A BEGINNER'S GUIDE TO FOREIGN CONTROL

- Murray Horton

This is a very big subject, to put it mildly and one in which it is very easy to bore an audience to sleep or worse, leave them overwhelmed and depressed by the sheer scale of it all. I will endeavour to avoid jargon as much as possible and to avoid piling on the depressing statistics. Some of the latter are obviously necessary but I will keep them as brief as possible. This is not intended to be the definitive word on the subject, simply an introduction to open it up for discussion and, more importantly, lead to effective united action to combat it.

I have been the fulltime paid organiser for CAFCA and the Anti Bases Campaign since 1991. I will not be discussing my ABC work. Previously I worked as a railway labourer for over 14 years, until I joined the ranks of the redundant and I have been a political activist since 1969. There are obviously many advantages in being a fulltime organiser and one is definitely required. CAFCA is a national organisation - although we are based in Christchurch most of our members are in the North Island. The recent response to everything CAFCA has published and done proves that foreign control is now very much a mainstream issue, indeed a critical issue.

One thing needs explaining - CAFCA is not interested in empire building, sheepstealing, trampling on other people's turf or whatever. We are not a political party espousing an all-embracing philosophy. We are perfectly happy to work with likeminded groups and urge people eager to join the fight to join such groups. Or form their own. We do not endorse any political party, although we do see more scope for a sympathetic hearing, now that the Alliance is in Government, and the Greens are in Parliament. Some of the 1999 crop of new MPs are CAFCA members and supporters of long standing. Post-election we have put more effort than usual into lobbying those two parties. On specific issues, such as our current campaign for the seizure of the NZ assets of the Suhartos and their cronies, we use traditional lobbying and party political methods. But we see foreign control as an issue that transcends all traditional parliamentary boundaries, one which can't be solved by a mere change of government.

In case you're not familiar with CAFCA, I'll give a very brief potted history. We grew out of the 1960s anti-Vietnam War movement, which evolved into the first anti-bases campaign of the 70s. A number of us took part in the grandiosely titled Long March (actually a luxury bus trip) across Australia to a US base. This inspired us to organise something similar, which was the 1975 South Island Resistance Ride, a two week trip by two bus loads of people around the Mainland, linking together a broad variety of peace, environmental and development issues. CAFCINZ (we changed to "Aotearoa" in the 80s) was created to organise that, so we're more than 25 years old. We remain a small Christchurch based group, with a dedicated and extremely stable core of experienced activists, organisers, and researchers. We have excellent working links with individuals and groups right around the country and in a number of overseas countries.

We started as a group looking at the economic and political impact of environmental concerns, such as our oldest adversary Comalco. We have grown into a group dealing comprehensively with all aspects of foreign control in this country, be they economic, political, social, military, covert, cultural, etc. We are constantly evolving in our area of focus, so that in recent years we have taken on huge subjects such as the implications for the New Zealand people of the Asia Pacific Economic Cooperation (APEC) and the World Trade Organisation (WTO). There are no shortage of things to learn in a subject such as this. Nor have we forgotten Comalco. Far from it.

Before dealing with what foreign control **is**, it is necessary to point out what it **isn't**. Right from the outset, I should state categorically that CAFCA does not, has not and never will claim that it is the only problem facing New Zealanders, nor is it the biggest. But it is definitely one of the biggest, it is growing at an alarming pace and it is connected to all the other problems. A second point that I should make now is this: if you're expecting to hear a tirade about immigration, you're out of luck. CAFCA is not a racist organisation. We have no argument with the people of the various countries represented by foreign investors here, our argument is with the transnational corporations (TNCs) notionally headquartered in a particular country. And our argument is with the governments of those countries and with our own politicians and businesspeople who actively collaborate with those TNCs, either directly or by implementing the lunatic New Right policies that are aimed at making Aotearoa "attractive to foreign investors".

As a group, we have no policy on immigration. As for me personally I am married to an Asian, I have a large Asian extended family, I have lived there (most recently, in December 1998) and taken part in the ferocious political struggles of the Asian people; my grandfather was an Australian migrant; and, as a New Zealand migrant worker in Australia, I have experienced firsthand the racism directed at "Kiwi dole bludgers". All of us, Polynesian and Europeans, are migrants here and we are all Pacific Islanders. Some of us just happen to be blue eyed Pacific Islanders. Having said that we are an anti-racist group, CAFCA is appalled at the cynicism of the same politicians who have happily beaten the racism drum over the years branding as "xenophobic" anybody who opposes the open slather policies directed at handing this country over to the TNCs. That is insidious bullshit. It is absolutely not racism to oppose foreign control. The attempt to make a connection beween the likes of the racist and potentially fascist policies of the One Nation Party in Australia and New Zealanders who oppose foreign investment and free trade is desperate wishful thinking by the ideologues who have run our country for far too long. What the Labour Rightwingers and Tory hasbeens are trying to do is demonise opponents of the sanctified ideology, in the same way that any opposition to “free trade” is regarded as tantamount to treason. After the 1999 “Battle of Seattle”, which defeated plans to launch the Millennium Round of the WTO, opponents of “free trade” are routinely referred to as “Luddites” and “anarchists”, even “terrorists”.

So What Is Foreign Control?

Firstly, it needs to be placed into context. We hear a lot from both Labour and National and the rest of the New Rightists about the "global economy", as in "we have to be part of the global economy". The single most important feature of the post-WW11 global economy has been the growth of transnational corporations. TNCs affect every single aspect of our daily lives - simply look at the brand name of the products you have in your homes or which you buy in the supermarket. They are distinguished by their statelessness, operating anywhere they can get the best deal and make the biggest profit. They regularly abandon one country, even their "home" one, for a better deal elsewhere or to avoid the consequences of their actions. Union Carbide of the US, has never been brought to book for the appalling 1980s chemical leak at Bhopal which killed over 15,000 and maimed 200,000. More than 15 years later the Indian victims are still seeking even the merest semblance of compensation, let alone justice. The car TNCs perfectly illustrate how transnationals differ from domestic capitalists, because of the greater economy of scale. They produce what are called "world cars". What we buy as a "Japanese" car may have steering from Malaysia, an engine from Indonesia, transmission from the Philippines, electrical equipment from Thailand and may have been assembled in any one of them. (But because of the ideologues' dumping of tariffs, under National, none of those world cars are being assembled in New Zealand any more).

And TNCs play off one part of a country against another or whole countries against each other. Comalco is the classic example of this. From 1992 it played off Tasmania against Queensland and New Zealand, as to which one would be "the first cab off the rank", in the words of its chief executive officer (ie who would offer Comalco the most favourable inducement for it to spend but the catch is it would only spend in one of those places). Comalco signed a new contract with ECNZ (secret like all its previous contracts) guaranteeing it 16% of NZ's electricity output until well into the 21st century. In Queensland the State Labor government sold it a power station to give it control of the power supply to its smelter and thus integrated control of that state's aluminium industry from start to finish. In Tasmania the State Tory government wouldn't sell it part of the publicly owned hydro generating grid at a price acceptable to it, so Comalco walked away from contract negotiations and threatened that its smelter will close when the present contract expires in 2001. So in Comalco's terms, Tasmania "lost" and New Zealand and Queensland "won". We would see it in exactly the opposite light. Comalco is doing the same thing now, playing off Queensland versus Malaysia as the site for a new smelter.

For good measure, Comalco added a Chilean wild card (since abandoned). Chile has always been a favourite among Australasian-based TNCs, because TNCs thrive best where the State guarantees cheap labour, little or nothing in the way of any controls, and preferably isn't bothered by pious niceties like democracy. TNCs based in New Zealand, such as Fletcher Challenge and Carter Holt Harvey, flocked to Chile in the riproaring 80s. Indeed the major attraction for US forestry transnational, International Paper, when it took over Carters in 1991 was to secure ownership of the latter's Chilean forest holdings. Perhaps some of these chief executive officers (CEOs) should be in the dock, alongside General Pinochet, the old mass murderer himself. And TNCs like to shelter behind State violence (no suggestion of privatisation in that field). If Comalco's parent company, Rio Tinto, ever gets back the Bougainville copper mine it can thank the brutal war waged by Papua New Guinea to murder, terrorise and starve Bougainvilleans back into submission. British mining behemoth Rio Tinto, has never had any qualms about State violence, whether it was approving of the fascist dictator Franco shooting strikers in its Spanish mines or Queensland cops forcibly evicting Aborigines from their land which the bauxite barons coveted.

Foreign direct investment by TNCs and trade within and between firms are now the dominant elements of the world economy, according to the *World Investment Report 1999* of the United Nations Conference on Trade and Development (UNCTAD). The world's TNCs - 60,000 parent firms and their 500,000 foreign affiliates - account for two thirds of the world trade in goods and services, one third in intra-firm transactions and one third in inter-firm transactions. This means that only one third of world trade in goods and services is according to free market, free trade theories of arms length transactions. In 1995, UNCTAD's Secretary-General said that “foreign direct investment has now superseded trade as the most important mechanism for international economic integration" (*Multinational Monitor*, March 1996).

This shows that TNCs already have enough economic power to circumvent national economic protective measures such as tariffs. And they got this formalised by the "successful" conclusion of the GATT Agreement. I'll deal with that later. TNCs control one third of the world's private sector productive assets. The biggest 100 control nearly one quarter of the total amount. All 100 have head offices in the "Triad": North America, Europe and Japan.

The *World Investment Report 1998* ranked the US as the top outward investor. Investment is concentrated in the developed economies - in 1997 only $US149 billion of foreign direct investment was invested in developing economies - out of a total of $US400 billion. The 48 least developed countries received a mere $US1.8 billion between them (0.5% of the total). No, TNCs don't invest where the need is greatest. They go where the profit is greatest. The biggest single recipient of global foreign investment in 1997 - $US91 billion - was the good old USA. Developed countries, including the richest in the world, increased their share of the total to $US233 billion. But TNCs are not major employers - worldwide, the 200 biggest TNCs employ only 18.8 million people, or less than 1% of the global workforce. Nor are they fond of paying taxes. Despite making a total of $US2.2 billion profit in Britain over the 11 years to 1999, Rupert Murdoch's News Corporation paid zero tax. Remember that when Murdoch's NZ papers pontificate on tax matters.

Transnationals are the logical end product of capitalism. They are corporations that have outgrown their home markets, they need to establish a global market. The pressures on them are simply a bigger version of those on all capitalist enterprises - the need for constant expansion, increased profits, a bigger market share where they are established, new markets elsewhere, preferably a monopoly situation. To give the example of the global food industry. 77% of the world cereal trade is controlled by five companies; 87% of the world's tobacco trade by four companies; and 80% of the world's banana trade by three companies. Here in NZ, 65% of vegetable crops are processed by Watties which is now owned by US food TNC, Heinz. Globally, 1999 was a record year for mergers and acquisitions ie the process by which the big get even bigger. They totalled $US3.1 trillion in the first 11 months of the year, as opposed to $US2.5 trillion in all of 1998. The trend has continued unabated in 2000, with Vodafone's $NZ402 billion takeover of Mannesman the biggest so far.

Over half of the sales of the top 200 are in just five economic sectors - trading, cars, banking, retailing and electronics. In cars, the top five account for 60% of global sales; in electronics, the top five account for over half of global sales; seven drug TNCs account for one quarter of the market. Merger mania is predicted to see today's 15 major car TNCs reduce to 5-10 by 2010. And TNCs are widening the gap between rich and poor by catering primarily to the growing wealthier classes worldwide. For example, the top eight telecommunications TNCs are booming, yet 90% of the world's population live in a household that is not connected to a phone. According to the UN's *Human Development Report 1998,* the assets of the world's 225 richest people equal the combined annual incomes of the poorest 47% of the world's population, 2.5 billion people. The three richest are richer than all of the 48 least developed countries put together! Bill Gates alone is the first man in history to have been individually worth $US100 billion (it devalued drastically, to a mere $US65 billion, with the 2000 slump in Internet TNC stocks, but he's still the world's richest individual).

TNCs must constantly have access to more and more countries. Their "market" must get bigger. Hence the rush by TNCs into China. When the tobacco merchants of death are restricted in the developed world, they push their products with renewed vigour in the Third World. There are 350 million smokers in China. In 1998 I spent a month in the Philippines - TV is saturated with cigarette ads (some of which are filmed right here, in smokefree NZ, using blonde actors and lots of pure, white snow). Thalidomide is still being sold in Brazil, spawning a whole new generation of grossly deformed children. You may not know that India, specifically the city of Bangalore, is a world leader in accounting and writing software programmes for major TNCs. Why? Cheap labour. The down market end of this same labour market are the Filipino seamen who constitute about one fifth of that industry's global workforce, working (and dying) in flag of convenience rustbuckets all around the world. TNCs are equal opportunity exploiters, they are quite happy to make profits in white or black countries, from Maori or pakeha, from the rich or the poor. Courtesy of the policies which have flung New Zealand wide open to unrestricted TNC domination, we are in a state of downward transition from rich to poor.

Worldwide, national governments in all but the richest countries have proved weaker than TNCs. Indeed, by comparing government budgets with gross corporate revenues, a 1999 study of the top 100 corporations and national governments in the world showed that 66 are corporations, and only 34 are governments. The top six TNCs – Exxon-Mobil, General Motors, Ford, Mitsui, Daimler-Chrysler and Mitsubishi - together have more annual revenues than any national government except the US (*Multinational Monitor*, June 1999). TNCs hold 90% of all technology and product patents worldwide. This global kowtowing to TNCs is clearly illustrated by UNCTAD figures which show that, of 485 changes in countries' foreign investment policies since 1990, 474 have relaxed restrictions. Only 11 strengthened those restrictions. In 1997 alone, 76 countries made a total of 151 changes to their foreign investment laws, all relaxing restrictions.

