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(Curtin, J. & Miller,
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Story: Political parties

Page 3 – Challenging the two-party

Social Credit

Between 1953 and 1978 Social Credit offered the strongest challenge to the two-party system, yet it was unable to gain a permanent place in Parliament. Social Credit, which was an international movement that began in Canada, originally appealed to people who believed banks and other financial interests conspired against workers and small-scale producers such as dairy farmers.

In New Zealand the party's precursor, the Social Credit Association, was created in the early 1930s as a monetary-reform organisation. Its members set up the Social Credit Political League in 1953. The league promised government control of the monetary system and cheap loans. In its early years the organisation was also anti-semitic, but that ended in the 1970s under the more liberal leadership of Bruce Beetham.

Support and seats

At its first election – 1954 – Social Credit stood candidates around the country in all but one electorate, and won 11.3% of the vote. Over the next 30 years its vote seldom dropped below 7%, and it peaked in 1981 at 20%. Support for the party declined in the later 1980s, despite several attempts at re-branding itself, including a name change to the New Zealand Democratic Party in 1985.

Despite their level of support, between 1966 and 1984 only four Social Credit candidates were elected to Parliament, including leader Bruce Beetham (1978 and 1981, representing the Rangitīkei electorate). In 1987 the Democratic Party was the only significant small party to contest the election.

Factors hindering Social Credit

Social Credit was a victim of New Zealand's highly disproportional electoral system and the traditional dominance of the two main parties. There was also disharmony and division within the party, and competition for votes from other small parties such as the Values Party.

Most important was its failure to persuade voters that it was anything other than a protest party – a vehicle for those temporarily disillusioned with the National Party but unable to bring themselves to vote Labour. The party failed to generate a geographically concentrated vote based on significant political difference – essential for ongoing success in a first-past-the-post electoral system.

While Social Credit's electoral success failed to fragment New Zealand's two-party system, its sustained presence as a third party and its vote surge at critical points in electoral and economic cycles demonstrated that New Zealanders were not afraid of using their vote as a form of democratic protest against the two main parties.

The Values Party

In the 1970s the Values Party received a low vote share in three consecutive elections (2% in 1972, 5.2% in 1975 and 2.4% in 1978). The party did better in local-body elections, and a number of its candidates were elected to city councils.



Social Credit
pamphlet



Social Credit MPs,
1984



Electorates where
Social Credit gained
more than 10% of
the vote, 1975



Values Party, 1978



Join the party,
1940s

Sometimes labelled the world's first green party, the Values Party took a progressive position on a range of issues being championed by the peace, women's and environmental movements. It appealed to young, middle-income voters, and its members tended to be younger than those of the other parties.

Values candidates continued to contest elections throughout the 1980s, even though the party organisation was largely defunct. In 1990, several of its long-time activists helped to establish the Green Party of Aotearoa New Zealand.

Communist Party

The New Zealand Communist Party (1921–94) contested elections from 1923 to the 1990s. Although none of its candidates won a seat in Parliament, the party was more influential than this record or its small size suggests. Among its members were leaders within unions and, in the 1930s, the unemployed workers movement. Others took part in left-wing political causes and were prominent in publishing and writing for left-wing magazines.

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