

Reinventing Capitalism in New Zealand

Reinventing Capitalism in New Zealand:

*History, Structure, Practice
and Social Class*

By

Christopher Wilkes

Cambridge
Scholars
Publishing



Reinventing Capitalism in New Zealand:
History, Structure, Practice and Social Class

By Christopher Wilkes

This book first published 2019

Cambridge Scholars Publishing

Lady Stephenson Library, Newcastle upon Tyne, NE6 2PA, UK

British Library Cataloguing in Publication Data
A catalogue record for this book is available from the British Library

Copyright © 2019 by Christopher Wilkes

All rights for this book reserved. No part of this book may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the copyright owner.

ISBN (10): 1-5275-3180-5

ISBN (13): 978-1-5275-3180-2

To Jacinda Ardern,
a contemporary fighter for justice and equality

TABLE OF CONTENTS

A Note on the Cover Image	xi
---------------------------------	----

PART ONE

Chapter One: Introduction	3
---------------------------------	---

PART TWO: THEORIES, OF EMPIRE AND SOCIAL CLASS

Chapter Two: Reinventing Class Society.....	13
1. Introduction	13
2. From Aotearoa to New Zealand: Capitalism Reinvented.....	17
3. The Uniqueness of New Zealand's Class Structure.....	24
4. Problems of Class Analysis	26

Chapter Three: The Limits of Wright's Structuralism.....	33
1. Introduction	34
2. Wright's Scientific Structuralism	35
3. Wright's Critics	42
i. Methodological individualism	42
ii. The misallocation of individuals in the class structure	44
iii. The theory of the family	45
iv. Reductionism.....	46
v. The static nature of the analysis	47
4. Putting Wright to Rights: Adding in History, Structure, Practice.	49
i. Adding in history.....	49
ii. Rethinking the question of structure.....	51
iii. Introducing social practice.....	54
5. Conclusion: Reinventing Class	55

PART THREE: HISTORY

Chapter Four: The Origins of Colonialism	59
1. Introduction	59
2. Britain and its Discontents.....	62
i. The structure of ideas.....	63

ii.	The practices and discontents of the British class system	68
iii.	Sources of class formation	74
3.	The structure of Internationalism	76
i.	Donald Denoon	76
ii.	Ehrensaft and Armstrong	80
iii.	David Bedggood	84
iv.	John Fairweather	90
v.	Miles and Spoonley	93
4.	Conclusions	95
Chapter Five: Marx Reversed		99
1.	Introduction: Marx reversed	100
2.	The Early Class Structure: is an account possible?	101
3.	Reinventing Class: Nelson, Auckland and Wellington	104
4.	The Rise of the Rural Classes	119
5.	The Rise of the National Economy	128
6.	Conclusion: class structure in an unstructured society, 1840-1890	131
Chapter Six: The Rise of the National Class Structure, 1891-1945		137
1.	The Liberal State and the development of classes	137
2.	Holt and compulsory arbitration	144
3.	The Liberal State and the rural landowners	148
4.	The Rise of Labourism	152
5.	The World Reversed	169
 PART FOUR: CONTEMPORARY CLASS STRUCTURE		
Chapter Seven: The Debate on Modern Class Structure		177
1.	Introduction: classlessness and property	178
2.	Our Present History: class-structural transformation in the post-war period	186
3.	Accounting for Contemporary Class Structure	191
i.	Prestige studies	192
ii.	Max Weber and class analysis	200
iii.	David Bedggood and the Marxist final solution	203
iv.	Erik Olin Wright and the class structure of contemporary society	206
4.	Problems of Class Analysis	210

Chapter Eight: Property.....	215
1. Introduction: the silence about property.....	216
2. Property Objectified	218
3. The Social Attitudes of Ownership	225
4. Property and Class Practices.....	247
i. Social relationships and social origins	247
ii. Political life.....	251
iii. Education, money and home ownership	255
5. The Best Possible Shell.....	256
Chapter Nine: Control.....	259
1. Control: the Self-Employed and the Middle Class	260
2. The Characteristics of the Middle Stratum	263
3. The Social Attitudes of the Middle Stratum	266
4. The Class Practices of the Middle Stratum.....	286
5. The Ups and Downs of the Uneasy Orders.....	300
Chapter Ten: Labour.....	303
1. Introduction: the Millennial Majority	304
2. The Shape of the Working Class.....	309
3. The Social Attitudes of the Working Class.....	313
4. Working Class Social Practices	332
5. The Secret Lives of the Working Class	340
PART FIVE: CONCLUSION	
Chapter Eleven: Rediscovering Class.....	345
1. Introduction	346
2. Myths, Classes and Intellectuals	346
3. The Shape of Reinvented Capitalism: History and Class Formation.....	349
i. The phase of early settlement (1840-1890).....	350
ii. The phase of transition (1890-1935)	351
iii. The phase of consolidation (1935-1984)	354
4. The Divisions Between the Classes in New Zealand	355
5. Class Fractions Within Social Classes.....	371
i. Owners	372
ii. The middle class.....	376
iii. Workers	378
6. Conclusion: The Real Power of Class, or Putting Wright to Rights	383
Index.....	389