The cost in terms of human damage in the developing world is catastrophic. I've lived in the Philippines, a country impoverished by debt, TNC exploitation and the militarisation needed to fight revolutionary and secessionist wars arising from that legacy. Just look at any of the countries afflicted by the Asian crisis of the late 1990s. In South Korea, they have a new cause of death - "IMF suicides", by those amongst the millions cast out of work by the "prescriptions" of the International Monetary Fund. Koreans have coined a more ironically fitting name - "I aM Fired". The Asian "tigers" found the old truism to be true - riding the tiger is one thing; the problems really start when you have to get off.

Making New Zealand "Attractive" To Foreign Investment

We are, of course, also exploited by TNCs. The only difference between us and the Third World is the degree of exploitation and the more subtle tactics used to achieve the same ends. We don't have death squads nor daily cuts to water, power or phones (but Auckland's scandalous weeks long 1998 blackout showed that our infrastructure has been deliberately allowed to become as decrepit as any in the Third World). We are on the same slippery slope and the goal is the same. Deliberate impoverishment of the many to benefit the TNCs and their local collaborators. Worldwide, national governments have bent over backwards to make their economies "attractive" to foreign investment, seduced by the universal New Right maxim There Is No Alternative. Poor old Tina, she's got a lot to answer for. The point I want to make here is that what has happened in this country is far from unique. Because we're a long way from anywhere and tend to be naturally parochial, it is easy to overlook this point. The only difference between us and the rest of the Western world is that, in our time honoured role as a social laboratory (perhaps the true translation of pakeha is "white rats"?), the experiment here has been more extreme than elsewhere. In the 1980s we went from being the most regulated economy in the capitalist world to the most laissez faire, from

Piggy to a failed pig farmer, in the blink of an eye. Not surprisingly, the effects have been pretty seismic.

"This country faces extinction as an independent nation. It is threatened by the effects of the present government's destructive policies: crisis levels of unemployment and poverty, deep cuts to the economic base, sustained attacks on social programmes and cultural institutions".

That was written about Canada, but it sounds remarkably familiar to New Zealanders. And the ideology behind the crisis is the same. The unlamented Ruth Richardson said (*Press*, 21/8/93): "We must continue to be very attractive to foreign investors because we simply haven't saved in New Zealand. We do not have the funds to grow". This claim that New Zealanders don't save enough is nonsense - a 1997 Westpac & FPG Research survey established that New Zealand's gross savings are just below average for Organisation for Economic Cooperation and Development (OECD) countries. But we musn't let the facts get in the way of a good story. The equally unlamented Jenny Shipley lectured us on the virtues of saving, telling us to "fall in love with savings" (*Press*, 28/3/98). Funnily, the Japanese were recently being told that the cause of their recession is that they save too much, and need to spend more. Which is right? Neither, perhaps. Indeed, the National government didn't heed its own advice. Its policy of tax cuts meant that it was spending its own savings.

So in order to be "attractive", all sorts of sweeteners are offered. Some are outright legislative changes such as the changes to NZ's international tax laws, cutting the tax rates for TNCs here. Ruth was sacked but during National's 1993-96 term, the Minister of Finance, Bill Birch, was at pains to stress that nothing would change. He identified his policy "cornerstones" including the Reserve Bank Act and its obsession with 0-2% inflation; his own baby the Employment Contracts Act; no rise in company tax; and an "economy that is open to world trade and capital investment and therefore internationally competitive" (*Press*, 2/12/93). Birch's 1994 Budget featured another world first for New Zealand - adopting private sector style accounting for the Government. The *Press* headlined this "Welcome to New Zealand Ltd", and commented:

"The accounts should help increase confidence in NZ among foreign investors and credit rating agencies...NZ has been a world leader in moving to budgeting on an accrual basis. This has led to a foreign quip that the whole country could be listed on the Stock Exchange". Quite.

Commenting on that Budget, economist John Lepper said: "There is very little evidence that we have departed from the agenda set out in the Treasury briefing papers of 1984 and 1987...It continues the movement towards a minimalist State, nothing more than that. We're going to end up in the early years of next century with a very small State sector indeed...The social theory behind it is the view that the best thing you can do for anyone is to let them pursue their own interests and the State's role is merely to see that the contracts we conclude with one another are binding. People are on their own, in other words. If they can't manage then neither the Government nor the rest of us are going to help them...(*Listener*, 16/7/94; *Politics*).

The 1996 election, our first under MMP, delivered a "new" Government. Funnily enough it looked remarkably like the old Government. Despite Winston Peters leapfrogging Birch to become Treasurer, Bill's policy cornerstones remained in place. The Employment Contracts Act remained, bar a bit of tinkering with things like the minimum wage rate; the Reserve Bank Act was widened to allow an inflation rate of 0-3%. And that's it. Business as usual as far as the fundamentals of the Rogernaut economy were concerned. Of course, in 1998, Peters was sacked, the National/New Zealand First Coalition collapsed, Bill Birch became Treasurer (succeeded by Bill English in 1999) and a minority National government, backed by ACT and the "Independents" who defected from New Zealand First, returned to an ideologically pure programme, whilst managing to last a full term, before public outrage finally got the chance to chuck it out on its ear.

The 1999 election result offered the first chance in 15 years to reverse some of this. The Labour/Alliance government, backed by the Greens, has a policy of replacing market forces with a hands on approach to the economy. Specifics include raising taxes for those earning over $60,000 p.a., repealing the Employment Contracts Act (ECA), renationalising the Accident Compensation Corporation (ACC), stopping the sale of State-owned assets, ending the competitive model for tertiary education and bulk funding for schools, reintroducing income-related rents for State house tenants, and increasing National Superannuation and the minimum wage (which affects me). The biggest amount ever of public money has been promised to the arts. National, ACT and the ideologues of the business and political New Right have denounced it as a throwback to the "Leftwing, interventionist" 1970s.

But Labour's front bench, including the PM, Helen Clark, and Treasurer, Michael Cullen, are veterans of the 1984-90 Rogernomics Labour government. The Alliance's four ministers, including Deputy PM, Jim Anderton, are being kept well away from key spending portfolios (Jim has been allowed to proceed with his pet projects - the creation of a New Zealand owned and operated People's Bank, using State-owned New Zealand Post to resurrect the former Post Office Savings Bank, which was destroyed by the 1980s Labour government; and being allocated $100 million for regional development). Cullen plans no changes to Tory cornerstones, such as the Reserve Bank Act and its 0-3% inflation range. Labour's leadership is firmly committed to globalisation, liberal foreign investment, free trade, etc, so we shouldn't get our hopes up. They have talked only of preserving what little is left, but have no plans of reclaiming any of the billions of dollars worth of NZ assets flogged off in the past 15 years (with the sole exception of the ACC). And indeed, after their six months honeymoon was over, Labour panicked when confronted by determined opposition from Big Business and promised to revisit key policies, such as the Employment Relations Bill (which will replace the ECA). As for Alliance policies, such as employer-funded parental leave, Labour dumped them, and publicly attacked its junior coalition partner.

There is one good thing about Labour's front bench – it doesn't include Mike Moore. Our "loss" is the WTO's gain, where he is having a waking nightmare as its Director General at a time when the tide is turning against "inevitable" globalisation.

But making the country "attractive" for TNCs goes much further than the steps detailed above. Worldwide, they are looking for a combination of low wages; minimal environmental or health regulations; cheap raw resources; efficiencies of scale; low taxes or high subsidies (there's that dirty word again. Comalco's long serving former CEO, Kerry McDonald, has said that he much prefers "discount"). In the US individual states, counties and cities have undercut each other to attract foreign investments such as car assembly plants, with guaranteed union free workplaces. Some US states have paid TNCs hundreds of millions of dollars to pick them. In a number of Third World countries, such as the Philippines, governments have established "export processing zones", which effectively belong to the TNCs, being deliberately alienated from the country and its laws. This whole process has been graphically described as "the race to the bottom". The National government decreed that New Zealand wouldn't offer any fiscal incentives to wouldbe foreign investors, assuming that we were already inherently attractive.

That hands off policy looks likely to change and for the worse – in June 2000, Cullen hinted that the Government is looking at various forms of assistance or facilitation for foreign investors, including outright grants. This seems to be based on a reliance on “targeted, smart” foreign investors but is, in fact, an old variation on the discredited policy of “picking winners”. Handing out taxpayers’ cash to transnationals is a very retrograde policy for this Government to adopt.

In New Zealand making us "attractive" has involved bulldozing the fabled playing field, with the result that briefing papers for the new Government concluded that 45% of families depend on benefits or other forms of government assistance. A 2000 study found that one third of children live in poverty. The 1996 Census established that 60% of Christchurch’s people, aged over 15, earn less than $20,000 gross (and I’m certainly one of them). New Zealand has the fastest growing economic divide between rich and poor of any developed country. A 2000 study, commissioned by Treasury, shows that, from 1982-96, the top 10% of earners increased their incomes significantly; but the incomes of the rest dropped sharply. A 1998 report from the Catholic Bishops concluded: “Our economic policies have redistributed income upwards from the poor to the already economically advantaged” (*Press*, 30/3/98). Inequality is rising faster here than in virtually any other counry in the Organisation of Economic Cooperation and Development (OECD), the “rich countries’ club”, to which NZ belongs. Bill Birch proclaimed himself in favour of such accelerating inequality.

It has led directly to atrocities like the Employment Contracts Act, which returns workers to the 19th Century in terms of wages, conditions and union rights. Employment safety conditions are now as bad as 100 years ago. 56 workers were killed on the job in 1998, a 43% increase since 1993. Tranz Rail’s lethal safety record, with 11 workers killed in five years, has prompted the Government to order a Ministerial Inquiry into it. Making us "attractive" has led deliberately to massive institutionalised unemployment. I speak as one of the more than 80% of Railways staff declared surplus to requirement since the mid 80s. Unemployment remains at between 6-7% of the workforce (Maori unemployment is14.5%; for teenagers, the rate is 17%) which means that nearly 120,000 people are out of work. Mass layoffs continue to be the order of the day. More than 13,000 workers were made redundant in 1997/98 alone. Wholesale factory closures and relocations have continued throughout 1999 and 2000.

It led to moves to put the burden of unemployment on the unemployed by cutting the dole and suggestions of a time limit on how long you can be on it. New Zealand First’s big idea for the former National Coalition Government was to introduce the American scheme called workfare ie to make beneficiaries, not just the unemployed, work for their benefits. The 1997 Budget took it further, instituting a “code of social responsibility” for beneficiaries, namely to impose conditions for them to continue to receive benefits. The 1998 Budget (Winston Peters’ swansong) institutionalised this beneficiary bashing, requiring them all, even the chronically sick and disabled, to be work tested, and was accompanied by the “dob in a bludger” TV ads encouraging people to anonymously inform on beneficiaries. Workfare started in 1998, complete with benefit cuts for those who were 15 minutes late for an interview or cancellation of the benefit for 13 weeks for “persistent non-cooperation”. Very soon, this punitive campaign led to individual horror stories. A Tory Christchurch City Councillor described workfare and its ilk as “neo-Nazi, purist, Aryan theories that this Government is pushing” (*Press*, 11/5/99). The National government stopped collecting welfare data, because it didn’t want the devastating impact of its “reforms” to be officially tabulated. The Labour/Alliance government has stopped workfare and the officially sanctioned policy of beneficiary bashing..

Employers campaigned against the ACC (one of National’s last acts was to throw open the lucrative accident compensation sector to the insurance TNCs. Labour is renationalising ACC). Employers also campaigned against the judicial system, claiming the Employment Court is "pro-worker"! National attacked the Holidays Act, seeking to allow employers to buy off workers' public holidays and one of their three weeks annual leave. Public opposition forced a halt to that. The Alliance has a policy to increase paid annual leave to four weeks for all workers. Both Labour and the Alliance are committed to introducing paid maternity leave – the employers are campaigning for the cost of it to fall on taxpayers, not them. But Labour's mid 2000 panic in the "face of "slumping business confidence" put paid to any of those policies seeing the light of day, at least not in the current Parliamentary term.

Previously unheard of foodbanks now play a vital role in every city - Christchurch alone has nearly 50 of them and the number of people needing their services is growing steeply. Not just beneficiaries either, lowpaid workers are increasingly to be found at foodbanks. New Zealand has the worst figures in the developed world for diseases of poverty, such as rheumatic fever, which is impairing the learning ability of up to one third of children in the Porirua area. Cerebral meningitis, a fearsome and deadly disease of poverty, has been present in epidemic proportions for ten years and no end is in sight to its spread. Tuberculosis is back and despite the ideologues' attempts to blame it on Pacific immigrants, doctors firmly point the finger at poverty as the cause (I personally have been exposed to it and had to be tested. The exposure took place in Wellington Hospital. Fortunately I was not infected). NZ has the highest TB rate in the English-speaking world. A 2000 World Health Organisation survey of its 191 member States ranked NZ as 41st – well behind comparable developed countries, and not a few lesser developed ones.

