The Bolger Years

1990–1997

Edited by Margaret Clark

DUNMORE PUBLISHING

Published in 2008 by
Dunmore Publishing Ltd
P.O. Box 25080, Wellington
books@dunmore.co.nz

National Library of New Zealand Cataloguing-in-Publication Data
The Bolger years, 1990-1997 / edited by Margaret Clarke.
Includes index.
ISBN 978-1-877399-33-6
1. Bolger, Jim, 1935- 2. Prime ministers—New Zealand—History.
3. Politicians—New Zealand—History. 4. Political leadership—
New Zealand—History. 5. New Zealand—Politics and
government. I. Clarke, Margaret, 1941-
993.038092—dc 22

Text: Minion Pro 10.5/13.5
Printer: Publishing Press, Auckland
Design: Bartlett Projects, Wellington
Cartoons: Courtesy Bob Brockie
Index: Hilary Stace

Contents

CHAPTER TWENTY-TWO

STEPHEN LEVINE & NIGEL S. ROBERTS

The Bolger years: troubles and transformations

It is not about being against yesterday; it is about what is right for tomorrow.
James Bolger, Valedictory Speech
New Zealand Parliament, 2 April 1998[1]

This book provides a collection of chapters on a period of time known, at least for the purposes of this book, as 'the Bolger years'. But when, precisely, did 'the Bolger years' begin? The end of those years seems clear enough; it came when James Bolger, as Prime Minister, received the news that he had lost the support of a majority of the National Party's parliamentary caucus. The beginning, however, is somewhat murkier.

For most, 'the Bolger years' could be considered to have begun when Jim Bolger's National Party won the 1990 New Zealand parliamentary elections. More accurately, on this view, the Bolger years began when the New Zealand Labour Party lost the 1990 election, for if ever the aphorism that 'oppositions don't win elections; governments lose them' seems fitting, it is in relation to the debacle of the fourth Labour Government in its second term. The collapse of cohesion and credibility that saw Labour go through three Prime Ministers (David Lange, Geoffrey Palmer and Mike Moore) in 15 months – not one of whom would ever again hold high public office in New Zealand – allowed National to regain power, notwithstanding that six years of change and tumult had given the party little breathing space to re-establish itself as a compelling political movement.

There are, however, other possible dates for the commencement of 'the Bolger years'. The first, 1987, recognises that it was at that election that the man who would in due course become Prime Minister, winning three successive general-election campaigns under two electoral systems, first led his party at the polls. From the point of view of the National Party, 'the

Bolger years' began not in 1990, with victory, but in 1987, with shame and humiliation, as the party's 1984 defeat was repeated, indeed consolidated, as, with Lange rampant, Labour won a second successive term. Or perhaps 'the Bolger years', from the National Party's perspective, can be said to have begun even earlier, in 1986, when an exhausted and demoralised Jim McLay, the party's first successor to its former Prime Minister, Robert Muldoon, gave up the ghost, surrendering the leadership without even leading his party at an election, allowing Bolger, a man less afflicted by (or sensitive to) Muldoon's awkwardness and chronic incivility, to take the helm.[2]

Another, entirely different perspective on 'the Bolger years' likewise resists associating the period mechanically with his seven-year prime-ministerial tenure. This view defines the phrase as being limited to the period when Jim Bolger genuinely came to imprint his image, his skills and his style on New Zealand's political mores, becoming in his own way, at least for a time, the dominant figure, the irreverently described 'Great Helmsman'. This period, which saw Bolger learn, lead and innovate, helped New Zealand move on from some of its more painful and protracted internal conflicts – over alliances and nuclear ships; over rugby and racial tensions; over land and Treaty grievances – and begin a process of introducing a new way of approaching political differences, through consensus, compromise and collaboration, the core values of coalition governance. From this perspective 'the Bolger years' extended from 1994 to 1997, a four-year period that saw New Zealand begin the process of making a transition to the political and cultural adjustments required by its new electoral system.

