

RESTRICTED

GRS 860

RESTRICTED

DESKBY 110900Z

FM WELLINGTON 110328Z JUL 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 214 OF 11 JULY

INFO ROUTINE CANBERRA, SLO MELBOURNE (FOR WOODROFFE)

SANDS' TELELETTER FPZ 014/1 OF 6 JULY: NEW ZEALAND ELECTION, 1984

SUMMARY

1. AS CAMPAIGN DRAWS TO CLOSE, NATIONAL MAKING UP SOME GROUND. BUT LABOUR WELL AHEAD IN POLLS. MR LANGE CONFIDENT. MAIN ISSUES HAVE BEEN THE ECONOMY (UNEMPLOYMENT, INFLATION, OVERSEAS DEBT), ANZUS AND NUCLEAR WARSHIP VISITS, AND EDUCATION. STYLE OF LEADERSHIP A MAJOR FACTOR. LABOUR WIN LIKELY.

DETAIL

(A) THE CAMPAIGN

2. ALTHOUGH THE PRIME MINISTER HAD THE ADVANTAGE OF CHOOSING THE ELECTION DATE, THE LABOUR PARTY WERE MORE OR LESS READY AND THEIR APPEAL FOR NATIONAL RECONCILIATION AND A NEW CONSENSUS HAS BEEN WELL RECEIVED. MR LANGE HAS ON THE WHOLE KEPT CALM, HAS LOOKED BENIGN, HAS REFRAINED FROM PERSONALITIES, AND HAS THUS FAR AVOIDED THE GAFFES CHARACTERISTIC OF HIS EARLY LEADERSHIP. THE PRIME MINISTER BEGAN SLOWLY AND APPEARED LACK-LUSTRE, ALTHOUGH HIS STYLE HAS BECOME MORE AGGRESSIVE AND SPIRITED IN THE LATTER STAGES OF THE CAMPAIGN - E.G. 'THIS MAN LANGE IS A BUMBLING INCOMPETENT'. HE HAS WON BACK SOME LOST GROUND, THOUGH THIS IS NOT YET REFLECTED IN THE POLLS. MR JONES HAS BEEN AN EFFECTIVE ANTI-MULDOON SPEAKER AND OFFERS AN EXTREME BUT COHERENT SET OF POLICIES BUT HAS AT TIMES SEEMED TO WAVER IN HIS DETERMINATION. MR BEETHAM HAS IN THE MAIN BEEN FIGHTING A DEFENSIVE ACTION AND HAS ATTRACTED RATHER SMALL AUDIENCES. THERE ARE NO SEATS WHICH ONE CAN CONFIDENTLY PREDICT THAT EITHER OF THE MINOR PARTIES WILL WIN. I WOULD EXPECT THEM TO WIN SOME BUT NOT TO HOLD THE BALANCE IN THE NEW HOUSE.

(B) THE ISSUES

3. OPENING THE CAMPAIGN, THE PRIME MINISTER DESCRIBED THE ELECTION AS BEING BETWEEN 'MY LOT' AND THE 'OTHER LOT'. THE QUESTION OF LEADERSHIP STYLE THUS BECAME A MAJOR FACTOR IN THE ELECTION, COLOURING THE OTHER ISSUES. THESE HAVE BEEN:

RESTRICTED

/ (1) THE.

(I) THE ECONOMY: THE PM HAS DEFENDED HIS STEWARDSHIP OF THE NZ ECONOMY, CITING HIS LONG EXPERIENCE. THE OTHER PARTIES HAVE SOUGHT TO FAULT THE PM'S INTERVENTIONIST STYLE AND TO SHOW THAT HIS EFFORTS HAVE FAILED, THAT THE ECONOMY IS IN A MESS, THAT THE OVERSEAS DEBT BURDEN IS MASSIVE AND THAT INFLATION IS ON THE WAY BACK UP (THE RECENTLY-PUBLISHED FIGURE FOR THE YEAR ENDING JUNE 1984 IS 4.7%, AS AGAINST 3.5% FOR THE YEAR ENDING MARCH). LABOUR'S RATHER OBVIOUS LACK OF CLEAR POLICIES TO SOLVE THESE PROBLEMS DOES NOT SEEM TO HAVE DONE THEM MUCH HARM. LABOUR HAS MADE MUCH OF THE NUMBER OF UNEMPLOYED, CLAIMING THAT NZ HAS HAD THE HIGHEST RATE OF GROWTH OF UNEMPLOYMENT IN THE OECD. NATIONAL'S 'THINK BIG' PROJECTS HAVE NOT, ACCORDING TO LABOUR, PRODUCED THE PROMISED NUMBER OF JOBS. NATIONAL HAS COUNTERED THAT UNEMPLOYMENT IS FALLING AND THAT NZ HAS DONE BETTER DURING THE WORLD RECESSION THAN MOST OTHER COUNTRIES. NATIONAL HAS ALSO REPEATEDLY WARNED THE ELECTORATE THAT A LABOUR GOVERNMENT WOULD IN EFFECT BE RUN BY COMMUNISTS IN THE TRADE UNION MOVEMENT.