A Ministry of Health report concluded that life expectancy in New Zealand has fallen, in relation to other OECD countries and said: "There is a strong correlation between the incidence of ill health and low income, high unemployment, inadequate housing, and low educational achievement" (*Press*, 7/1/97). A UN Committee on the Rights of the Child review of New Zealand concluded that the "reforms" had seriously impacted on the resources available to support children. The Commissioner for Children, the late Laurie O'Reilly, called it a "critical and damning report" (*Press*, 27/1/97). The cult of restructuring for restructuring's sake costs lives - the Department of Conservation has been restructured several times in a decade. Outcome - tragedies such as the 1995 Cave Creek disaster, which cost 14 young lives.

It has led directly to the dismantling of the Welfare State and the creation of a user pays substitute. The aim is to get the State out of Business. But this is not to be confused with the old utopian goal of the withering away of the State. Oh no. The aim this time is for Big Business, both local and transnational, to become the State (but undertaking none of the responsibilities of the Welfare State). That is the logical end goal of transnational capitalism - to redefine the State and transform it into the corporate State, which is a new version of feudalism, with the robber barons agreeing among themselves on how to carve up the spoils. Corporate feudalism is a form of social organisation with which the Mafia is very familiar. And it has nothing to do with democracy. Even those at the heart of the corporate universe can see this quite clearly. Dee Hock, founder and chief executive officer of Visa International, the credit card TNC, says: "The role of giant. transnational corporations and government have slowly reversed. Government is now more an instrument of such corporations than the corporations are instruments of government" (from his book, "Birth of the Chaordic Age", quoted in the *San Francisco Bay Guardian*, 21/1/00).

One of the most pernicious myths promulgated by the ideologues and their media apologists is to equate "capitalism" with "democracy". The two are mutually incompatible. There is nothing democratic about the way TNCs operate and they have far more power than the national governments that go through the charade of parliamentary democracy. It has reached its logically absurd conclusion now with UN Secretary General, Kofi Annan, announcing a 1999 partnership between it and TNCs operating in the Third World, including such pillars of the international community as Rio Tinto. For those harbouring any illusions about the UN, it should be pointed out that it too has undergone the New Right brainwashing experience and its relevant organs, such as the Conference on Trade and Development (UNCTAD), are now enthusiastic boosters of foreign investment. The previously quoted *World Investment* reports are almost evangelistic in their fervour for TNCs. UNCTAD's newsletter is now entitled *ProInvest*! (Ironically, in 1997, the World Bank announced that it had changed its mind and that the State should play a role in the economy).

Roger Douglas totally deregulated the financial market here so that money now flows in and out at will. But if policies or governments are not to the liking of those foreign investors, they can pull their money out very quickly. And that is exactly what was regularly threatened throughout the 90s should any politician try to stop, let alone reverse the "reforms" (which I prefer to call deforms). At first the finance market hysteria was concentrated on Jim Anderton and Alliance policies; then he was replaced by Winston Peters as the devil incarnate (until he became the most orthodox of Treasurers and a complete lapdog for Treasury). Anderton's place in any incoming Labour/Alliance government was the 1999 election worry for the market. The market was reassured that the reliable Dr Cullen would keep a firm rein on the satanic Jim (but now they're not so sure about Cullen. Even he might be a bit too Lefty for them).

That is the real power of international speculative capital, to ebb and flow like the tide, one minute drowning us, the next leaving us high and dry. "If any New Zealand government were to attempt to enact laws which were viewed as anti-capitalistic, these `Economic Vigilantes' would strike instantly, dumping the NZ dollar, NZ bonds and NZ shares in huge parcels as they moved funds to greener pastures. The resultant turmoil would be sharp and severe enough to discipline any rational politician into maintaining investor and economic friendly policies...the `Economic Vigilantes' stand ready to continue to reward, or choose to punish New Zealand, to encourage the retention of a progressive, open economy" (*Time*, 1/4/96; Joseph Banks Trusts Ltd Colonial Investments ad, "MMP And The Vigilantes"). The same threat has been openly stated in 2000's face off between the Government and "nervous" Big Business.

Graham Lenzner, head of a big Australian fund which manages hundreds of millions of clients' money in NZ, said that New Zealanders had to get used to overseas fund managers making decisions on the market here that have nothing to do with domestic factors. "Global interest rates do not take into account how the economic fundamentals of New Zealand compare to other countries"...Overseas pension funds saw NZ as "just another centre on the board" (*Press*, 22/4/94). This by way of explaining how our economy is irrelevant. If Wall Street sneezes, grab your hanky. Or, as we have recently experienced, if Asia, or Russia, or Brazil, or anywhere else, hits the skids, it drags us down with it.

What has happened to New Zealanders has not been some unfortunate "effect" of what elsewhere are called structural adjustment programmes. No, this was all quite deliberate, a man made disaster. And all in the name of making this country "attractive" to foreign investment. Even one of the biggest of the foreign investors, Howard Leonard, vice president of the American Templeton Investment Fund, said: "New Zealand is on the lunatic fringe of capitalism and may need to come back a little" (*Dominion*, 13/3/97). The policies pursued here are so extreme that some of the most reactionary thinkers in the country publicly attacked them, because of the worship of greed, profit and power for their own sake. They see the potential for massive social unrest and are aware of the historical fact that revolutions eat their own children.

Foreign Control In Aotearoa

The economy may have been deregulated but economic information certainly hasn't been. Indeed a lot of it is a closely guarded secret. Try finding out any of Comalco's contractual power prices going back to the 1970s, let alone the current one. "Commercial confidentiality" is one of the mantras of the New Right. It is used to ensure that State Owned Enterprises (SOEs) are placed beyond the reach of the Official Information Act that used to cover them when they were government departments; as the New Right revolution is moved down to local government, it's cited to remove publicly funded sectors such as electricity supply and health from the accountability that they were subject to as elected bodies.

So it's not easy to establish just how much of the New Zealand economy is foreign owned and/or controlled. Inland Revenue has all the details but they're not available. The relevant laws are the 1973 Overseas Investment Act, the 1985 Overseas Investment Regulations, the 1995 and 1998 Overseas Investment Amendment Acts, which define any company more than 24.9% overseas owned as a foreign company (and that definition is a higher figure than in Australia). An obscure body created by the 1973 Act, the Overseas Investment Commission (located in the Reserve Bank) is responsible for rubberstamping applications from overseas investors involving $50m or more; some, but not all, applications by foreigners to acquire land for commercial purposes; or fishing quota. It used to have to approve all deals involving $500,000, then it was put up to $2m. David Caygill increased it to $10m when he was Labour's Minister of Finance; it shot up to $50m in the dying days of the Shipley government.

It's also worth knowing that the Overseas Investment Commission (OIC) maintains a list of companies that meet the definition of foreign-owned but which it, for its own reasons, continues to define as "in New Zealand hands". Until mid 1999, the list included one of the biggest listed companies in NZ - Fletcher Challenge! Which means that it is now officially regarded as a foreign company. Brierley's was only removed from the list in 1996, after strenuous campaigning by CAFCA. It got around that by putting all its NZ assets into an “independent” Brierley’s NZ company, with the active connivance of the OIC. The shoddiness of this deal was exposed recently when Brierley’s moved its head office to Singapore and its incorporation to Bermuda.

I use the word "rubberstamping" advisedly. We have bought nearly a decade’s worth of decisions from the OIC. Since 1987, the OIC has processed more than **8,000** applications. It has rejected **a mere handful** (a 1996 rejection was its first this decade; it rejected **six** in 1998, vs. 289 approved. They were all small land purchases. Once Winston Peters was no longer Treasurer, there were zero rejections again. Under the Labour/Alliance government, there has been a couple of rejections so far, involving minor land deals. But, far more significantly, the Government invoked the “national interest” criterion and refused all foreign companies permission to buy Brierley’s share of Sealord, NZ’s biggest fishing company, and revoked the OIC’s authority to handle the foreign investment side of the 1996 Fisheries Act).

It's a long story but we pursued the OIC for literally years, hanging on like a bloody pigdog, until we won the right to buy their decisions (always delayed and always with some decisions suppressed - which we routinely appeal). We get them monthly, we index and analyse them and we spread them round among the media and public.

Don't have any illusions that the OIC checks anything. It simply accepts what the applicant investor says. That became obvious when it approved Ralph Simon, later jailed in Germany for fraud, to buy Pakatoa Island. It hadn't checked him out. On another island, Tauranga's Matakana, it approved a consortium of TNCs buying the forest instead of the residents. In 1994 the locals won a court case, invalidating the sale, on the grounds that the transnational consortium had resorted to chicanery to get around legislative requirements. Specific confirmation that they don't check anything came to us from Sir John Robertson, the then Chief Ombudsman. He said that "lack of resources" meant that: "the Commission does need to rely on the information supplied by applicants", and added that, as it is official policy to encourage foreign investors, the OIC shouldn't be too threatening to them. Furthermore, Sir John stated that the Ombudsman has no power to hold any inquiry into decisions of the OIC. We responded with a press release saying that the OIC should be contracted out to a monkey using a rubber stamp, an apt symbol for a burgeoning banana republic.

Taking all that into account, we are in as good a position as anyone to make an educated guess as to the extent of foreign ownership in New Zealand, using the OIC material and a variety of other sources. **Our conclusion? Foreign ownership of companies alone is equal to more than 45% of NZ's Gross Domestic Product. 70% of investment income going to overseas owned companies is in the services sector. Dividends and interest payments to overseas investors are equivalent to over one quarter of our export earnings.** As the legal definition of foreign control is anything above 24.9%, then it can be truthfully claimed that the whole NZ economy is foreign owned. As of 1999, foreign owners control 55% of the NZ sharemarket (and the figure has been as high as 60%). In 1989, the figure was 19%. Foreign investors hold over 40% of NZ Government bonds and Treasury bills.

Where is that overseas ownership concentrated? Traditionally, it was in the "primary" sector of agriculture and raw resource exploitation and the "secondary" one of manufactured goods. As TNCs exhaust their opportunities in these sectors (or competition becomes too fierce) they are moving into the "tertiary" sector, of services. **Of the rapid growth of foreign investment worldwide, fully half to two thirds is in services**. This includes many of the most strategic parts of any economy: the news media, banking, insurance, transport, communications. It also includes retailing, tourism, publishing, computer software, entertainment, advertising and professions such as law and accountancy. As services generally can't be traded like cars or dead animals, transnational takeover of other countries' services must be done via foreign investment to establish a presence in the foreign country.

Since the Rogernomics coup about two thirds of the foreign investment in this country has been in the services sector - mainly in banking and property. Most of the biggest recent examples of foreign takeover have been in services: the BNZ, PostBank, Countrywide Bank, Trust Bank, a number of power companies, Telecom, State Insurance, Air New Zealand, Ansett, NZ Rail, Woolworths, Big Fresh, Foodtown, 3 Guys, Countdown and other supermarket chains, TV3, the Christchurch "Press", Wilson and Horton, Radio New Zealand, the Quality and Kingsgate hotel chains, Tasman Properties, Landcorp Property, Milburn New Zealand and Progressive Enterprises, to name just a few.

It is worth pointing out that although the vast bulk of foreign money is flowing into this sector, we remain one of the few countries to allow foreigners to buy land. In 1998 the OIC approved foreigners buying 70,000 ha (up from 42,000 ha in 1991). Although only a small part of a much bigger picture, land sales tug at the heart strings of many, many New Zealanders and we have had our biggest response on this issue. It is an area where we find ourselves in a working alliance with some farmers. Some of these purchases are agribusiness buying up farms; others are foreigners buying land to get into pinus radiata forestry.

We need to clarify one point. Too often we unthinkingly adopt the language of our ideological rulers. There's nothing surprising about that, it is after all, one of the primary functions of propaganda. But we do need to be very critical of the phrase "foreign investment". It implies creating something productive and providing a return. In fact, in every single one of the examples I listed and in virtually every other case you care to name, it is not foreign "investment" at all. It is simply a foreign takeover of existing productive New Zealand assets and businesses (following the international trend. UN figures for foreign investment worldwide reveal a growing majority to be takeovers and mergers). It creates nothing and very often has very deletrious effects in terms of monopoly, unemployment and plant closures (all in the name of those holy cows, "rationalisation, restructuring, efficiency").

I am the author of "Clearcut" (1995), a study of the forestry industry. The early 1990s "goldrush" in the export of unprocessed pinus radiata logs presented a classic example of the chaos caused by unrestricted market forces. Both Labour and National governments have sold the cutting rights to more than 700,000 ha of our publicly owned forests to both international and local Big Business, for a measly $3.4 billion. At bargain basement prices, they became the private owners of the goldmine just before the goldrush. Only some of them have built any processing plant or spent any money on existing plant. They are content to own, exploit and profit from the existing productive raw resource. The growth in planting new land in seedlings is being done by the small newcomers to the industry, not the Big Boys. And when the Asian market for unprocessed logs crashed, due to the Asian crisis, the Big Boys laid off thousands of New Zealand workers and closed mills.

Forestry is a perfect example of the unrestricted asset stripping that so often follows foreign "investment". Well justified fear of it was the reason why the Maori people of Matakana Island firstly took to court the new transnational owners of their forests (successfully, as it turns out) and then physically blockaded access roads for six months in 1993, defying ITT, one of the world's biggest and nastiest TNCs. The blockade was lifted when they got a deal to their satisfaction. Another iron law of capitalism is that a bust follows a boom and this is exactly what happened to export log prices in Asia. The TNCs didn't care, as they had made their speculative profits.