This chapter, then, considers 'the Bolger years' in two respects – as a longer period, stemming from Jim Bolger assuming the leadership of the National Party, leading it during four general elections; and as a shorter period, in which Bolger effectively assumed the leadership of the MMP movement, once it had been approved by the electorate, adapting to it (in the interests of himself and his party), striving to make adjustments and manage change, for his own political advantage. His success in having done so – in making 'the Bolger years' not merely a time of National leadership but also, in a very real sense, one of *national* leadership – can be observed by appreciating that he became the first person in New Zealand in more than 60 years to be Prime Minister without his party holding a parliamentary majority.

The Bolger years: the 1987–1993 elections

1987

At the 1987 election Bolger faced popular leader David Lange, a bright Prime Minister easily bored and so certain of his government's re-election that he found the campaign itself somewhat lacking in challenge. As was often the case with Lange, the lack of a challenge meant that he was not always at his best. Nevertheless, as expected, Labour was easily re-elected, the first Labour Government to have succeeded in winning a second successive endorsement from the voters since 1938.

As with all 'counterfactual' analysis, it is impossible to be certain about how well National might have performed had Jim McLay, rather than Jim Bolger, been leading the party. Even so, that there were few (if any) calls for Bolger's replacement following the 1987 defeat – notwithstanding National's historic impatience with leaders who fail to take the party to victory – suggests that Bolger's performance was not considered the decisive factor in National's 1987 defeat. At that election, Labour was still riding the crest of a wave of generational change, while National had yet to free itself from its association with Muldoon and the stigma of 'Muldoonism'. The fourth Labour Government had achieved an enviable reputation for energy and initiative. It had freed up the economy; challenged the Americans; and stood up to the French. Lange himself had succeeded in charming the press corps, and much of the public, and there was pride in his intelligence, wit and his defiance of the United States (most noticeably in the Oxford Union debate over the morality of nuclear weapons).

In 1987 two Victoria University surveys were conducted into public opinion and electoral preferences, the first in June, and the second in August during the second week of the three-week campaign. Each survey gave those interviewed the opportunity to compare the two leaders vying for the post of Prime Minister, Lange and Bolger. Each time there was a significant disparity in their popularity. In the June survey, Lange led Bolger by a large margin as the sample's 'preferred prime minister': 57 per cent of participants favoured the Labour leader, while only 34 per cent chose Bolger. The election campaign allowed Bolger to close the gap. In August, with the elections only a week away, Lange still had majority support – 51 per cent – but Bolger had managed to become the preferred choice of 42 per cent of those polled.[3]

In 1987, Bolger's predicament was that he was a leader offset not against one adversary but two (Prime Minister Lange for one, and National's down-but-not-out former leader Sir Robert Muldoon). At the start of the election campaign – Lange's second as leader, Bolger's first – opinion polls continued to give the Labour leader the edge, but it was *Muldoon*, not Bolger, who was in second place as 'preferred prime minister'. While the 1987 election did not give Bolger the opportunity to defeat Lange – Labour's energetic three years of office had generated enthusiasm among the electorate, lifting its popularity, and the government was returned to power with a slight

increase in its parliamentary representation, a virtually unheard of result in New Zealand – it did, at last, give Bolger the chance to lay to rest the spectre of Muldoon (who had hoped to 'rise again'). It was really only with this result – the establishment and consolidation of Bolger's leadership of the National Party – that 'the Bolger years' can truly be said to begin.

