

***The State in New Zealand, 1840-1984.
Socialism Without Doctrines?***

Reviewed by John E. Martin

The State in New Zealand, 1840-1984. Socialism Without Doctrines?

Michael Bassett

Auckland: Auckland University Press, 1998.

Michael Bassett has been a prolific publisher of political history in recent years. This equips him well to undertake a more general examination of the place of the state in New Zealand over one and half centuries. The current book is given an additional edge by his personal participation in both the Third (1972-75) and Fourth (1984-90) Labour governments.

Bassett poses a simple but rather heretical question amongst historians about the role of the state in New Zealand's history – whether its actions can be assumed to be beneficial? The book thus documents the nature and extent of the state's centrality and manifold activities from the earliest days of colonisation onwards.

A central theme in the book is the lack of rationality, ideological consistency or philosophical underpinnings to the state's advancing presence. Hence he answers the question posed in the book's title strongly in the affirmative – one can describe the New Zealand state as socialist (i.e. exerting central control) but without doctrines. Into the twentieth century, in his view, state intervention became so massive, unco-ordinated and lacking in coherence that it became an obstacle to progress and prosperity and a drag on the economy.

The state in the early decades of colonial development is viewed in more kindly fashion, even if the seeds of later interference were already being sown in the fertile soil of settler needs and demands. The hand of the state was required in order to impose authority and secure law and order, to undertake the necessary overseas borrowing, to assist in the development of necessary infrastructure, and to respond to escalating settler demands.

Around the turn of the century the state was becoming sufficiently established that its activities became justified by the 'essential goodness of state action'. The previous liberal wariness of the state was supplanted by the embrace of 'state socialism'. War, recession and depression, and the introduction of social security and an insulated economy only served to strengthen this assumption.

By the time of the Second World War Bassett talks of the 'omnipotent state' and observes that its enhanced wartime powers were effortlessly carried over into peacetime. Following chapters deal with the intensified efforts by both Labour and National to 'keep Labour's welfare state operational' (253) as New Zealand's relative prosperity began to decline, involving escalating taxation (much of it coming from wage and salary earners) and state expenditure (driven by the welfare state). The material documenting New Zealand's slide from the 1960s onwards accumulates inexorably as Labour's legacy of the welfare state was exhausted.

He concludes (15, 22) that New Zealand by the 1980s was an 'over-regulated, over-legislated society' that had become 'virtually ungovernable' and that 'a crisis had enveloped a century and a half of state experimentation'. In the mid 1980s, the Labour government called it quits and sought a radically different approach by winding back the state.

Bassett has marshalled effectively a myriad of activities beneath his overarching theme and has provided a distinctive argument which strongly contrasts with the conventional historical view. Whatever one makes of the overall thrust of argument - and some reviewers have balked strongly at this - it has to be acknowledged that the book has considerable value in its coverage of the manifold and diverse range of state activities, many of them rarely investigated. It is less concerned with social policy than economic policy although social issues figure at times, with discussion of health, social security, education and housing.

Bassett takes particular pleasure in uncovering unprofitable state enterprises and state subsidy to industry and in documenting the hazards of price controls or import licensing. The book is peppered with pungent asides, some of them drawn from personal experience and on occasion displaying a political edge.

This reviewer would have liked to have seen a concluding chapter in the nature of an epilogue, to reflect more on the preceding chapters, to sketch in perhaps how the balance shifted in the 1980s towards a more appropriate 'balance between individualism and collective action' (375), and to offer some sense of resolution to the depressing downwards spiral. The book finishes rather too abruptly, and although another volume on the Fourth Labour government is planned it will likely be more difficult to retain the historian's measured tone. Bassett notes that from the historian's point of view the 'jury is still out' (23) on the Fourth Labour government, as it is on the succeeding National government of the 1990s. We await with interest how he might attempt to sway the jury with another more contemporary analysis of the role of the state in New Zealand.

John E. Martin
Victoria University