Where are these foreign takeovers coming from? Popular mythology would have us believe it is from the Asians and it is true that there have been a number of high profile Asian purchases of hotels, golf courses, rural land, etc. But the figures tell a different story, We have the 1994-98 statistics from the OIC. The top eight countries, by value, for all approvals (ie business and land) were: **Australia, US, UK, Canada, Hong Kong, Japan, Singapore, and China**. Asians accounted for only 13% of applications to the OIC in 1998, down from 24% in 1997. A case can be argued that we have always been a colony, except that we are like poor old Freddy Krueger, of "Nightmare on Elm Street" fame. We too are the "bastard son of a hundred maniacs".

Australia remains far and away the biggest foreign owner of New Zealand. Under the Douglas Labour government alone there was a massive transfer of wealth and ownership into Australian hands. A lot of it was the guts of a modern capitalist economy - banks and finance houses. The governor of the Australian Reserve Bank has stated that 60% of NZ's banks are Australian-owned. "We are effectively supervising those banks and, in a way, they are getting it on the cheap" (*Press*, 12/7/95). That percentage increased with the 1996 sale of Trust Bank to Westpac. My wife and I bank with an Australian bank, which also holds the mortgage over our home. There is one qualification - some of these "Australian" companies may simply be subsidiaries themselves. The classic example, once again, is Comalco, which is actually British-owned.

Then there are our once and future neo-colonial masters, the **Yanks**. They account for one third of all new corporate investment in NZ. In 1999, American TNC, Edison, became the major owner of Contact Energy. It was US TNCs that bought Telecom and the Railways. Telecom remains far and away the biggest single purchase of any of the public assets sold off by the1984-90 Labour traitors. Capital Group, based in Los Angeles, is now the single biggest foreign investor in the NZ sharemarket, with $2.5 billion invested. Some American money has come here for ideological reasons. Republican politicians have hailed NZ as an "economic miracle" and a model for the US (God help them). Vice President Gore has said that the US has copied NZ in setting government-wide financial standards and that NZ is a model for “reinventing” government. An American economics professor writing in *Forbes*, the magazine for the American rich, said: "This is a revolution worth investing in" (although the American and British ideologues are now publicly distancing themselves from the local crackpots, because it patently isn’t working in NZ, which is being unfavourably compared to Australia, whose economy is booming without having gone through the massive upheaval that we have).

Let’s not forget the old money of our former colonial masters. **British** investment is still a big player. A few examples: Cadburys, the National Bank, Countrywide Bank, Stagecoach. My wife and I are insured with a British company and use a British phone transnational.

Between 1994 and 1998, Australia, the US and UK accounted for two thirds of the total inflow of foreign direct investment.

Canada is the fourth biggest foreign investor over all. Canadians bought Fletcher Challenge's methanol plant; Canadians own TV3 and TransAlta, now one of the country’s biggest power companies.

European investors, taken as a whole, still come a long way behind the top three. The 2000 statistics will show a bulge, made up of the multi billion sale of Fletcher Paper to Norske Skog, of Norway, the single biggest corporate sale in NZ history.

These much hyped **Asians** come way down the list. The **Japanese** have supplanted the Americans throughout the Asia/Pacific region, even in American neo-colonies such as the Philippines. But NOT in New Zealand. From 1994-98, Japanese investment here was $1.7 billion; US investment was $8.7 billion. Japan is sixth on the 1994-98 OIC list of the top investing countries over all, by value, behind Hong Kong (which is fifth).

Indonesians have made high profile land purchases. Ex-President Suharto's most notorious son, Tommy, bought himself a Mackenzie Country farm and built the $6m luxurious Lilybank Lodge on it as a resort for the super rich. Mind you, these are just the crumbs for Tommy, who is, like all the family and cronies of the former ruling kleptocracy, a billionaire. The overthrow of the hated Suhartos in 1998 led to a tidal wave of public anger at their enormous theft (the family is worth a minimum of $US15 billion) and a demand for a seizing of these illgotten assets. In 1999, Tommy flicked Lilybank off to a mate for $1 (yes, $1). Indonesians also own the 14,000 ha Flock Hill station in the Canterbury high country.

There is one practice of Japanese economic imperialism in which they excel and that is **vertical integration**. That is, they aim to own and/or control all stages of a particular process. Taking the example of tourism, they want Japanese tourists to book their trips through Japanese travel agents, fly here on Japanese airlines, stay in Japanese owned hotels, shop in Japanese owned duty free and souvenir shops, etc. But the Japanese economy has been in a long recession and the so called Asian tiger economies are only starting to climb back out of freefall.

And how much foreign ownership is there in New Zealand? I can't give an overall gross figure because of the limits on information that I've already detailed. Statistics New Zealand lists the stock of foreign investment as **$126.2** billion, as of March 1999. It lists foreign ownership of companies in NZ as totalling **$64.5 billion**, as of March 1998. This represents a more than 600% increase in nine years, from $9.7 billion in 1989. To put this into perspective, all New Zealand company shares listed on the Stock Exchange, as of 1998, are worth **$50.2 billion**. Despite this huge domination of our economy, the TNCs are not big employers of New Zealanders. Out of a total workforce of 1.1 million, only 175,000 work for foreign-owned companies. Politicians and media apologists parrot that “one in three New Zealanders relies on foreign investment for his or her job”. We have challenged this figure - resounding silence has been the answer. The actual official Statistics New Zealand figure is 18%. The fact remains - at most, only one in five or six New Zealanders owe their jobs to foreign investment.

In 1998 alone the OIC approved applications totalling **$12.7 billion**, a huge increase on the $5.2 billion it approved in 1997. (Remember that you don't have to apply if it involves less than $10 million. In 1999, that threshhold was increased to $50m. The OIC itself cautions that its annual statistics are a record of its activities, not a record of the level of foreign investment here). Those figures do need to be treated with care as they record applications only. They do not include suppressed approvals. The OIC does no checking to see if applications actually came to fruition or if the sum of money stated in the application was actually the amount invested. The 1995 Act gives the OIC the power to check projects after approval - but doesn't give it any resources to do so, nor the political willpower.

1999 showed a sharp downward trend, a reversal of the 1990s trend – OIC approvals, based on provisional statistics, totalled “only” $2.5 billion, indicating one of two things – that foreign investors have got the willies about the new Government/are no longer attracted to NZ; or that there’s nothing left to sell.

Does Any Of This Matter?

It is necessary at this point to acknowledge the "so what?" response. This comes from both the Left and the Right. CAFCA places itself squarely on the Left of the political spectrum (although we have a working relationship with people who definitely define themselves as Rightwing). From our friends on the Left we have been called racists, bourgeois nationalists, just plain nationalists (which some automatically define as reactionary) and unwitting collaborators with NZ capitalism.

As someone who has physically taken part in people’s struggles in Australia, Britain and the Philippines for more than 25 years, I don't need any lectures on proletarian internationalism from armchair revolutionaries. I personally, and CAFCA as a group, define ourselves as both nationalists and internationalists. We see absolutely no contradiction. We have longstanding excellent working relationships with individuals and groups on several continents. It is vital also that we reclaim the legitimacy of the word "nationalism". Some equate it with Balkan wars or the orgy of triumphalism that followed "our" America's Cup victories. Crap. We have to start somewhere and the reality is that all of us live in a specific country. Yes we are workers (or whatever) who have that in common with workers elsewhere. But the first fact is that we are New Zealand workers (or whatever) and we have to deal with the reality of our immediate environment. In countries with considerably more advanced people's movements than here, nationalism carries no such negative connotations. In the Philippines for example, there is a long and honourable history of a militant and progressive nationalist movement which complements, but is distinct from, the armed communist revolution.

But we recognise that there is nationalism and nationalism. We define ourselves as progressive nationalists (as opposed to the all too present reactionary variety). We reject racism utterly. We have no argument with the people of any country. It would be very easy for a group such as CAFCA to go down the racist road, to jump on the Asian bashing bandwagon. We will never do that. Winston Peters is the perfect example of a populist politician who used reactionary nationalism (ie his 1996 pre-election campaign on immigration) and also the progressive variety (throughout 1995, New Zealand First ran a very good campaign on foreign control, with a working relationship with CAFCA), in order to get into power with the very people he'd railed against, then dropped the whole subject (until he deemed it expedient to quit the coalition with National, whereupon those old discarded nationalist scripts were resurrected, but with no credibility. He and New Zealand First paid a very heavy price in the 1999 election, coming within a few hundred votes of disappearing from Parliament).

There is no truth in the charge that we promote New Zealand capitalism. Increasingly, we have tackled local Big Business with the same ferocity that we reserve for TNCs. The only difference is one of scale. New Zealand has spawned authentic transnationals, like Fletcher Challenge (now officially defined as foreign). We sure as hell don't support them exploiting the people of this country or anywhere else. Having been both a $9 an hour worker and unionist in my 14 years on the Railways, I have no illusions about NZ bosses.

There is validity in the argument that we don't tackle capitalism per se. In the late 1980s we polled our members on the subject. They were split and so was the committee. We've let it lie ever since. But we specialise in imperialism which Lenin called the "highest stage of capitalism". We go after the mongrel not the fleas. That is the policy of the group. If you ask my personal opinion, you'll get a different answer. Bear in mind that we most definitely are not a political party and never intend to be one.

From the other side of the political fence, we confront the established ideology telling us that Foreign Investment Is A Good Thing. I won't rehash all their arguments, you can hear them from politicians, businessmen, "experts", and media hacks seven days a week. At their most basic they imply that we are too stupid to run our own country. The best one I've heard for a while is that foreign investment actually enables us to regain control of our economic destiny. And you thought it meant just the opposite!

So, briefly, I need to spell out some of the overwhelmingly negative effects of foreign control. The first one is that word "control". It means a loss of national sovereignty, of independence in every sense of the word. When Telecom decided to dump several thousand New Zealand workers, the decision was made in an American boardroom. The current craze for mergers and takeovers has a major impact in New Zealand, thousands of kilometres from the action. "In head offices' endless quest for synergies, reduced costs - often through redundancies, closures of duplicate operations and economies of scale - the New Zealand outpost can be jerked around like the ball on the end of a long chain...Many fear the headlong pursuit of economies of scale could accelerate the conversion of New Zealand subsidiaries into mere branch offices, as has already happened with most of the formerly New Zealand-owned financial service companies..." (*NZ Herald*, 9&10/1/99; "Big players call tune"). Any number of the bigger TNCs have got greater economic clout than the New Zealand government. In an increasingly corporatised, privatised and transnationalised economy, real power has been transferred to the owners of the economy. The temporary administrators of a small part of it look even more irrelevant and powerless in their parliamentary charades.

It means that TNCs like Comalco can play off national and State governments against each other in Australia and NZ. It means that TNCs can ignore unions by simply switching production to their overseas factories. It means that NZ Rail (now TranzRail) could recruit foreign crews to scab on the Cook Strait ferries while it sought to smash the maritime unions, in 1994. It means that any numbers of TNCs can abandon their Kiwi workers and move operations to the bigger Australian market. Virtually all banks are now Australian owned - more and more of their New Zealand functions are performed from Australia. Call centres for any number of businesses, such as power retailers, banks, software technical support, magazine subscriptions, etc, turn out to be located in Australia, staffed by Aussies with minimal knowledge of NZ or even the ability to understand a Kiwi accent.

There are very good economic reasons to oppose foreign control too. US TNCs bought Telecom in 1990; every year since then it has made a profit of hundreds of millions; it announced a $822 million profit for the year ending March 1999. Telecom pays out never less than 70% of its profits to shareholders, who are primarily in the US, and went up to 98% for the 1998/99 year. Wisconsin Central picked up NZ Rail for next to nothing, after decades of the taxpayer shouldering its losses, and promptly started reaping profits. The cutting rights to the publicly owned State forests were sold for a song to both local and international Big Business. Carter Holt Harvey, which is American owned, is now New Zealand's biggest forest owner.

In 1998, **$2.8 billion** left NZ as TNC profits, exceeding reinvestment by $11 million. That means that TNCs reinvested nothing in NZ in 1998; they exported every cent of their profits - and then some. And that's the rule, not the exception. From 1995 - 98, TNCs made $10.6 billion profits: $9.8 billion was paid out to owners; only $844 million was reinvested. That's a dividend rate of a phenomenal 92%. And it's a continuing trend – in the year ended March 2000, TNCs repatriated profits out of NZ at a rate 26% higher than a year earlier. It's worth noting that, globally, only 30% of foreign investment comes from capital supplied by the parent company - the rest comes from profits made in the subsidiary or finance raised from banks in the subsidiary's country, or from other sources. So they're using our money to make yet more money from us.

The totally deregulated financial market means that profits can be repatriated overseas with no restrictions and New Zealand Big Business, which has no loyalty to this country, can take its money overseas to extract bigger profits there. Economist Wolfgang Rosenberg has calculated that, from 1984-94, $36 billion left NZ either as TNC profits or loan repayments, and we had balance of payments deficits of $25 billion. That means NZ could only pay $11 billion towards our international obligations - the rest we had to borrow. Bill Birch himself acknowledged that NZ's deteriorating balance of payments situation - a record deficit of **$8.5 billion** (or 8.2% of Gross Domestic Product [GDP]) for the year ended March 2000, up from 3.1% in March 1996, with no improvement in sight - is caused by TNC profits leaving the country. The current figure is the highest since 1986. NZ has the worst balance of payments deficit, as a percentage of GDP, in the OECD. Coupled with the extremely high level of foreign ownership of the economy, this has been branded as dangerous by the respected economist Len Bayliss, who points out that these factors are internationally recognised as undesirable in any economy. Bill Birch, however, saw this outflow of money as a vote of confidence in our economy! His predecessor asTreasurer, Winston Peters, put it down to New Zealanders living beyond their means. Jim Anderton, who is now Deputy PM, has a more realistic view:

"These figures show the extent to which we are becoming dependent on foreign capital and losing control of our own economic base. The long term implication of this trend is that we'll become a country of employees of transnational corporations owned by overseas shareholders" (press statement, October 1995).