The sustained coverage given to Bolger during the election campaign – inevitable, of course, but abetted by Lange's at times lacklustre performance – effectively introduced him to the New Zealand public and gave him a national profile that his years in Parliament, and experience in Cabinet (under Muldoon), had failed to deliver. In an earlier study, we noted at the time: 'The sustained media exposure enjoyed by Bolger – who was busy, in any case, running a fairly buoyant campaign – contributed measurably to his emergence in this period more strongly as a national political figure'.[4] While there were gains versus Lange, the belated 'victory' over his intraparty rival Muldoon was the real news: 'The rise in public esteem for Bolger, as well as the corresponding drop in support for Sir Robert, suggests that Bolger's observation (during the campaign) that he was the new leader on the way up, while Sir Robert was the old leader on the way out, was not without empirical support'.[5] The rise in support for Bolger also allowed him to retain the leadership after the election notwithstanding National's defeat at the polls. The result of what was thus a somewhat odd election for Bolger – allowing him, despite defeat by Labour, to secure his leadership and gain acceptance, and legitimacy, as National's leader and its prospective candidate for Prime Minister in 1990 – was reflected in his 'confident post-election restructuring of National's parliamentary frontbench, including the removal, yet again, of Sir Robert to a position well down in the party's rankings'.[6] More broadly, as our earlier study concluded, 'it seems undeniable that Bolger's image as a nation-wide party leader was markedly strengthened' during the 1987 campaign. It was certainly enough of an improvement to give him one more chance – in 1990 – to become Prime Minister.

1990

Three years later, with Labour now hopelessly divided – its loss of credibility a casualty of bitter infighting in the party's parliamentary caucus, leading to the departure of Lange and to his replacement, first by his deputy, Palmer, and then by another senior cabinet minister, Moore – National was in a strong position to regain power. As in 1987, so too in 1990 there was little doubt prior to the election about which party was likely to be the winner. In this case, however, it was National which was expected to triumph, with Bolger on this occasion matched up against Moore, who had been Prime

Minister, by the start of the election campaign, for a mere four weeks. With his defeat he would enter New Zealand history as the Prime Minister with the third-shortest term of office in the twentieth century.[7]

The opinion poll data at the 1990 election perhaps ought to have put Bolger – by now a more familiar face to the New Zealand public, and a welcome sign of stability after the chaotic incoherence of the fourth Labour Government's second term – in a much more favourable light. Up against Moore it might have been expected that he would have looked better to New Zealanders than he had against the effervescent Lange in 1987. Even so, Bolger's rise in public esteem had been, at this stage, a somewhat limited one. He was the beneficiary, rather than the cause, of the loss of excitement about Labour, a government whose internal strife and divisions provoked disappointment and disillusionment from an electorate that had been perhaps unduly credulous, caught up in the flurry of 'reform' and experimentation that had characterised the 1984–87 years.

The 1990 Victoria University pre-election survey found Bolger's leadership abilities still of somewhat limited appeal. Despite his brief tenure as Prime Minister, Moore was the preferred choice as Prime Minister of 28 per cent of participants in the survey – the most popular choice of any politician. Bolger was named by only 17 per cent of survey participants. Other politicians also gained some support – Winston Peters (10 per cent), Robert Muldoon (6 per cent), David Lange (4 per cent) and Geoffrey Palmer (3 per cent) – but in practical terms the choice of Prime Minister in 1990 was between the two major party leaders Moore and Bolger.[8]

Accordingly, another set of questions gave survey participants a clear choice between them. That contest gave Moore a decisive edge. Indeed, a clear majority of survey participants – 56 per cent – would have 'voted' for Mike Moore as Prime Minister if the electoral system had offered them the opportunity to cast a ballot for one of the two major party leaders. By contrast, Bolger – about to become Prime Minister shortly after this end-of-campaign poll was taken – only received the support of 37 per cent of the electorate.[9] It was, in fact, perhaps surprisingly given the retrospective popularity of Lange (by comparison with both Bolger and Moore), a greater margin than existed when Bolger had been contrasted with Lange three years earlier. In this respect Bolger's standing among the electorate – after having been leader for four years, and leading National for the second successive election – had in some ways declined, at least when contrasted with Labour Party leaders at election time.

Despite National's strong win over Labour at the polls – it won 67 parliamentary seats, the largest in the party's history – it seems clear from this evidence that National's victory reflected deep disquiet with Labour

rather than an endorsement for a Bolger-led party. While leadership was, in a sense, an issue in 1990 – Labour had been through three Prime Ministers in rapid succession and the credibility of its cabinet as a coherent governing force was at an end – the relative popularity of Moore *vis-à-vis* Bolger indicates that in simple terms 'leadership' was hardly an undiluted asset for National. Thus it was that the less preferred of the two leaders took office as the country's new Prime Minister. It was an inauspicious start to a seven-year run, unpromising beginnings for another definition of 'the Bolger years'.