A NOTE ON THE COVER IMAGE

This photograph of boys entering Christ's College Christchurch is exactly like the scenes I routinely encountered in the 1970s when I became a student in the old Canterbury University buildings across the road from Christ's College. The school was established in 1851 very soon after the first settlers of the Canterbury Association arrived, to replicate the public schools that the Anglican hierarchy had attended in England. But I was struck by the clear differences from my own public school in London I had left some ten years before. First, no-one would have been allowed to walk into the school with socks at half-mast - clear punishments were waiting for offenders. And more significantly, from the boys' perspective, no-one in the senior school would have been seen dead in short trousers, a clear marker of childishness and lack of maturity. New Zealand established its differences from England from the beginning.

PART ONE



Photograph of William Robinson, circa 1865, photographer unknown. Robinson was an early white landowner in the new colony. (Ref: 1/2-096548-F. Alexander Turnbull Library, Wellington, New Zealand, used with permission.) Robinson came to New Zealand with money and bought the Cheviot Hills estate. He was known as 'Ready Money Robinson' for his capacity to make large purchases in cash. The Cheviot Hills purchase was, according to W.J. Gardiner, 'the largest and most spectacular transaction of the kind ever undertaken in New Zealand'. The property amounted to 85,000 acres.

CHAPTER ONE

INTRODUCTION

In the middle of the 1980s, newly arrived to teach sociology at Massey University in New Zealand¹, and during the final groundswell of structuralism, I wrote to Erik Wright at Wisconsin, suggesting that we might be able to undertake a New Zealand component of his international class structure project. The heady whiff of revolution still lingered in the air from the previous decades. There was certainly still hope that a clearer understanding of class structures would offer the promise of political insights that, in turn, might enable progressive forces to move forward. In this context, the work on which this book is based was started.

Erik Wright had received funding from the National Science Foundation, and he was interested in our involvement, so we were promptly signed up as part of the international team. In 1983, we approached the Social Science Research Fund Committee in Wellington², and received funding from them to undertake a New Zealand Survey, which we duly completed in 1984. The first results were reported in 1985 in a document called *The New Zealand Class Structure*,³ which set out details of the basic findings, as well as an outline of the sampling technique used, the questionnaire and other technical matters. The document sank without trace.⁴

¹ Massey University, Palmerston North, New Zealand. The Palmerston North campus was the only permanent campus at this time.

² We also received funding from the Department of Labour's PEP scheme.

³ *The New Zealand Class Structure*, Chris Wilkes, Peter Davis, David Tait and Peter Chrisp, Sociology Department, Massey University, 1985.

⁴ For those who want access to this earlier document, please download this and two further reports on the project from Pacific University's CommonKnowledge website at <https://commons.pacificu.edu>. The two further reports are *Report to the Social Science Research Fund Committee: the beginners guide to the New Zealand Class Project*, Chris Wilkes, January, 1989, Sociology Department, Massey University; and *Report to the Social Science Research Fund Committee: Supplementary Report from the New Zealand Class Structure Project, Phase Two*, Sharon Priest and Chris Wilkes, Sociology Department, Massey University, March 1990.

This book offers a fuller account of this work. But it starts in a very different place. Wright's work was very much developed within the sphere of influence of American positivism. This had seemed, from the start, deficient in several respects, and the most obvious deficiency was a lack of an historical account.⁵ This book therefore seeks to remedy this deficiency. So, after *Chapters Two* and *Three* set the scene, *Chapters Four, Five* and *Six* trace the origins of the contemporary class structure in New Zealand from 1840 onwards, depending heavily on some of the brilliant work already undertaken by New Zealand historians. *Chapter Seven* then reviews contemporary class debates before three chapters interrogate each of the major classes in turn, using information gathered from the 1984 survey itself. *Chapter Eight* turns the spotlight on *Property* and the owning class. *Chapter Nine* analyses the middle strata, those who *Control* the work of others. *Chapter Ten* examines *Labour* and the working class. The book's final chapter, *Chapter Eleven*, proposes an alternative to orthodox accounts of class structure.