Prior to 1998, the National government counted capital brought in by migrants as part of the country's investment inflow. This was charitably viewed as eccentric, or uncharitably as cooking the books. No other OECD country did this. Those migrants' capital flows were dropped from the data in 1998 and the real economic picture has started to emerge.

A totally unrestricted financial market will go wherever it can get the best deal. This imposes a vicious circle on us. Both Labour and National have striven to make the economy "attractive" to foreign investors and "the market" (which is an apt description for a collection of swine and sheep). It means corporate tax rates have been slashed to make NZ "attractive". The Alliance's 1996 election promise to raise tax rates was met by gibbering hysteria from the market. This means the tax base of the State has been progressively reduced and the tax burden has been squarely put onto the shoulders of ordinary people. In the 1993/94 financial year, the Government raised more than twice as much from GST than it did from company tax. In 1995 the Government cut tax rates for foreign companies operating here, from 43% to 33%, but the American Chamber of Commerce in NZ said that it is not enough. Changed tax rules allowing tax credits on dividend payments to foreign investors allows the corporate sector to pay even less tax. The result was a 1996/97 company tax take of $1 billion less than 1995/96. An Inland Revenue study has established that more than one in four publicly listed and foreign owned companies pay no tax at all. National offered 1996 election year bribes in the form of income tax cuts aimed squarely at National voters, those cuts having taken effect in 1998. Tax cuts (for the rich, and corporations) are a catchcry of ACT and National's ideologues. But Birch disappointed them with his swansong 1999 Budget, which only included a vague promise of possible further tax cuts in the next three years, if National was re-elected. It wasn't, and Labour/Alliance has increased the tax rate for those earning over $60,000 (speaking to a Hong Kong business audience, in April 2000, Dr Cullen hinted that the Government would like to cut the company tax rate, when it could afford to).

Formerly the State-owned BNZ acted as market leader in setting interest rates; it was bought by the appropriately named NAB (National Australia Bank) and financial deregulation means the market sets the rates. Both Labour and National set themselves one, and only one, economic aim - to bring down inflation. It's now at a historic low but the deregulated market means interest rates are way above the inflation rate. Deregulation means money can be parked elsewhere until NZ becomes more "attractive". The market sets the country's foreign exchange rates which means that we, along with other Western countries, are at the mercy of currency speculators. The most notorious of these, George Soros, has several times in the last decade made profits into the billions of US dollars by speculation in British and European currencies and distinguished himself by becoming the first man to "earn" an income of over $US1 billion in one year. In 1997, he wreaked havoc in South East Asian economies. The Asian crisis was the result. But he met his match in the much hyped Internet stocks, losing $US600 million in just three days in January 2000.

(Interestingly, having made his multibillion dollar fortune from speculative capitalism, Soros had a road to Damascus conversion. In 1998, he wrote a book entitled "The Crisis of Global Capitalism". In an earlier article, in the February 1997 *Atlantic Monthly,* entitled "The Capitalist Threat", Soros concluded that: "The arch enemy of an open society is no longer the Communist threat but the capitalist one...I now fear the untrammelled intensification of laissez faire capitalism and the spread of market values into all areas of life is endangering our open and democratic society”).

Finally in this section, it is useful to look at some of the myths about foreign investment promoted by its apologists. One is that it creates employment. Wrong. Look at Telecom again. Its record 1993 profit was accompanied by consigning 40% of its staff to redundancy, over five years. It has got rid of more than 7,000 workers since the American owners took over in 1990. So in cases like Telecom, foreign "investment" actually destroys employment. Tranz Rail's American owners have continued the relentless process of "downsizing" the staff. Thousands of railway workers have gone. Forestry is another example. In the past State-owned forests were used (along with other major trading departments such as Railways, the Post Office and the Ministry of Works) to create jobs. Not now.

The forests were privatised and foreignised and jobs are not a priority. The director of the Forestry Industry Institute estimated that existing trees might create 2,500 jobs. Even with the several billion dollars of investment required to build new pulp and sawmills, it is estimated that forestry might create jobs for a maximum of 5% of the unemployed. In 1991 John Falloon, Minister of Forestry, was talking about forestry creating 350,000 jobs by 2020. It sounded uncannily like Bill Birch's rosy predictions for Think Big job creation, back in the Muldoon days. The Forest Industries Council ridiculed Falloon, predicting a maximum of 12,500 jobs by 2001, and urged that forestry not be used for "short term social results" ie employment. And, in fact, the opposite has happened. The 1997/98 Asian crisis saw markets collapse for forestry TNCs, with the result that mills were closed and thousands of forestry workers and contractors were chucked on the scrapheap (with downstream unemployment as well). Plans for new plants were put on hold. Forestry is in the process of becoming of becoming even less labour intensive than it was.

It’s worth repeating - foreign investment provides jobs for only 18% of the NZ workforce, not the “one in three” myth; and foreign investors are well represented in the companies shedding up to 50,000 jobs annually, many of them relocating to Australia or elsewhere overseas.

Another of the myths of our ideological misleaders is that selling public assets to local and international Big Business is necessary to pay off "our" foreign debt. Starting in 1988, asset sales have realised over $19 billion. The Railways alone was sold for less than two thirds of the price of one Anzac frigate. But since the selloff started foreign debt has relentlessly increased. The most recent figure (for the year ending March 2000) for the gross foreign debt put it at $109 billion (versus $16 billion when Sir Roger Douglas came to power). So it has increased by over $90 billion since Rogernomics was unleashed. Increasingly, as assets have been privatised, and a deregulated economy means that New Zealand businesses can borrow freely overseas, more and more of that total foreign debt is held by the private sector. In 2000 it is 85% (in round figures). For the record, the March 2000 figures for total foreign debt are: official Government debt - $16 billion; corporate debt - $93 billion. Total foreign debt can rise or fall by several billion dollars from one year to the next but that need not involve much borrowing or repayment. A lot is attributable to foreign investors buying domestically issued securities or simply exchange rate changes.

So 85% of "our" foreign debt is nothing to do with the taxpayer at all, it is strictly private. We as taxpayers are not in any way responsible or liable for that but we all suffer the consequences. Foreign debt has to be repaid in foreign currency, which is in limited supply. When an economy's resources are committed to debt repayment, the most vulnerable in society suffer - workers, the lowpaid, beneficiaries, women. Resources are committed to servicing foreign debt that should be spent internally. A perfect example is the shambles that our mental health system has become. $50 million from the 1990 Telecom sale was earmarked for it - but National used half of that to repay foreign debt. The economy becomes export driven to generate foreign exchange earnings. That means the goods are sold overseas and the profits are used to service debt. Just one New Zealand-based transnational corporation, Carter Holt Harvey, has a foreign debt of $3 billion dollars. So we get the double whammy of foreign owned companies contracting foreign debt from New Zealand. The 1999 financial year alone saw a $8 billion jump in corporate debt.

New Zealand's gross foreign debt is equal to more than 100% of our GDP, which ranks us the worst of the developed economies and on a par with the very worst of the Third World basket cases. Total public foreign debt alone (for which taxpayers are responsible) works out to $4,500 for every man, woman and child (in round figures). And remember, precisely because of the asset selling programme, today's public debt is not backed by anything like the quality or quantity of public assets of a decade ago. The total foreign debt, public and private, is equal to $28,700 for every man, woman and child in the country. The foreign debt is 350% higher than NZ’s total income from all exports.

Selling public assets is not for paying debt but for ideological reasons. ACT leader Richard Prebble put it most succinctly in a 1990 speech (as a Labour Minister) in which he said that very thing, and that asset sales should be continued because he felt "sceptical about the ability of any government to run its business well". So it's all in the name of getting the State out of Business. Sir Roger Douglas said, in relation to the forest sales: "I am not sure we were right to use the argument that we should privatise to quit debt. We knew it was a poor argument but we probably felt it was the easiest to use politically" ("Out Of The Woods"; Reg Birchfield and Ian Grant; 1993). Indeed, since asset sales started in 1988, gross Government debt has fallen by only $6.4 billion (despite the sales having raised over $19 billion).

To add insult to injury, foreign ownership is listed as a financial liability. Why? Because the profits go overseas. So in the Government's National Accounts international liabilities are listed as the total foreign debt plus the full worth of foreign ownership of New Zealand companies.

If you sell your house and don’t buy another one, you’ve got some money but no roof over your head. Rather like the National government’s much vaunted surplus. It’s easy to create a surplus by selling off the State and getting out of providing services. The 1995 Budget surplus was committed to paying debt with a bare minimum set aside for "social spending". Because 1996 was election year, a much greater proportion of that year's Budget was allocated for social spending but foreign debt reduction was still the top priority (coming right behind National being re-elected). Jim Bolger said that the public debt could be cleared in 20 years. The Government planned to reduce public debt to 20% of GDP by 1999 and tied it in with the much ballyhooed tax cuts. Bill Birch denied that the 1996 programme of public asset sales had anything to do with the debt reduction mania! Some National MPs wanted to totally eliminate foreign debt, as their top priority. The New Zealand Poverty Measurement Project, a joint study by BERL and Victoria University, concluded that eradicating poverty, after ensuring adequate income and housing expenditure, would cost about $850 million, given the political will. The Government declared a $3.9 billion surplus for 1995/96. So eliminating poverty could be done quickly and cheaply. But debt reduction had replaced inflation as the ideologues' main obsession. That record surplus was largely committed to foreign debt repayment. (Interestingly, Alliance researchers analysed the "surplus" and by calculating it more honestly, came up with a surplus of just $33 million).

Until the 1998 recession, the National government trumpeted that New Zealand's annual growth rate was one of the highest in the developed world, topped only by the Asian (former) tiger economies. In light of this, its obsession with debt repayment was questioned by a wide variety of people, ranging from the Mayor of Christchurch to beneficiaries' organisations. The common theme of these criticisms was that it was well past time for the State to reinvest in social spending and to alleviate the suffering it has deliberately imposed on the poor. National's attitude to the poor was made clear by its tax cuts - beneficiaries got nothing. That was touted as an incentive for them to get a job. A report by economist Paul Dalziel concluded that the rich benefited most by the cuts, with the top 20% getting five times as much as low income earners.

National's major compromise, to win New Zealand First as its coalition partner and ensure its own stay in power, was a pledge to spend an extra $5 billion in the Coalition Government's 1996-99 term, primarily on health and education. Winston Peters' first Budget, in 1997, delivered the first $900 million. The Government declared a $2.5 billion surplus for the year ending June 1998. But Peters' predictions were based on rosy economic forecasts. By mid 1998, NZ was coming down with a bad case of Asian flu. The 1998 Budget, his last one as it turned out, deferred $300 million of the promised new spending; a further $300 million was cut in June (tertiary education bore the brunt of that). The August 1998 collapse of the Coalition and its replacement by a minority National government saw the end of the "Good News". The Asian "tigers" became very sick pussycats, National's surplus became considerably more modest ($1.8 billion for the year ended June 1999, with $1.4 billion of that from the sale of Contact), and growth rates shrank. The National government started borrowing again; Crown debt went back up to 22% of GDP. And massive spending cuts, of hundreds of millions, were National's economic legacy.

The Labour/Alliance coalition's first Budget, in 2000, made a positive start towards cranking up social spending once again. It is, after all, what they had been elected to do. There will be $5.9 billion of new social spending, spread over four years (ie the coalition will have to be re-elected to meet that promise). The surplus, this year, is a more modest $763 million, forecast to rise to $3.2 billion by the fourth year. There will be increases, in the hundreds of millions, in spending on education, health, and welfare. Debt repayment is no longer the be all and end all of Government economic policy.

Debt can not be considered in isolation, it is bound up with all the other problems inevitably caused by an unfettered capitalism dominated by a handful of transnational corporations. The debt agenda must be broadened to truly represent the interests of those on whom it most impacts - the people of New Zealand. I suggest our ideologues should remember what happened to the last leader who became obsessed by foreign debt repayment - Romania's Nicolae Ceaucescu (he was overthrown and unceremoniously shot).

I suppose the ultimate argument used by supporters of foreign investment is that "you wouldn't be prepared for your standard of living to fall" if it was restricted. Speaking as one whose primary transport is a 28 inch ladies bike, who owns what my wife tells me is a "decrepit old house", with a mortgage, and who lives on the minimum wage ($302 gross per week), I have no fears about my standard of living falling. I have called their bluff. I have lived a Third World lifestyle for longer than I can remember. To those addicted to the toys for big kids I say, living without them is far from the end of the world. That is a shoddy argument.

More seriously, making this country "attractive" to foreign investment has already drastically lowered the living standards of a significant number of New Zealanders starting with several hundred thousand unemployed, beneficiaries, the low paid, the young, women and Maori. Put succinctly the problem in this country, as in all capitalist economies, is the distribution of wealth and income. We used to have a safety net to even out the inequalities, but that has now been deliberately removed.

The Future Of Foreign Control

Former National PM, Jim Bolger, most succinctly put the case for continuing with New Zealand's current wide open economy. When opening a Japanese-owned forestry plant, he said:

"In order to maintain our new stronger growth rates, which are creating tens of thousands of new jobs, we must be clear that direct foreign investment is not only necessary but very welcome. We have nothing to fear from these countries - other than that we might not get our share of their large investment capital" (*Press*, 5/2/94).