Jim Bolger began his prime-ministership with a brilliant election-night speech, offering a 'politics of inclusion' – a good forerunner to New Zealand's MMP experience.[10] The address was given at the Te Kuiti town hall near his rural home, and he offered 'policies of reconciliation',[11] beginning with an apology to a protester (and the protester's mother) whom he had offended during the campaign, and then moving on to address wider concerns. His government began its term in office, however, as had Labour in 1984 – caught up in a financial crisis not of its making – and the result, a government bail-out of what was then the state-owned Bank of New Zealand, led to a failure to deliver on a key campaign pledge, the removal of a surcharge on superannuation introduced under Labour. His Finance Minister Ruth Richardson's ill-advised 'mother of all budgets' in 1991 made the Bolger Government's 'honeymoon' with the electorate a short one, the government already badly damaged while only in its first year. Unwittingly, the person who was to become the country's first master of MMP helped bring about the electoral system change in large part because his own government's perceived untrustworthiness rapidly sapped some of the remaining legitimacy from the electoral system – first-past-the-post (FPP) – that had put Labour, and now National, into office.

1993

The 1993 election coincided with the holding of the second, decisive referendum on New Zealand's electoral system. When the 1992 referendum – held as a result of a 1990 campaign promise by Bolger, itself an attempt to draw attention to Labour failures, summarised by the phrase 'broken promises' – led to a landslide of support for change, a new Electoral Act was drafted, to be implemented for post-1993 elections if a second referendum (pitting a new system, mixed-member proportional (MMP), up against the existing FPP system) found in favour of MMP.[12]

The 1993 referendum was something of a distraction from the election campaign itself. In any case, Bolger found himself once again facing a Labour Party led by Mike Moore, who was considered to have averted an even greater catastrophe for the party in 1990 and thus was deemed to have merited a second chance. It was an indulgence that was not to last much beyond election day.

Both Bolger and Moore had been in New Zealand politics for quite a long while. Moore was first elected to Parliament in 1972[13] and he became a cabinet minister in 1984. Bolger also first won his parliamentary seat in 1972 and he had been a part of the Muldoon Cabinet from 1977, serving principally as Minister of Labour. In 1993 Bolger was now the incumbent, while Moore was the former Prime Minister.

Somewhat surprisingly though, the 1993 Victoria University pre-election survey found Bolger still behind Moore, as he had been in 1990. Still worse, in each of our two referendum-related surveys – one, in September 1992, coinciding with the first referendum on electoral system issues, and the second, in November 1993, at the time of the general election and the second, binding, referendum – Bolger was 'named by a third of respondents' as New Zealanders' *least-preferred* Prime Minister – a figure that put him at the 'top' on this question. This was a poll that a Prime Minister would prefer not to be leading.

The conclusion was unavoidable: 'As former Prime Minister Mike Moore was a clear favourite over Bolger at two successive general elections at which the Labour Party was nevertheless defeated – allowing Bolger to assume an office which most New Zealanders would have preferred he did not hold – there can be little doubt that preference for Prime Minister is *not* invariably the decisive factor in New Zealand voting behaviour which the increasingly strong focus on party leaders during campaigns might suggest'.[14]

New Zealand does not have a presidential-style system despite observations that a strong media focus on party leaders makes its politics increasingly 'presidential'.[15] Bolger was able to become, and remain, National Party leader on a vote of the party's parliamentary caucus – without direct involvement by the party membership – and similarly he was able to become, and remain, New Zealand's Prime Minister in 1990 and 1993 without his personal leadership receiving any sort of separate or distinct electoral endorsement. The New Zealand parliamentary and electoral system nonetheless gave Bolger the opportunity to serve as leader both of his party and his country, and with his re-election as Prime Minister in 1993 Bolger's career began to change course.[16]

Never an advocate of electoral system change, Bolger became the new system's first master. Adapting to its imperatives even before the first MMP election was held, he recognised the need for National to have coalition partners available to it and actively encouraged some of his National caucus