There were several interesting comments made to me during the period of the study. An anthropologist decided, without too much thought, to label the whole enterprise quantitative, and therefore positivist, thus rendering it ineligible for serious consideration. Nothing could have been further from the truth. While Wright's initial intent was certainly quantitative and, perhaps, positivist, the entire intent of this part of the project was qualitative. Its aim was to deconstruct and reinvent Wright's approach, putting history and ethnography at the forefront. Thus much time was spent setting out the history of class formation, and we also spent many hundreds of hours gathering and analyzing open-ended questions from respondents. The comment suggests the familiar problem of critics failing to read beyond the first paragraph of a piece of research. A potential publisher found it quaint that we were still looking at class structure when clearly 'all that stuff was a thing of the past'. She thought that we should move on. I was a little startled by this, given that New Zealand's proud heritage of equality, and the striving for equality, was giving every appearance of falling apart at the seams in 1984, and that we were facing many years of increasing inequality. What kind of explanation did she have for thinking that we were done with class? This thought stayed with me as I examined statistics showing increased inequality, both in New Zealand, and

⁵ Structuralism was, by this time, fading rapidly as a serious basis, either epistemologically or empirically, for scholarly research. Althusser was no longer an influence, and one of its later champions, Nicos Poulantzas, was also gone. A new phase of post-structuralism, discourse theory and cultural analysis was now powerfully in play. Bourdieu's *Distinction*, a magisterial contribution to the field of class analysis, was already available in English in 1984, (Harvard University Press, Harvard) and this new influence began to shape thinking in this field in a very significant way.

throughout the industrialized world. I sensed that it wasn't for me to make a case for class analysis – the evidence was all around us for everyone to see. It is a view I still hold. Another comment from a fellow researcher was of the opposite kind. He came up to me in the Massey Staff Club, and asked me how it felt to be on the cutting edge of class research in New Zealand. This was a generous comment, but it seemed far from the truth, however well-intentioned. We had certainly done something interesting. This was the first custom-designed, theoretically-driven national class study in New Zealand, so its originality and novelty was something of value. But there was so much more to do, and I was as equally aware of the limits of the work as I was satisfied by getting the work done. This is also a sentiment that I have held onto over the years. The class structure study was a useful contribution to the field of studies of social hierarchy, but there is still much more to do.⁶ This book is therefore as much a call to action as it is a report of findings. To offer a thoroughgoing account of the shifting shape of social hierarchies in New Zealand will require groups of researchers to focus on class, gender and ethnicity on a permanent basis. This would need substantial commitments from a number of people, funding from research agencies, and support from the various academic departments that might be involved. It would be a major undertaking, but, I suggest, an undertaking that could hardly be more important. It would yield rich rewards for everyone concerned, and for the broader audience of critically-minded citizens in New Zealand and elsewhere. Whether that level of commitment and interest exists at the moment is an open question.

There are a number of people who played a major part in this study that deserve acknowledgement. Judith Johnson and the SSRFC provided funding for our survey, and for this we offer thanks. Graeme Fraser, head of sociology at Massey at that time, managed to find us a room to work in, and offered many forms of help and encouragement that were invaluable, and without which the project would never have been completed. A series of student workers were also heavily involved, people who did much of the daily work of managing the survey, sending out questionnaires, coding, recoding and following up data errors and weaknesses in the responses. The major players here were Gaye Payze, Rod Morine and Sharon Priest. To this group, I offer my most grateful thanks for the many hundreds of hours that they collectively

⁶ It will also be clear that I did not take into account the literature on this topic developed after 1990. Note, for example, two books by Stevan Eldred-Grigg, *The Rich*, Auckland, Penguin, 1996, and his 1990 *New Zealand working people: 1890-1990*, Palmerston North, Dunmore Press, among many other examples. Erik Wright has also revised and written extensively about social class beyond this date, but here I feel less concern for the omission. I find much more sympathy for his early work than for his later formulations.

contributed in that small room on the eighth floor of the Massey Social Sciences Building. The work in the field was accomplished by a large cadre of interviewers, some 100 in all, who went door to door, gathering information from respondents, returning to fill in gaps, and showing an extraordinary durability in the face of all kinds of weathers, social conditions, and human situations that would tax the most resourceful of us. I am deeply impressed with the quality of this work, and very appreciative of the efforts taken to finish the job.

A special vote of thanks must go to Peter Chrisp, who acted in many ways as associate director of the project, bringing an enthusiasm and energy to the task that kept us on the path to successful completion. This included spending a good deal of time on the floor of the Geography Department map room with large-scale maps plotting the survey start points early on in the project, and, towards the end, undertaking an unscheduled trip to Auckland and Hawkes Bay to ensure that some gaps in our research were remedied. His master's thesis, *Class of '84*,⁷ provides an outstanding account of some of the major themes discovered in our research, and it is required reading for anyone serious about class analysis in New Zealand.