Neither New Zealand First's coalition with National nor Shipley's supplanting Bolger as Prime Minister made any difference to that. Upon assuming office, Winston Peters dropped his promises to: limit foreign investment in strategic assets to 24.9%; stop all land sales to foreigners; and to reverse the sale of Forestcorp. Foreign control vanished from the party's concerns, and such a complete reversal had been signalled several months before the election as Peters made speech after speech backtracking from his 1995 utterances (when he barnstormed the country on his "New Zealand Is Ours" tour, and quite upstaged the Alliance on the issue). Michael Laws took credit for singlehandedly rewriting what he described as a "simplistic...stupid...loopy policy" (*Listener*, 21/12/96). The 1998 Taranaki/King Country by-election did see New Zealand First briefly revisit the issue, and it came out against the proposed Multilateral Agreement on Investment (MAI) and accelerated tariff cuts. But then it split and quit Government, with over half of its MPs becoming "Independents" and newborn parties supporting National. For what it's worth, Peters said that he regrets picking National as his coalition partner. He didn't revisit his discarded speeches for the 1999 election campaign – he was too busy fighting to hang on to his Tauranga seat (his tiny majority there got New Zealand First back into Parliament, by the skin of its teeth. All the MPs who defected from New Zealand First were voted out; not one of their "parties" made it into the current Parliament).

The Labour/Alliance government has made some promising moves on foreign control. In 2000, the Government prohibited the sale of Brierley's stake in Sealord to foreign fishing companies. It is committed to the "New Zealandisation" of the fishing industry; it has stopped any offshore sale as "not being in the national interest"; and has revoked the power delegated to the Overseas Investment Commission by the National government (in its dying days in office) for the OIC to administer the Fisheries Act as it relates to foreign companies. The Government has ordered a Ministerial Inquiry into the truly appalling safety record of American-owned Tranz Rail. Dr Cullen has said that he wants the OIC to pay more attention to the "national interest" criteria in assessing applications from foreign investors, and indeed he has cited Crown Law Office advice that the previous Government's instructions to the OIC to approve everything may not have been legal. Senior Alliance Ministers, namely Jim Anderton and Sandra Lee have both been working to have the "national interest" criteria tightened up.

But Labour's front bench is still very much pro-foreign investment, pro-globalisation. Dr Cullen has reassured hostile business audiences, by saying (*Press*, 2/6/00): "We haven't changed the Overseas Investment Act". Indeed he, and Anderton (unfortunately) have been hinting at introducing "facilitations" to assist "smart" foreign investors. Cash grants to TNCs, tax breaks, subsidies, whatever are very regressive moves from a “Centre Left” government. What’s the next bright idea – export processing zones?

At the national level the deregulators haven't got much left to deregulate (what about traffic lights? Why should I have to stop for somebody else?). But there are still one or two pockets to be cleaned up. National was hellbent on opening up coastal shipping, which was opposed by both the local industry and unions. This has cost lots of New Zealand jobs and introduces rust bucket ships crewed by Filipino cheap labour commanded by Hong Kong officers who have bought their skippers' tickets, and will inevitably lead to environmental disasters caused by shipwrecks. The country has already witnessed one LPG tanker, abandoned by its bankrupt European owners, drifting helplessly off the Taranaki coast at the end of 1997, with its Filpino crew reduced to surviving on the charity of locals. Once passed into law, big surprise, came the news that the foreign shippers intended to set up a cartel to fix the prices between them.
Australia announced tax breaks for shipping companies, so shippers crossed the Tasman and abandoned New Zealand crews. NZ shipping companies can't compete with foreign ships crewed by Asian cheap labour and not subject to NZ taxes or ACC. Some have already gone bust. Maritime unions estimated 700 NZ jobs lost. Foreign shipping companies have started operating across the Tasman in a big way, thanks to the Australian maritime unions caving in and agreeing, in 1996, to allow non-Australasian crews to work the Tasman, thus ending a trans-Tasman union accord that had preserved that run for New Zealand and Australian seafarers since the 1930s. There were 34 New Zealand-owned ships in 1996; by 1999 there were only 18.

The other big deregulation was that of the postal service, in 1998, with Maurice Williamson, National’s Minister for Communications, gushing that new carriers could sort the mail "at home on the dining room table". But the wonders of postal competition are still some way off. The Warehouse charged into the field with National Mail - it lasted a fortnight before it was suspended because of customers’ complaints about slow service. Bill Birch added NZ Post to the list of assets that National wanted to sell, if it was re-elected in 1999.

The Labour/Alliance government announced a policy of no more selling of State assets. There is, however, no commitment to renationalise any of those sold (with the sole exception of ACC). For example, it is holding an Inquiry into the telecommunications industry, but Telecom’s sale and foreign ownership is not on the agenda.

As National’s Minister of Transport, Williamson said the Government should stop funding public transport services, and instead subsidise private operators, including taxis. In a world first, National valued the nation's roads, at $25.8 billion, taking the first step towards full user pays for road use. In 1997, the Roading Advisory Group recommended that the nation’s roads be corporatised and put on a user pays basis, rather than continue to be funded from rates. The Christchurch City Council correctly described this as “theft” and spearheaded a vigorous campaign against it. The widespread opposition forced the Government to back away from any idea of privatising roads, but it was still keen on corporatisation and user pays. The ubiquitous Maurice Williamson, this time as Minister for Local Government, saw road “reform” as a handy way of further restructuring local bodies, by removing the raison d’etre of many rural and smaller ones.

In 1998, Williamson put up his “compromise” proposal - four to eight public road companies to take over the rates-funded roading functions of 74 local bodies, with the right to levy tolls on specific roads and bridges (having personally experienced toll roads in Manila, I can personally testify as to the nightmarish congestion they cause as all classes of vehicles queue bumper to bumper to pay). Once again, the Christchurch City

Council led the opposition. The Mayor, Garry Moore, said: "New Zealand has so many times thrown the baby out with the bathwater. This time they are in great danger of throwing the bath out as well" (*Christchurch Star*, 11/12/98). Labour's thinking on the subject was spelled out by Helen Clark, as Leader of the Opposition, in September 1999. She said that National's proposals would not proceed, but that Labour is not averse to allowing private developers to build and operate toll roads that will "eventually" revert to public ownership. This should set alarm bells ringing.

Is there anything left to sell? If Winston Peters' brainchild, the proposed compulsory superannuation scheme, had come to pass, it would have been the biggest privatisation of the lot - all retirement income would have passed into the hands of private, overwhelmingly foreign, financial companies. But given a chance to actually vote on privatisation, in the 1997 referendum, 92% of voters resoundingly rejected it. National responded by savagely punishing superannuitants, by cutting their income. The NZ Poverty Measurement Project estimates that the super cuts will push up to one half of superannuitants into poverty. The Labour/Alliance government has restored the super cuts, increased the super and promised to abolish asset testing, but Dr Cullen is still speculating about establishing a dedicated superannuation fund, subject to a binding referendum, rather than having it funded out of general taxation, as it is now.

Although National decided not to sell its ECNZ cash cow, it split it in two and put eight dams up for sale. The first was sold, in 1997. Earlier, the Government sold ECNZ's engineering subsidiary, Powermark, to a joint British/French TNC (in 1998, ECNZ subsidiary, DesignPower, was sold to a US firm). And it pushed ahead with the creation of a wholesale electricity supply market. Ironically, the Major Electricity Users Group, a Big Business lobby which represents about one third of the country's electricity consumption, condemned the proposal as retaining ECNZ's dominance and hence anti-competitive. Our old foe, Comalco, went one step further and quit the market altogether, posing as the champion of electricity consumers. In 1999, the wholesale electricity market was itself sold to a South African TNC.

In 1997, Max Bradford announced that ECNZ would be split again, in order to introduce "true competition" into electricity supply. This three way split was confirmed, in 1998, over much opposition, and came into effect in 1999. Already experts have warned that this means that nobody has overall responsibility for ensuring adequate and reliable supply. Power cuts are a real possibility. In 1999 Shipley pushed the issue further by selling Contact Energy (the ECNZ spinoff) - 60% by public float; 40% to Edison, an American TNC. Contact was protected from sale by the now defunct 1996 Coalition Agreement. The sale, the biggest yet by float, realised $1.4 billion. But just one of Contact's eight power stations, the Clyde dam, is worth more than that by itself. Once again the public were offered the chance to buy something that we've already paid for.

Bradford's power "reforms" have resulted in a further massive transfer of power company ownership into foreign hands, substantial domestic price rises and an accompanying deterioration in service. Labour has held an Inquiry, chaired by its old Rogernaut, David Caygill, which basically endorsed the "reforms".

The National government made it plain that, while ECNZ was not for sale (for pragmatic political reasons), other SOEs certainly were. In 1994, Landcorp Property was sold to a Singaporean TNC, which is the biggest hotel owner in NZ; followed by the Government's commercial cleaning company (the second biggest in the country and the one which cleans Parliament); and Agriculture New Zealand. In 1995 it sold the Government Computing Services (which handles the police, justice, tax and social welfare databases, including the Wanganui computer), to an American company. The new owner promptly announced the Three Rs - relocation, restructuring, redundancy.

The creation of the unelected United Party, which became National's 1993-96 coalition partner, enabled the Government to revive its State assets sale programme. Just weeks before the 1996 election, it sold Works Corporation to two Asian buyers (Works Geothermal was sold for the scandalous sum of $100!). And in the second biggest asset sale of the lot, it sold Forestry Corporation, including cutting rights to the 180,000 hectare Kaingaroa State Forest, to a consortium of Fletcher Challenge, Brierleys and a Chinese State corporation (Brierley's record 1998 loss led to it selling its stake). The 1996 election saw the end of United, apart from Peter Dunne. New Zealand First stepped into its mudstained shoes.
Government Property Services was floated in 1998, starting with Capital Properties ie nine central Wellington buildings. In 1998, the Government announced that Solid Energy (the former Coal Corp), was for sale - but this was a flop, with it being withdrawn from sale within months, because the bids received were too low. This was only a minor setback for the zealots. Ministers Luxton, Williamson, Bradford and Lockwood Smith were pushing for more privatisation - Luxton, the chief ideologue, wanted the Government to quit 80% of the remaining State sector. In 1998 the Government announced plans to corporatise the Public Trust but decided against selling it then, because it was not lucrative enough. A review by investment bank Macquarie NZ put the problem succinctly: "The current culture in Public Trust is centred around a commitment to service and a caring attitude. While desirable, these attributes need to be balanced with commercial imperatives that focus on creating value" (*NZ Herald*, 17/12/98). "Service"! "Caring"! Wash your mouth out with soap. In 1999, National sold Vehicle Testing NZ and promised to sell the Meteorological Service if re-elected (the victory by Labour/Alliance means that it stays in public ownership).

The Business Roundtable and employers urged the National government to sell the ACC and campaigned to cut back the Fire Service. National obliged - in 1997, Shipley increased workers' ACC levies by 70% (obliterating any benefit from the promised tax cuts), whilst cutting them for employers. In one of its last acts, National allowed the insurance TNCs into the lucrative field of accident compensation. The Labour/Alliance government made the renationalisation of ACC a top priority, to the intense displeasure of Big Business. National tried to smash the firefighters' union (by the simple expedient of declaring 100% of the professional firefighters redundant). Fierce opposition and adverse court rulings caused it to back away from that fight, but it still tried to ease fire levies for Big Business and restructure the Fire Service. Hundreds of jobs were to go in the Police, including many of their most experienced detectives, and more police work was to be privatised. In a few short months, the Shipley government achieved the difficult feat of getting hundreds of angry cops and firemen marching in the streets. Firefighters were amongst the staunchest campaigners for a change of government. The Labour/Alliance government has frozen those Police job cuts.

The Business Roundtable wants the Government to quit running both businesses and welfare, recommending the latter be privatised. The National Government scrapped the Department of Social Welfare, giving birth to Work and Income New Zealand (WINZ), which rapidly became the paramount negative example of what happens when a government department is told to act like a private corporation. If its CEO, Christine Rankin, did not exist, it would have been necessary to invent her. Major US TNCs, (like EDS, which sponsored the highly controversial 1997 Beyond Dependency Conference) stand ready to take over any welfare services to be contracted out, as they already do in the US. In 1998, National announced that the management of three new North Island prisons would be contracted out, which allowed the prison TNCS a foot in the door. The first private prison contract was awarded, in 1999 – to an Australian corporation. In a depression, the "law and order" industry is extremely profitable, with a forecast 41% increase in inmate numbers (to 6,500) within three years. The Business Roundtable conveniently ignores the disastrous American experience with private prisons. Up to 500 prison officers faced redundancy in the latest restructuring.

But the Labour/Alliance government has frozen plans to build five new prisons, and has cancelled plans to put a new Northland prison out to tender. Matt Robson, Minister of Corrections, announced that the Government will not proceed with privatising prisons. The one existing five year contract, for a new Auckland prison, will be allowed to run its course.
Maurice Williamson suggested that all ports and airports be "privatised to increase efficiency". The National Government started selling its stake in all airports. In 1998 it floated its 51% stake in Auckland Airport on the Stock Exchange. Winston Peters' only attempt at "popular capitalism", used a saturation advertising campaign (featuring former All Black captain Sean Fitzpatrick), to get the "Kiwi Mums and Dads" to buy airport shares (in 1999 Singapore's Changi Airport bought a 7% stake in Auckland Airport, from local bodies. In 2000, the Auckland City Council voted not to sell its 25% stake to Changi). The euphoria didn't last long. It was the National/New Zealand First row over how to sell the Government's 66% share of Wellington Airport that finished the coalition, in August 1998. Peters and co walked out of Cabinet - National promptly sold the stake to a consortium which included two British partners. Airways Corporation has embarrassed the Labour/Alliance government by the extent to which it has become a private corporation in all but name. Palmerston North and Hamilton airports were the first to move their air traffic control to a private company.