(II) ANZUS AND NUCLEAR WARSHIP VISITS: NATIONAL HAVE PLEDGED TO MAINTAIN THE STATUS QUO. LABOUR WISH TO RENEGOTIATE ANZUS, WILL PREVENT VISITS BY NUCLEAR-POWERED OR NUCLEAR-ARMED VESSELS AND WILL WORK FOR A NUCLEAR-FREE SOUTH PACIFIC. SOCIAL CREDIT BELIEVES IN ARMED NEUTRALITY AND THE NZ PARTY IN (ALMOST) DISARMED NEUTRALITY. NEITHER WOULD PERMIT VISITS BY NUCLEAR ARMED OR POWERED WARSHIPS.

(III) EDUCATION: LABOUR HAS PLEDGED TO REDUCE THE PUPIL/TEACHER RATIO IN CLASSES AND HAS PROMISED A RETURN TO BETTER EDUCATION. NATIONAL HAS COUNTERED THAT LABOUR WILL NOT BE ABLE TO AFFORD THIS.

(C) POLLS

4. IN THE MOST RECENT POLL BEFORE THE CAMPAIGN OPENED LABOUR HELD A 3 PER CENT LEAD OVER NATIONAL, ALTHOUGH SIR ROBERT MULDOON WAS STILL MUCH THE MOST FAVOURED PM. A FURTHER NATIONAL POLL, TAKEN BETWEEN 23 AND 26 JUNE, ON A SAMPLE OF 2,000, INDICATED THAT SUPPORT AMONGST THOSE INTENDING TO VOTE WAS LABOUR 48: NATIONAL 36: SOCIAL CREDIT 8: NZ PARTY 7 PER CENT RESPECTIVELY. SIR ROBERT REMAINED THE MOST FAVOURED LEADER ALTHOUGH MR LANGE IMPROVED HIS OWN STANDING. BUT SOME 16 PER CENT OF THE SAMPLE WERE EITHER UNDECIDED OR SAID THEY WOULD NOT VOTE. THE FIGURES REPRESENT A SWING TO LABOUR OF 5.7 PER CENT SINCE 1981 AND IF REPEATED AT THE POLLS WOULD THEORETICALLY GIVE LABOUR A 23 SEAT MAJORITY. I DO NOT IN FACT EXPECT A LANDSLIDE OF THESE PROPORTIONS. NEVERTHELESS, A SMALLER POLL TAKEN MORE RECENTLY IN THE MARGINAL SEATS OF EAST COAST BAYS, EDEN, MIRAMAR, WESTERN HUTT, YALDHURST AND FENDALTON SHOWS SWINGS TO LABOUR OF BETWEEN 6 AND 16 PER CENT EXCEPT IN EAST COAST BAYS (GARY KNAPP, SOCIAL CREDIT) WHERE NATIONAL HAD A 1.5 PER CENT LEAD. BUT UNDECIDED VOTERS ALSO POLLED WELL. A FURTHER POLL TAKEN A FEW DAYS AGO BY VICTORIA UNIVERSITY IN OHARIU (TEMPLETON) AND MIRAMAR (NEILSON) HAS CONFIRMED SWING TO LABOUR. INTERESTINGLY, THIS POLL SHOWED MAJORITY SUPPORT FOR MR LANGE AS PRIME MINISTER.

RESTRICTED

RESTRICTED

5. MESSAGES: YOUR PROPOSALS AGREED. WE SHALL TELEGRAPH RESULT SOONEST ON 14 JULY.

COMMENT

6. LABOUR HAS HAD A GOOD CAMPAIGN AND INDICATIONS ARE THAT, BARRING ACCIDENTS, THEY WILL WIN ON SATURDAY. BUT THEIR MAJORITY IS LIKELY TO BE SMALLER THAN POLLS PREDICT, AS NATIONAL APPEAR TO BE MAKING A LATE COMEBACK.

FAWCETT

LIMITED

SPD

NEWS D

PUSD

PS

PS/LADY YOUNG

PS/MR WHITNEY

PS/PUS

SIR W HARDING

³
RESTRICTED