I must also thank Dr. Penny Hayes, economist and outstanding scholar, for her very careful reading of every line of the text, and for many insights on, and improvements to, my first efforts. Thanks are also due to Dr. Cheleen Mahar, who diligently read every page, and gave me comments on many errors and confusions. Not only this, but she also encouraged me every step of the way, and for these two gifts, I am also most grateful.

Readers will understand that this writing reflects a shift in thinking of some significance. In 1984, still influenced by the work of Wright, Poulantzas and other structuralists, I was keen to uncover the nature of the New Zealand class structure. But there was much more to do. As I undertook this work, I was already reading Bourdieu at length, and becoming influenced by his broader ethnographic and empirical reach, stretching far beyond merely the class structure itself, and on into the realms of lifestyle, fashion, food tastes, artistic choices, and a number of further ways of being that seemed to him to be connected with social class. Indeed, his whole sense of what class meant had shifted the terrain. And not only was this shift theoretical, but it was a substantial methodological change as well.

⁷ Chrisp, Peter M. D. 1986. *Class of '84: class structure and class awareness in New Zealand*, 1984: a thesis submitted in partial fulfillment of the degree of Master of Arts in the Department of Sociology, Massey University, Palmerston North, New Zealand.

The influence of Bourdieu is seen everywhere in this book. The strong emphasis on historical processes reflects similar treatments that Bourdieu has used in his study of the origins of art, and in his lectures on the emergence of the modern state. In terms of the presentation of class-structural matters, instead of following the positivist direction of interviewing respondents, and then breaking their information down into its constituent parts, we have taken the opposite approach, and rebuilt a biographical whole for each respondent. This enables us to include biographical sketches of the individuals we interviewed, interspersing the general expositions on various elements of class structure with these ‘interruptions’. It is an approach that Bourdieu used in ‘*Distinction*’.⁸ And, in the last chapter, I propose, using Bourdieu’s theory of the field to reinvent an approach to class analysis and social hierarchy.

This study was completed some thirty five years ago. Much has changed since then, and I have made no attempt to update this material in the intervening years, a position that I fully acknowledge. It thus comprises an historical account of a certain period, culminating in a custom-built instrument-based survey that offers a picture of the New Zealand class structure at a certain moment in history – 1984. Other books remain to be written about the intervening period – indeed until class structures disappear, it will be a continuous undertaking to trace these concerns, unless our anxiety about social inequality lapses, which it might well do. But I don’t think so. My sense is that the preoccupation with the widening gap between rich and poor, and the social suffering that this process results in, will be of permanent interest to many people.

In the end, the question is not how many theories of social class we can construct that matters, but how useful these theories are in explaining social inequality. There was a moment in the early 1960s, with the rise of the welfare state in many industrialised countries, that inequalities of all kinds seemed to have subsided, and that the promise of a fair and equitable society appeared closer to fulfillment than at any other time. Dorothy Thompson in the U.K. argued in 1961 that the left had given up, in the British Labour Party, at least. Her reasoning was that moves towards an equal society had gone as far as they could within a capitalist society. The National Health Service was in place. Pensions were at an all-time high. Public housing was available to most of those who needed it. In New Zealand, Graeme Dunstall has commented about the same period:

These were the years in which the dream of a material utopia was refurbished: New Zealand was to become, without class war, a ‘country where the plenty

⁸ *Distinction*, Pierre Bourdieu, Harvard University Press, Harvard, Boston, 1984.

of the machine age shall assure to all the rich life in goods and leisure that the genius and natural resources of our country make possible'.⁹ Labour rejuvenated the egalitarian tradition in all its ambiguity; equality of condition and equality of opportunity for all ... full employment continued for twenty years after the war, underpinning ever-increasing affluence. In this most sustained period of prosperity of the twentieth century the state took on new dimensions – maintaining affluence, tempering inequalities, ensuring security, and helping to maintain the high level of uniformity in New Zealand life. To the comfortable and the complacent, the ethos of equality had been realized in the social pattern.¹⁰

This moment in history seems a very long way away now, fifty years later. And while the matter is complicated, two factors seem most important in explaining why the world has become so much more unequal since then by any measure – the 'fiscal crisis of the state', experienced globally in the 1970s as part of the oil crisis, but fundamentally a condition in which states could no longer pay the bills and raise the taxes necessary to keep the post-war compromise together; and second, the monetarist revolution. It is hard to believe that a few crackpot economists from the University of Chicago, people who were laughed at in the 1950s and the 1960s, were to play such a prominent role in replacing the Keynesian orthodoxy that had reigned so long. But in the wake of the state's fiscal crisis, they came into their own, in Thatcher's Britain, and, with unequalled enthusiasm, they also took hold of the New Zealand economy in the late 1980s. When the new direction took off, the restraints against unlimited wealth were loosened, the tax structure was reshaped, and the welfare state and its services were put up for sale. It is no surprise that social inequalities of all kinds increased massively in the following years, since this was part of the logic of the new plan. These inequalities are with us still. Our studies of social inequality are therefore all the more urgent to undertake.