The programme of selling off all Housing Corporation mortgages to private bidders continued unabated under National, with $2.5 billion worth sold since 1992. A further $283 million worth were sold in the 1998/99 financial year. The sale of the first batch of mortgages was an absolute fiasco, which came back to haunt National. State house tenants were invited to buy their houses - more than 60,000 were eligible; very few were able to do so. Nearly 8,000 State houses have been sold since1995, with virtually none being built or bought. Increasing the rents to market levels has nearly trebled the State's take, with thousands of State houses lying empty. New Zealand First promised to freeze Housing New Zealand rents for three years - but the Coalition Agreement only committed to freeze them until there was a review (one of many, covering the wide range of issues that Bolger and Peters put in the too hard basket). That freeze ended in July 1997, and some State house rents increased by more than $100 per week (since 1992, State house rentals increased by 106%).

For the 1998/99 year, Housing NZ announced a profit of $117 million, achieved largely through property sales. The Alliance's Sandra Lee described housing costs as "one of the biggest contributors to poverty" (*Press*, 30/8/97). Graeme Kelly, the Labour MP for Porirua (the biggest concentration of State houses in NZ) said: "While National flogs off houses and pockets the proceeds, State tenants in South Auckland still live in overcrowded, damp, rat-infested homes and people in Northland and East Cape live in caravans, sheds, garages, derelict houses and cars"(*Press*, 1/11/99). The appropriately named Michael Cashin, Housing NZ chairman, caused outrage when he attributed such living conditions to "choice"! Those who exercise their choice not to pay these usurious rents were evicted. In 1998, National's Housing Minister, Murray McCully, announced minuscule rent cuts ($5 - $20 per week for most).

The Labour/Alliance government has stopped the sale of State houses, and announced that income-related rents for State house tenants will be reinstated by the end of 2000 ($370 million, over four years, was set aside for this in the 2000 Budget).

TVNZ is a cash cow - it paid the National government a dividend of $31.5 million from its 1998 profit (of $45m). Jim Bolger had vetoed selling TVNZ for the foreseeable future on strictly political grounds. The Coalition Agreement commited to State ownership of both TV One and TV2, but with the latter to be run by private sector managers, and obliged to pay $30 million per year towards the cost of running TV One. The end result would be a return to the manifesto of the 1990 National Government ie to sell TV2. However, Bolger, in his vain attempt to forestall a Shipley coup by seizing the Right flank, upped the ante by saying that the Government would sell TV One, which put National in a direct clash with the Agreement. NZ First was adamant that there would be no sale but the Government proceeded with a scoping study of TVNZ, which has been busy selling “non-core assets”, such as its world renowned Natural History Unit (sold to Rupert Murdoch’s 20th Century Fox).

New Zealand First also dropped its policies vis a vis the amount of advertising on TV One, and free to air broadcasting of major sporting codes. So, the All Blacks and the Black Caps can still only be seen live on Rupert Murdoch’s Sky. National showed its opinion of State broadcasting media by selling Radio New Zealand's commercial network to a consortium headed by Irish media magnate, Tony O'Reilly. The collapse of the Coalition saw National once again talk about selling TVNZ, if it won the 1999 election.

The Labour/Alliance government announced that TVNZ will not be sold (nor any other State assets). Marian Hobbs, the new Minister of Broadcasting, has said that she wants to change the way TVNZ is run, putting New Zealand culture ahead of the imperative to make a profit. Labour hopes to reduce the dividend TVNZ is obliged to pay the Government. TVNZ, for years the media mouthpiece of Big Business, was the first State corporation to feel the winds of change from the new Government – its board and management were roasted over the multi-million dollar John Hawkesby payout fiasco; there were “resignations” from the board; its $217 million plan to switch to digital broadcasting was axed by the Government as too expensive. The new policy is to switch TVNZ from its obsession with profits to public interest broadcasting.

Bolger’s 1993-96 government pigheadedly pressed on with the full implementation of the dreadfully misnamed health reforms, claiming that the "benefits" were starting to emerge. This was one of his stated "six key goals for social cohesion" outlined in a January 1994 speech to the Auckland Chamber of Commerce (*Press*, 29/1/94). Getting rid of democracy in health administration and corporatising publicly owned hospitals was the first step towards fullscale privatisation. The Crown Health Enterprises (CHEs) were set up to fail, with huge debts requiring Government bailout. To get all of them out of debt would have cost the taxpayer $1 billion, in addition to the $1.5 billion that had already been spent. It didn't work - they accumulated losses of nearly $650 million. By mid 1997, Capital Coast Health (Wellington) was having to borrow to pay wages. 18 of the 23 (former) CHEs were technically bankrupt, by that stage. And the rats were deserting the sinking ship - by the end of 1996, the great majority of the original 23 chief executives had resigned. In his last throes as PM, Bolger said that universal health care should be replaced with a targeted system.

And who stands to benefit from privatisation? The private health system and ultimately the private hospital TNCs. To these US giants health is a very profitable business. It is also the leading cause of personal bankruptcy in the US, and involves over 250,000 American patients who can't pay being physically dumped out of hospitals and left to fend for themselves (and all too often dying as a result). Professor Joel Alpert, a visiting American health expert, said: "New Zealand is dismantling its health and social welfare systems for reasons I cannot follow. You had a good system. The American health system is a model of what not to do" (*Press*, 19/9/95). Dr Chris Cresswell, a GP who walked from Cape Reinga to Parliament to protest the health "reforms", put it succinctly;

"Privatisation is not about saving money. It's about an ideology. It's about making profits for big overseas companies" (*Northland Age*, 26/9/95).

Health was the number one issue in the 1996 election, and it's the one area where New Zealand First claimed to have forced a major U turn in National's policy. The Coalition Agreement commited the Government to spend an extra $800 million on health by 1999; it scrapped the competitive model and hospital outpatient user charges (I was amongst the many thousands refusing to pay these); announced the scrapping of asset testing for hospital care, plus provided free doctors' visits for kids under six and guaranteed waiting times for operations. The Crown Company Monitoring Advisory Unit, in its briefing papers to the new Minister of Health, Bill English, was scathing about the whole process, concluding that the health sector was suffering "reform fatigue" (*Press*, 21/12/96).

But New Zealand First still welshed on some of its health promises - the funder-provider split remained; and democracy was not restored, although some token local input was promised. We didn't get the 14 elected regional health boards promised. Neil Kirton, the New Zealand First Associate Minister of Health, tried to keep the bastards honest by fighting for the public health system within Cabinet. He ran afoul of English - Peters obligingly sacked Kirton. Once again, thousands marched in the streets to protest hospital closures and cuts, from one end of the country to the other, and people died while waiting for surgery or treatment. Bolger promised more private enterprise in the health system, and the Government quitting smaller hospitals. Peters' 1998 Budget backed off a bit, announcing that hospitals no longer had to make a profit, and even, praise be, that hospitals would once again be called hospitals and not Crown Health Enterprises.

But the Coalition collapse put things in doubt again, with National saying that income and asset testing for long stay geriatric patients would not now be scrapped. This at a time when more over 65 year olds are quitting private health schemes because they can't afford skyrocketing premiums. At the start of the 1990s, 51% of New Zealanders had private health insurance – it had dropped to 38% by the end. The pressure has gone back on the public system, where waiting lists are longer than ever. But even National recognised the strength of public feeling about health, particularly in its rural heartland. In 1998, it promised no hospital closures for three years. This didn't stop the constant encroachment of private hospitals into the public system. One Christchurch private clinic is offering to lend its patients money to pay for surgery (at 15%, for three years)!

The Labour/Alliance government has promised improved mental health services, more funding for elective surgery, and to set maximum waiting times for treatment. Plus district health boards will be elected at the same time as the 2001 local body elections, replacing the country's 22 hospital and health services. The Health Funding Authority will be abolished, and a national health strategy developed. The 2000 Budget committed an extra $412 million to health this year (with $257 million of that for the severely run down mental health system, a system whose recent deficiencies have, all too often, put the lives of both mental patients and the public at risk).

Education is another ripe field for transnational takeover. National increased tertiary fees by 25% (Treasury wanted a 50% increase). The cost of tertiary education is rising - parents have been advised to budget $40,000 to put their kids through varsity - and the axe of redundancy and wholesale department closures has started to fall on previously cloistered academics. A leaked Ministry of Education draft paper recommended that all public tertiary institutions be set up as profit making enterprises, funded by a voucher system. Education was the number two 1996 election issue, and the Coalition

Agreement commited to spending an extra $800+ million by 1999, plus yet another review for tertiary education. But a great chunk of the $300 million spending cut announced in mid 1998 came from tertiary education.
A top policy priority of Labour/Alliance is to dump the market model for tertiary education. Steve Maharey, Associate Minister of Tertiary Education, said: "It is dead…the nine year experiment with trying to turn the tertiary sector into a market where providers competed for customers has simply led to a system of chaos" (*Press*, 18/12/99). The Government will now take a hands on approach to tertiary education.

And then there is the scandal of massive student debt brought about by the loan scheme. Student debt now stands at $3 billion, with nearly 30,000 student debtors in default. Student debt is estimated to hit $20 billion by 2024 - some students could die before they can repay their debts. As National abolished the dole for students during holidays, this further entrenches university as being only for the rich. Student debt emerged as one of the major issues of the 1999 election, after several years of militant campus protest about it, and major disquiet among middle class parents.

Labour/Alliance has scrapped the iniquitous interest on the student loans (but not the loans themselves). In mid 2000, the Government announced incentives for tertiary institutions to freeze their fees at present levels. Earlier, the Government increased subsidies for dental education, which had the effect of slashing dentistry fees at Otago University (the country's only dental school). Those annual fees are still nearly $10,000 however. That, so far, is the only example of fees being reduced, rather than merely frozen at present levels. The 2000 Budget committed $664 million to tertiary education, over four years.

Janet Kelly, the president of the School Trustees Association, said that nearly a third of State schools were running deficits; 7% were insolvent; and that schools were becoming so dependent on fundraising that they were being "privatised by stealth" (*Press*, 30/8/97). By the end of Bolger's time as PM, stealth was discarded - he supported more State funding for private schools. Corporate sponsorship was necessary for more and more State schools - Mount Albert Grammar sold the naming rights to its swimming pool to a TNC to raise desperately needed funds. New Zealand First promised to end bulk funding of schools, but Peters' 1998 Budget provided an extra $222 million for bulk funded schools. The National Government used this issue to try to break the teachers' unions, particularly the militant Post Primary Teachers Association, and used boards of trustees and principals as its agents to undermine them.

Labour/Alliance has announced that it will scrap bulk funding. The 2000 Budget increased education spending by $300 million this year, including $60 million for the operational funding of schools. The Government has embarked on the largest ever school property programme; early childhood education got an extra $10m.

If National had formed a 1996 Coalition with ACT, then things would have been on full speed for the total demolition of the State sector. But it was a bit different with New Zealand First. Essentially we had a Bolger/Peters Coalition between the Old and New National parties. Peters is a Muldoonist, who believes in a State sector. But he personally seemed hellbent on implementing National's 1990 manifesto (when he was a National Minister; it was gayly discarded by Bolger and Richardson). This was definitely not what a large majority of 1996 New Zealand First voters thought they were voting for. There would be a State sector, as far as Peters was concerned, but it wouldn't be as in the "good old days", nor would it even be the State sector he promised. The Coalition Agreement promised not to sell ECNZ, Transpower, Contact Energy, New Zealand Post, or Radio New Zealand National Programme-Concert FM.

But it did nothing about sales already concluded - Peters campaigned on "returning the cheque" for the purchase of Forestcorp "the day after the election". That buyback pledge was dropped. Nor was the non-sale of Transpower set in concrete. An unpublished Agreement addendum revealed that the Coalition was thinking of selling bits of it, specifically branch lines. In 1997, the Government announced that it was proceeding with the sale of eight small power stations, first proposed by National in 1995. Peters defended this by saying that they were not part of ECNZ's "core" business. Other "non-core" State assets, such as Solid Energy (formerly CoalCorp) were equally unprotected by the Coalition Agreement and were put up for sale.

The 1997 Shipley coup put the Rightwing ideologues in control of National. The Coalition's collapse in 1998 removed the minimal constraints of the Coalition Agreement and gave National a free rein, subject only to the vagaries of the rabble of unprincipled opportunists who constituted the "Independents" and newborn "parties". However, election year pragmatism saw the 1999 Budget list only the MetService and Vehicle Testing for sale, with no mention of ECNZ, TVNZ, or New Zealand Post. But if National had been re-elected, in coalition with ACT, then asset sales would have been high on the agenda again. ACT's long term goal is to have the State own and operate only defence, foreign policy, justice and administrative governmental issues. Everything else would be privatised.

