



(Wilson, J., 2009f)

History

Liberal to Labour

The Liberal era

The watershed election of 1890 put the Liberals, New Zealand's first 'modern' political party, into power. From 1893 to 1906 the government was headed by 'King Dick' Seddon. The Liberals cemented in place New Zealand's 'family farm' economy by subdividing large estates, buying Māori land in the North Island, and offering advances to settlers. Buoyant markets for New Zealand's farm products ensured the success of these policies. The minister of lands, John McKenzie, championed the family farm. Farming progressed, especially in the north. By 1901 more than half the European population was living north of Cook Strait, for the first time since the 1850s.

The state steps in

The Liberal government reinforced an established pattern of state involvement in the economy and regulation of society. Its old age pensions and workers' dwellings anticipated the welfare state. In 1893, after campaigns led by women like Kate Sheppard, New Zealand became the first country in the world to give women the vote.

On the money

From 1887, Kate Sheppard was leader of a nationwide campaign to obtain the vote for women. In 1893 this was achieved. Many years later, she was chosen to grace the country's new \$10 note. Her companions in honour were: (on the \$5 note) Sir Edmund Hillary, who conquered Mt Everest in 1953, Māori leader Sir Āpirana Ngata (on the \$50), and the scientist who split the atom, Ernest Rutherford (on the \$100 note). Queen Elizabeth II, who once graced all the notes, now appears only on the \$20.

Imperial loyalty

New Zealand's close economic ties with Britain reinforced the loyalty of New Zealanders to an empire that secured their place in the world. The loyalty found expression in the despatch of troops to fight for Britain in South Africa in 1899. A self-confident nationalism was also evident, and New Zealand declined to join the Australian Federation of 1901.

The First World War

Liberal rule ended in 1912, when William Massey led the Reform Party to power, promising state leaseholders they could freehold their land. When the First World War broke out, New Zealand rallied to England's aid. Thousands of New Zealanders served, and died, overseas. The 1915 landing at Gallipoli in Turkey was a coming of age for the country and



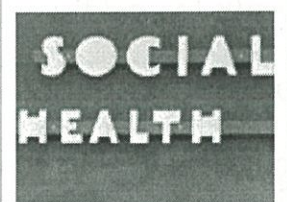
Liberal Party calendar, 1910



Women gain the vote (1st of 3)



The 1913 waterfront strike



Michael Joseph Savage



German paratroopers landing at Galatás, Crete

established the potent tradition of ANZAC (Australian and New Zealand Army Corps) – a pride in New Zealand’s military achievement and its special relationship with Australia. New Zealand troops also fought and died on the Western Front.



National Party
campaign booklet,
1949

Depression

After some prosperous years in the later 1920s, the worldwide ‘Great Depression’ hit New Zealand hard. Export prices collapsed. Farmers faced difficulties over their mortgages, and urban unemployment soared. Discontent erupted in riots. A coalition government, dominated by Gordon Coates, failed to lift the country out of depression.

The rise of Labour

Organised labour flexed its muscles in the 1890 maritime strike, and in the Waihi and watersider strikes of 1912–13. Setbacks on the industrial front turned the labour movement towards political action. The Labour Party, founded in 1916, made uneven gains through the 1920s, then was swept into power under Michael Joseph Savage in 1935 by an electorate disillusioned with how the conservative coalition government had handled the depression. When Savage died in 1940, Peter Fraser became prime minister.

Labour in power

In power, the Labour Party, aided by an economic recovery already underway when it was elected, revived the economy further by pragmatic rather than doctrinaire socialist policies. The Reserve Bank was taken over by the state in 1936, spending on public works increased and a state housing programme began. The Social Security Act 1938 dramatically extended the welfare state.

The Second World War

With the outbreak of the Second World War, New Zealand troops again fought overseas in support of the United Kingdom. The fall of Singapore shook New Zealanders’ confidence that Britain could guarantee the country’s security. During the war in the Pacific, the United States protected New Zealand against Japan. In the early 1950s, New Zealand troops fought in Korea. Later, in the 1960s, concern to keep on side with this new protector prompted the National government of Keith Holyoake to send troops to Vietnam, despite popular protests.

Labour in decline

Labour remained in power through the Second World War and in 1945, Peter Fraser played a significant role in the conference that set up the United Nations. But the party had lost the reforming zeal of the previous decade and its electoral support ebbed after the war.

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