While I was revising this manuscript for publication, I learnt of the death of Erik Olin Wright in January 2019.¹¹ This was deeply distressing news. I was not a close friend in any sense, but I had been in contact with him since 1983, sometimes through letters, sometimes at international gatherings of the class structure group, both in Wisconsin and in Tampere, Finland, and once when I

⁹ The Labour Party Manifesto, 1935, from W.D. McIntyre and J. Gardner, (eds.) *Speeches and documents on New Zealand Society*, (Clarendon, Oxford, 1971), page 318.

¹⁰ Graeme Dunstall, chapter fifteen, 'The Social Pattern', in W. Oliver, *The Oxford History of New Zealand*, Clarendon Press, Oxford, and Oxford Press, Wellington, 1981, page 398.

¹¹ Wright died on January 23, 2019, from acute myeloid leukemia at a hospital in Milwaukee, Wisconsin, aged 71.

met him at an American Sociological Association meeting in the United States. At that moment at the ASA meeting he was just going into the lift, surrounded by other people, and I called out and re-introduced myself. He was always happy to talk, willing to listen, and to be of use. On this occasion he had a sheaf of papers under his arm, the proofs of his latest book on social class, which he was keen to tell me about. He had the energy and drive of three people; he wrote at least fifteen books – this is the list on his webpage, but that was just the tip of the iceberg. There were multiple versions of the books. They were translated into many languages. There were over 100 peer-reviewed papers, many, many presentations all over the globe, and a host of ‘interventions’, notes, comments and exchanges. Like many others in the discipline, I was staggered by the scope of his achievement. For the class project, he was the driving force – he initiated the funding, he wrote, and endlessly revised, the theoretical arguments, and gathered us all together to carry out and complete the work. He was voted President of the American Sociological Association in 2012.

A few months ago, I had just finished a book on theories of the state,¹² and had included a section on his work on utopias. As a courtesy, I sent it to him for his comments. He was charming and quickly sent back some brief remarks. He was flattered that I had written about him, and didn’t have many corrections. I followed up with a request to him to write a short comment on the book for the cover. Within an hour, he sent me back about twenty words that fitted the bill perfectly, and I was delighted and grateful. He seemed to find the time to go on helping people right to the end of his life. He was, in many ways, a model colleague, though doubtless people closer to him will have a more nuanced view. In any event, I was grateful to know him and to have had the chance to work with him. He was a kind, compassionate and brilliant man who fought for equity in everything he did.

Portland, Oregon,
March 2019.

¹² *A Biography of the State*, Cambridge Scholars’ Press, Newcastle, 2018.

PART TWO: THEORIES, OF EMPIRE AND SOCIAL CLASS



Portrait of Edward Gibbon Wakefield, a theorist of Britain's empire. Allom, Albert James, 1825-1909: Photographs from the Allom collection of Edward Gibbon Wakefield papers. Ref: 1/2-031744-F. Alexander Turnbull Library, Wellington, New Zealand. Wakefield had a shaky past that included abduction of a 15 year old girl, for which he was sent to prison, and he was also accused of forgery and perjury, though these matters never came to trial. None of this stopped him from maintaining a place in British society, and he became a prominent theorist who explained the need for colonization in Australia and New Zealand. He proposed a theory of systematic colonization, little of which worked in practice, but these ideas did much to propagate the overall project in London. The New Zealand Company, established on Wakefield's principles, sent *The Tory* on 12 May 1839 to promote colonization and it arrived ninety six days later, followed by a further eight further ships. Wakefield was a propagandist and a salesman, and had little time for details or practical matters. He did not come with the early settlers, but did finally arrive in New Zealand in 1853. After a brief and turbulent spell in parliament, he fell ill and died in Wellington in 1862.

