour of tax cuts. The media mocks him for "piggy-backing" Helen Clark's policies, just as Kevin Rudd was mocked in his battle to beat Howard. Clark insists Key will bow to business pressure and re-instate draconian industrial laws. Key vows he will only fiddle at the edges of industrial relations. It's a contest to be seen as the one most likely to preserve the status quo. But this is New Zealand we're talking about. Status Quo is just a '70s rock band. M

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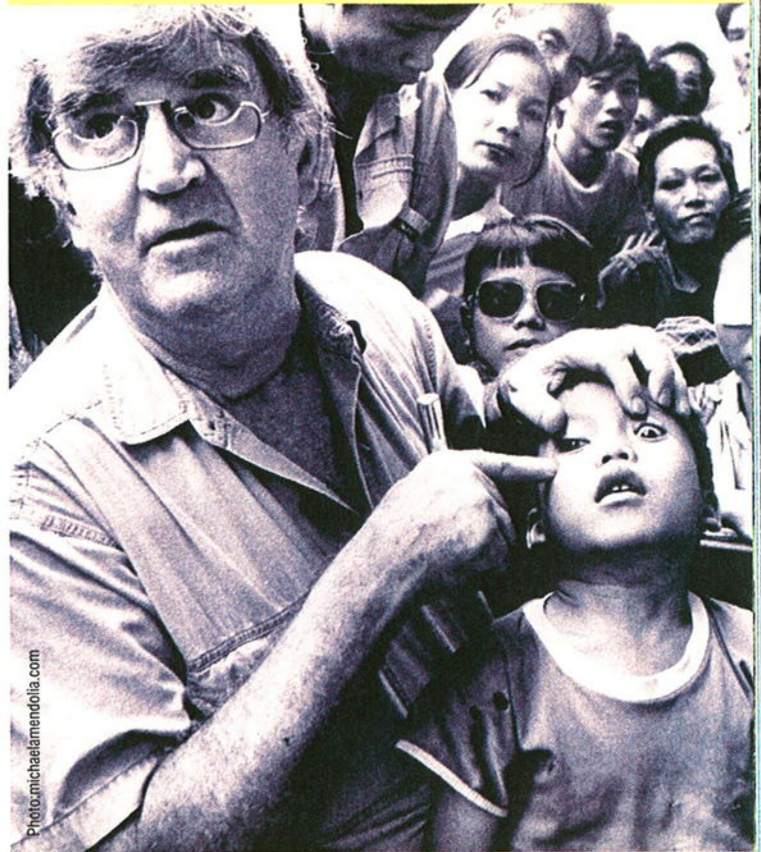

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