CHAPTER TWO

REINVENTING CLASS SOCIETY

... what is it that the assembled scholars of New Zealand demonstrate? They certainly show that British class divisions were not simply replicated in the antipodes. What they also show, with much statistical sophistication, is a very intriguing phenomenon; workers abolishing the basis of a working class by themselves becoming smallholders: a coalition of land-owners and merchants unable to resist redistributive pressure, and a state willing and able to assist in the redistribution of land and the capitalization of smallholdings. A dictatorship of the dairy-farmers is, naturally different from a dictatorship of the proletariat, but that rather confirms than denies the utility of a class analysis. (Denoon, 1983: 225-226)¹³

1. Introduction

My first view of New Zealand was early on a rainy day, some time in January 1966. I had come on a ship from England to go to University here. At nineteen, I came with few preconceptions about how New Zealand would be. I had little understanding about what I was leaving behind in England, or what kind of society I was joining in New Zealand. One of my first conversations was with a taxi driver who was insulted when I tried to tip him. If this had happened in London, the opposite reaction would have occurred. Apparently, the obligatory English tip was offensive to the independently-minded New Zealand taxi driver, and I began immediately to sense a counter-logic at work. I had arrived in a very different society which appeared to set itself against England. In 1966, work was easy to come by, and overtime was routine. The New Zealand economy was in a state of furious activity, and the need for labour was acute. Informality was the order of the day, and the ceremony and pomp of the 'old country' were scorned and laughed at. Pubs closed at six, and people (generally men) got drunk very quickly. Not for Wellingtonians the saloon bar of a quiet English pub. Here, beer came out of a hose, and it was dispersed rapidly and in large volumes.

¹³ Donald Denoon, *Settler Capitalism: the dynamics of dependent development in the Southern hemisphere*, Oxford, New York, 1983.

It soon became apparent what New Zealanders thought of themselves and what they thought of the English. England was structure, closed doors and limited opportunity; it was stuffed shirts and Colonel Blimp accents; it was arrogance and coldness. England was effete, it was intellectual, it was full of itself. English men were effeminate and couldn't shear sheep. Nor would English women make the grade here; they couldn't shear sheep either. In short, England was class society, privilege and unequal wealth.

New Zealand, by contrast, had opportunity. Anyone could do well here with a bit of application. People were 'real' rather than stuffy. New Zealanders didn't stand on ceremony; they took you at face value. Class didn't matter. All that clap-trap was left behind in Blighty. Just as I had come into Wellington Harbour in January 1966, white settlers had come in ships 126 years before I had arrived.¹⁴ Had they brought with them, had they planned, a classless society? Apparently some kind of transformation had been set in place. A change in attitude, a rejection of the old, and a claim for a new society, was apparent. No-one in their right mind would travel 12,000 miles in a dangerous, crowded and desperately uncomfortable ship without a very strong belief that things in this new country would be very different, and much better, than the conditions they had left behind in the old one. The Wakefield Settlement plan proposed plots of land for all new settlers. This was the foundation for the ideological structures that drove people here. There was a belief that the struggles of the past would be put aside. Whatever the privations of the trip, things would be better. This powerfully-held conviction was a necessary precondition of all migration, whether that view promoted migration to Canada, Australia, the United States or New Zealand. Class society, as it had been experienced in the old country, would be put to one side, and a new social system, whether one established on the basis of religious freedom, economic equality or political justice, was going to come into being.

To provide an over-arching justification for the massive emigration that took place, the ideology of freedom from class society had, then, to resonate powerfully in the imaginations of prospective travellers. Yet, and in direct contrast, as my own reading quickly told me, the settlers very soon re-established a new society in which wealth soon became concentrated in a few hands, and in which owners and workers, capital and labour, soon re-appeared in the new land. They created an economic system which alienated the land from some, (most obviously, in the first instance, the indigenous Maori) and

¹⁴ It is recorded that the first white settlers entered Wellington Harbour and made land at Petone on January 22nd 1840 on the ship *Aurora*. The *Tory*, sent earlier on an exploratory passage, had already arrived on the 20th of September 1839. The *Aurora* brought the first settlers.

replaced it with a society in which the wealthy, landed few managed the political system, and by which the rest were controlled. Aotearoa/New Zealand was different from England in so many ways, to be sure, but white settlers still brought with them class conceptions which they had learnt and lived with in England, transported them here, and acted them out in the new land. While New Zealanders were, in later years, to make the word ‘Class’ ‘The Great New Zealand Swear Word’, as Nick Perry has commented, it was equally clear to me, as I read the history of the early period, that New Zealand had been planned as a class society, and that this planning had been established on the basis of strongly-held beliefs about private property, and had assumed that close economic and political ties would be kept with the mother country. In order to construct a new life in this distant landscape, therefore, the settlers had to rework the familiar, but in wholly different ways. They had to reinvent capitalism. This process of reinvention, and the kind of class society which resulted, provides the focus for this book.¹⁵

¹⁵ It is very surprising, in the light of the widespread belief in classlessness propagated by both lay people and academics alike, to remember how commonly class issues featured in the historical record of the 19th century. Consider the following private letter from C.W. Richmond in New Zealand, writing ironically to a friend in England:

‘We are getting ahead famously in politics. Being, as we are, far ahead of Europe and America we are bound to lead the world. We are going to have Woman’s suffrage (universal like men’s). Compulsory Conciliation for making employers pay proper wages, prohibition so that we may not let those wicked brewers go on forcing us to intoxicate ourselves ... if your doctor will prescribe it for you, you may get a little bottle at a time off the druggist, labelled outside with the complaint it is for, and the dose ... Militant temperance ... we have thank heaven already. Militant vegetarianism is in the background and coming we hope. It is quite settled that the rich people are to pay all the taxes and the poor people are to vote all the expenditure. Under this régime things will soon be righted. We have plenty of new statesmen coming into the field – carpenters, boiler-makers, printers, etc. who for the salary of two hundred and forty pounds per annum (which we hope however to increase a little) will regulate all our affairs. We are entirely of Mr. Gladstone’s opinion that property and education disqualify men (with some few exceptions such as W.E.G. himself and one or two of his colleagues) from forming sound judgements on public affairs and think as little of the protests of bloated capitalists as Mr. Gladstone himself does ...’ (Richmond-Atkinson Papers, Volume 2, 1960: 590)

(The papers were originally started in the early 1850s, and consist mainly of letters between members of the two families in the U.K. and New Zealand.)

Given this widespread early concern with class-related matters, our more recent denial of the importance of class relations in New Zealand is thus surprising. This suggests immediately that the mythology of classlessness is closely connected to certain historical periods, rather than an unchanging phenomenon. It is connected to the ideological

The accounts of class society offered in New Zealand have been of three different types. Scholars such as Thorns, Pearson and Davis, largely influenced by Weber, have been principally interested in social mobility and the movement of individuals between levels of the class structure, while neglecting, in large part, the obdurate nature of the class structure itself. In parallel, they have emphasized the individual level of analysis at the expense of structural, societal explanations. A second body of opinion has it that class analysis has nothing to say about New Zealand at all, because we live in some version of a post-class society – such views were common in the 1960s, in the work of John Harré, Keith Sinclair and Bill Oliver, for example. This ‘end of ideology’ argument suggests that the rise of the Welfare State has done away with social inequality, and that notions of class society, class struggle and potential revolution are patently absurd, a form of archaic idealism. In my view, this line of reasoning simply fails to face the historical record accurately, because much of New Zealand’s history has centred on class issues and conflicts, and the same set of issues could hardly be more pressing today. A third position rejects this ‘end-of-ideology’ view entirely, and instead argues that Marxist class analysis offers the only plausible underlying explanation for our social development, and our continuing social cleavages. In this view, most ably sponsored by David Bedggood, a colonial history, land alienation, the rise and concentration of private property, and the continued immiseration of the working class together mean that only a Marxist theory grounded in historical materialism and the theory of surplus value will provide the necessary

needs of a particular era. Early settlers could hardly throw off established ideas overnight, nor could they forget Gladstone and the British hypocrisies as they related to class and position. At the beginning of settlement, talk of class permeated all the plans and early developments, and fears of the dangers of class conflict were widespread. Discussion of these issues was commonplace in the early political system. Later, in the 1890s, this discussion became more formalized and structured, and this same discussion continued widely well into the early 20th century, as the parliamentary record shows. Moreover, class imagery was still vividly alive in the 1930s. What is also clear is that this analytic motif certainly lost ground in the post World War Two era. In a time of relatively high levels of mass consumption and mass production, arguments about class revolution seemed decidedly far-fetched. It seems likely that the first Labour Government of the 1939-1949 period laid the basis for this change in thinking. Powerful welfare state intervention ameliorated some of the worst excesses of depression poverty and eased the pressures on working people that made ideas of class warfare plausible. The products of the welfare state, equally ironically, were the generation who both enjoyed the advantages of high economic growth rates, full employment and advanced welfarism, while at the same time denying the causes of the rise of the welfare state itself. As we shall see, this change in attitude both explains why class analysis disappeared from the political agenda, and why the same problems seem to re-emerge today.

theoretical weapons with which to slice history up satisfactorily. In my view, this position, while offering more promise than the other two, is seriously deficient in a number of ways, not the least of which is its all-or-nothing approach, which leaves no room for alternative explanations, and which thus has to squeeze all the empirical anomalies (issues that cannot be explained by class alone) into a few pre-existing theoretical boxes. In what follows, I will expand on these somewhat cryptic remarks, and suggest a fuller alternative explanation.

2. From Aotearoa to New Zealand: Capitalism Reinvented

As the French anthropologist Lévi-Strauss tells us, myths serve societies by explaining insoluble contradictions, by making the irrational plausible, enabling us to live with difficult truths. Perhaps one of the most dominant New Zealand myths of the 20th century, if not the 21st, is the myth of classlessness. The contradiction which this myth faces is, of course, the propertied nature of this apparently classless social structure. These contradictory factors, objective class structure and subjective classlessness, to oversimplify the matter somewhat, appear to have co-existed from the moment white settlers stepped foot on the shores of Aotearoa. Indeed, the myth of classlessness is frequently assumed to have arrived with the first white whalers. Here in the new land everything was thought to be possible that was prevented in life at home. Old social strictures were to be forgotten, and obligations of class, privilege, status and duty were to be obliterated. In seemingly endless space, (as it appeared to white settlers, though hardly to the indigenous inhabitants), people would be able to free themselves from hierarchy, to be rid of the whole old-world cabal of landlords, squires, nobles, kings and bailiffs, and all the others who kept them in their places in Europe, and who pressed down continually on them. Instead, in the new land, settlers could set themselves on a course towards personal independence. Marx, who wrote at length about colonization, believed himself that the new lands might just work effectively in this way for the labourers fleeing from 'old capitalism'. He argued that if a country could be found where all who wanted it could find enough land and water to be self-sufficient, then there would be no need for labourers to work for landowners, and capitalism itself could perhaps be undermined. A great army of self-employed farmers would rise up, and capitalism might be smashed. Property owners would weep (and go bankrupt) for a lack of workers: workers, for their part, would be transformed into a self-sufficient mass of petty bourgeois farmers.¹⁶

¹⁶ Marx comments: '... Wakefield (an early planner of the New Zealand Colony) discovered that in the colonies, property in money, means of subsistence and other means of production does not yet stamp a man as a capitalist if the essential

In the ambitious world of colonization, the first concern was to establish the requisite balance between capital and labour. Most of the Pakeha¹⁷ (white colonial) settlement of New Zealand was planned, and it was planned to develop the new society in just such a harmonious pattern of equilibrium, to provide just the right numbers of workers for capitalism to succeed. If there were utopian plans for New Zealand, they were plans that propagated the view that it might be possible ‘get capitalism right’ in the new setting, to ensure that the balance between capital and labour was correct, so that the mistakes of the old country were not repeated here. The purpose was thus to perfect a system that had gone badly wrong in the old country:

... the peculiar circumstances of New Zealand give it a claim to be dealt with, for a time at least, as respects the encouragement of emigration, in a special manner; ... The colonies of Australia are in a condition to require only labour; capital already exists there to a considerable extent; it is rapidly growing ... New Zealand is necessarily, at present, in a very different position. Fertile land

complement to these things is missing: the wage labourer, the other man, who is compelled to sell himself of his own free will. He will discover capital is not a thing, but a social relation between persons which is mediated through things. A Mr. Peel, he complains, took with him from England to the Swan River district of Western Australia means of subsistence and of production to the amount of 50,000 pounds. This Mr. Peel even had the foresight to bring besides 3,000 persons of the working class, men, women and children. Once they had arrived at their destination ‘Mr. Peel was left without a servant to make his bed or to fetch him water from the river’. Unhappy Mr. Peel, who provided for everything except for the export of English relations of production to Swan River!’ (*Capital*, Volume 1, pages 932-933)

Marx goes on to revile Wakefield’s plans: ‘... The great beauty of capitalist production consists in this, that it not only constantly reproduces the wage-labourer, but also produces a relative surplus population of wage labourers in proportion to the accumulation of capital. Thus the law of supply and demand as applied to labour is kept on the right lines ... **But in the colonies this beautiful illusion is torn asunder.** There the absolute numbers of the population increase more quickly than in the mother country ... The law of supply and demand collapses completely ... Today’s wage labourer is tomorrow’s independent peasant or artisan, working for himself. He vanishes from the labour market – but not to the workhouse. This constant transformation of wage-labourers into independent producers, who work for themselves instead of for capital, and enrich themselves instead of the capitalist gentlemen, reacts very adversely on the conditions of the labour market. Not only does the degree of exploitation of the wage-labourer remain indecently low; the wage labourer also loses, along with the relation of dependence, the feeling of dependence on the abstemious capitalist. Hence all the inconveniences depicted so honestly, so eloquently and so movingly by our friend E.G. Wakefield. (*Capital*, Volume 1, pages 935-936; bold type in the original).

¹⁷ A term normally assigned to white New Zealanders.