The present Government, of course, has stopped all asset sales, and adopted a much more interventionist approach. Depending on your point of view, it is either the "first Centre Left government that New Zealand has had in 25 years" or it's a return to "the bad old 1970s". The Labour/Alliance coalition has plenty of internal tensions of its own on economic matters. Laila Harre, one of the Alliance's four Ministers, showing that she fully intends to exercise the two parties' novel coalition agreement for Ministers to publicly disagree, has urged the Government to wash its hands of "the monetarist experiment. That is the most serious issue facing us over the next few years. And I'm absolutely convinced that the Labour Party are going to have to wake up to the size of the threat to our sovereignty. At the rate we are going in terms of our national debt and our balance of payments deficit…we are at risk of becoming a cot case. In the end that is going to be the test of this Government – whether they are prepared to move in a new direction and wash their hands of the monetarist experiment, which at this moment they continue to savour" (*Press*, 16/12/99). This sort of talk does not go down well with the unreconstructed Dr Cullen, who has crossed swords with Jim Anderton during the election campaign, and in Government, about economic policy. When Labour panicked this year, at the first serious manifestation of Big Business opposition, it dumped Alliance policies and publicly derided Alliance Ministers, such as Matt Robson and Phillida Bunkle.

At the local level, things are gathering momentum. The destruction of democracy and corporatisation of publicly owned electricity supply authorities opened this whole field up to wholesale privatisation and transnationalisation. It first happened in cities like Hamilton and Wellington, then spread through the rest of country, including the major cities of Auckland and Christchurch. Electricity is a cash cow with a captive market - us. Under deregulation, domestic power rates rose 17%, while commercial rates dropped 14% and 20% for major users. The Consumers Coalition estimated that, in 1995/96 alone, the wealth transferred from consumers to power companies totalled $150 million. In Christchurch Southpower became the owner of a North Island gas company (which it is now selling). It increased domestic power bills by nearly 40% from 1992; dropped business rates; made record profits; and conducted all its business behind closed doors, using public money. An executive put it in a nutshell: "There is the expectation...that deregulation will mean price decreases...The purpose of deregulation is not about getting competition for people to sell you electricity but to get the Government out of making the decisions on generation" (*Christchurch Mail*, 7/10/93).

The latest “reform” occurred in 1998, with the National government ramming through an enforced split of power companies. They were no longer allowed to both own a line business and retail electricity. This required forced divestment for some companies, a very radical step from a pro-Big Business, pro-foreign investment Government. Indeed, if the Multilateral Agreement on Investment (MAI) had already been in place, this would have qualified as the very expropriation from which the MAI zealously guards TNCs. Ideology overrides all. Even the Government’s most fervent backers - the TNCs - were highly alarmed by this. TransAlta, the Canadian TNC which profited mightily from energy privatisation here, threatened to pull out of New Zealand. Christchurch Mayor, Vicki Buck, described it as “Stalinist” and “interesting for a Government which prides itself on winning the IMF gold medal” (*Press*, 6/6/98). From the other side of the political spectrum, Dr Peter Troughton (former head of both Telecom and Trans Power) said that reform of NZ’s electricity sector had been worse than “any Third World country” (*Press*, 11/3/98).

The result of this latest “reform” is the creation of a few, very big power companies to dominate the market. From 1998 it has started a game of musical chairs as power companies snap each other up. For example, TransAlta bought Southpower’s retail business and its name (so that the remaining line business is now called Orion). The prices paid have tended to be hugely over the market value, which is great for the former owners but bode ill for the captive customers, as the new owners have gone about recovering their outlay by ratcheting up power prices. As soon as TransAlta became Southpower’s owner, it announced major price increases and charges for previously free services. There was public uproar. Energy Minister, Max Bradford, blamed it on the publicly owned line company; and had to threaten to revert to regulation of power companies. Funnily enough, the latter showed their top priority to be profit maximisation. TransAlta has sold out to another TNC, and moved on.

The whole range of local body activities could quite conceivably be deregulated and sold. Ports have been corporatised and in several cases floated on the stock market. The Lyttelton Port Company is a prime example of this new mutant – it is still owned by Canterbury local bodies, but behaves in every way as the hardest nosed of corporations (the dispute which led to the death of Christine Clarke in a December 1999 union picket line in Lyttelton is just the latest of very many examples of its appalling attitude towards its own workers and the community in general). National wanted Auckland to sell its port company, power company and share of the airport. It has sold the Yellow Bus Company (to Stagecoach, a Scottish TNC) and broken up the assets of the Auckland Regional Services Trust. In 1999 North Shore City Council sold its 7% share in Auckland Airport to Singapore’s Changi Airport (but, in 2000, Auckland City Council voted to retain its 25% stake,and not to sell it to Changi). So rich are the potential pickings from infrastructure and utilities - ports, power and gas companies, airport companies, telecommunications - that a company, Infratil, was launched expressly to buy into that sector. By 1997, it had given investors a 100%+ capital gain since its 1994 foundation. It is bidding to build and run the country's first private toll road. It headed the consortium which bought the Government’s 66% stake in Wellington Airport and holds stakes in several power companies, port companies and Auckland Airport. It has gone international, buying into assets such as Australian airports.

Water is another fundamental with a captive market. It is a likely cash cow; Thatcher privatised it in England. ECNZ and the Business Roundtable jointly commissioned a secret report recommending that New Zealand's water industry be privatised. Already water TNCs like Anglian Water of the UK have got established (in Wellington). Indeed the Business Roundtable has called for both water and sewerage services to be privatised. Papakura District Council was the first to franchise out its water services, to a British/French consortium. Auckland set up a stand alone company called Metrowater, which charges for both water coming into a property and leaving it as wastewater. People refusing to pay the water charges have had their water pipes dug out (not merely turned off). This, in turn, has given birth to one of the country's most militant activist bodies, the Water Pressure Group, which fights Metrowater at every stage, including reconnecting the disconnected.

Garbage TNCs such as Waste Management have been municipal contractors here for years and it is aggressively expanding throughout the country. In 1998, Canterbury local bodies, led by the Christchurch City Council, entered into a joint venture with Waste Management and another TNC to own and operate a new regional landfill (buying a major fight with rural Canterbury communities in the process). Onyx NZ, a subsidiary of giant French water TNC, Vivendi, has a five year contract for Christchurch's rubbish collection, which it won over the Council's own Works Operations unit. Christchurch has already contracted out the maintenance of some of its parks and is looking at selling all or part of its forestry plantation. "Facilities management" TNCs, such as Serco of the UK, have got established at the national level, and are aggressively bidding for local body contracts.

Increasingly, as the State has opted out of providing essential social services, the burden has been passed to local government. Some cities, such as Auckland and Wellington, have happily enacted their own mini Rogernomics, by selling Council housing and the like (contributing to the situation whereby Auckland's homeless were rounded up and stuck in tents for the duration of the showcase 1999 APEC Leaders' Summit). To its credit, the Christchurch City Council is decidedly politically incorrect - not only maintaining ownership of a number of utilities (which make lots of money for it) but keeping and improving its rental housing stock, and vociferously urging Government to live up to its responsibility vis a vis housing the poor. In 1997 it added a $1 million social spending package to its annual budget, to help clean up the mess left by the National government. The Business Roundtable targeted Christchurch as ideologically impure and urged that all Council business enterprises be privatised, including housing and employment schemes. Douglas Myers called it "the People's Republic of Christchurch". The Council promptly started selling T shirts proudly bearing that slogan - they were snapped up by a public that overwhelmingly supports continued public ownership of utilities. Even the old style Tories on the Council publicly support that. Mayor Garry Moore said: "As a city we have swum upstream. There seems to have been a simmering war between the council and central government...We have a priceless jewel in our level of social cohesion and consultation, which has vanished from other places in New Zealand" (*Press*, 17/5/99). The change of government means that Christchurch has the last laugh – the City Council is now the second biggest landlord in the country (after Housing NZ), and is engaging in a joint venture with the Government to house low income tenants.

New Zealand First recognised the widespread public opposition to the sale of publicly owned local body assets by including in the 1996 Coalition Agreement a requirement that any sale to foreign owners of more than 24.9% of power and gas utilities, airports and ports, needed the approval of ratepayers and consumers. However, leaked documents revealed that National regarded any such poll as legally non-binding. It would simply be regarded as "consultation", as when the Wellington City Council "consulted" ratepayers over selling its power company to TransAlta of Canada, was told "no", and sold it regardless.

Voters showed their feelings by a major swing to the Centre Left in the 1998 local body elections - the Alliance and Labour did well in all major cities; Christchurch 2021 gained almost total control of the Christchurch City Council; Sukhi Turner was re-elected Mayor of Dunedin with an increased majority; Papakura District Council, the darling of the Business Roundtable and the Rogernauts, saw the complete defeat of councillors who had taken it down the path of deregulation, user pays, and selling assets. The lesson in this for the laissez faire zealots is that democracy can be dangerous to their health. The 1999 general election confirmed this trend. Indeed, voters had been trying to get this result since the 1990 election – broken promises and betrayals had thwarted their clearly expressed will.

But the ideologues make no suggestion of deregulating political or economic power however. It was no coincidence that Big Business, local and transnational, financed and ran the unsuccessful 1993 referendum campaign against MMP. Sir Ron Trotter said they preferred the previous system and they preferred Ruth Richardson (they lost both). It's obvious why they preferred First Past the Post. They want autocratic government by an ideological elite. They are perfectly happy with a handful of Cabinet Ministers subverting entire party platforms, as has happened with both Labour and National. Business wants politics run the way a company is run. From the top down, centralised power, a command structure, no dissent and certainly no democracy. One of the pervasive ideological myths is to equate capitalism with democracy. The two are incompatible. Hence, to prepare health, electricity, etc for converting into capitalist profit earners, first get rid of the democracy.

However, MMP is a fact of life now and the sky hasn't fallen onto Big Business. They learned to like the 1996-99 version of electoral democracy. They found that they could live perfectly well with two months of secret negotiations resulting in a backroom deal that reversed the wishes of the majority of voters and installed a Government committed to pretty much more of the same. Even better when first an internal coup and then an outright rupture got rid of the irritating coalition partner and delivered a minority National government dependent on the support of ACT, the party of the TNCs. Two cheers for democracy. So far the 1999–2002 Labour/Alliance version is less to the liking of Big Business.

There's Nothing Free About "Free" Trade: From WTO To MAI

There are two further strands to be fought in the battle against foreign control. One is the belief from that somehow "we are part of Asia". I find it ironic that Tory politicians who cut their teeth on the Yellow Peril, the Red Tide and the domino theory have enthusiastically embraced Asia as our natural home. I thought we'd only just established ourselves as part of the Pacific. Obviously no money to be made there. What is meant? Rest assured that they don't intend us to become the Japan of the South Pacific with a well paid, highly motivated workforce producing quality goods, amidst a high degree of State intervention. No, everything both the major parties have done is aimed at making New Zealand the Philippines of the South Pacific (a country conspicuously off the itinerary when our leaders go tubthumping among our newfound Asian brethren). We are heading the same way, the only difference is degree. I've encountered a shocked reaction from people saying "But we're not the Philippines". My answer to this is: "Don't be so bloody sure". Massive institutionalised unemployment, deliberate impoverishment and a redistribution of wealth and power to the already rich and powerful, sweatshop wages, deunionisation, privatisation, a handover of resources to the TNCs, infrastructure breakdown, soaring crime, massive social stress. I've lived in the Philippines, most recently in December 1998, and the parallels are all there. I've seen the future, I don't like it and it doesn't work. And it quite literally stinks, because nobody collects the garbage. The late 1990s Asian Crisis has rather dampened down official enthusiasm for the “we are part of Asia” line. Yes we are, and we’re sinking with it at present.

The second, much more ominous development, is the threat posed by the World Trade Organisation (WTO), which succeeded the former General Agreement on Tariffs and Trade (GATT) in the mid 1990s. The 1994 conclusion to GATT’s Uruguay Round was presented in this country as the answer to all our problems, that "we" would all be better off if "our" farmers could sell more dead animals in hitherto offlimits markets. Wildly speculative figures were headlined as representing GATT's economic benefit to NZ. An insight into how these “value of” figures are invented was provided by Ian Wishart, the noted journalist and best selling author, during a 1996 CAFCA seminar. During the1980s’ Labour government, Wishart was press secretary to Trade Minister, Mike Moore. Labour wanted to sell the benefits of GATT to a sceptical nation. Wishart rang round “beneficiaries” of GATT. He rang the Dairy Board and asked for a figure. “Haven’t got a clue” was the answer. Desperate, Wishart asked for a guess. “Oh, perhaps $3 billion”. Wishart promptly put that into a press release (“industry sources estimate the value of the GATT Agreement to be $3 billion” or suchlike). That figure has been repeated as gospel ever since. It’s as simple as that.

The official National government estimate was an additional maximum of $2.3 billion over ten years or up to $230 million per year. To put this into perspective, this yearly figure is less than the revenue that National would have lost by scrapping remaining tariffs, which it announced in December 1994, threatening the jobs of 26,000 NZ workers. For purely ideological reasons, National was hellbent on scrapping all remaining tariffs well before the APEC deadline of 2010, which would fatally wound industries such as clothing and footwear. The 1998 Budget announced the immediate abolition of all tariffs on cars (they were at 25%). That finished off the car assembly industry, with plant closures and thousands of jobs gone, not to mention the huge impact on single industry towns such as Thames. Thousands of jobs also went in the componentry industries. But a determined campaign, uniting unions, manufacturers and the Independent MPs, forced National to compromise and postpone the introduction of zero tariffs on clothing, textiles and footwear (until 2006). That lost tariff revenue is also much less than the profit repatriated to the US in a single year by just one TNC, Telecom. And that puts it into the correct perspective because “free trade” throws us wide open to further TNC domination.

The Labour/Alliance government has called for greater reciprocity from NZ’s trading partners on tariff reduction, and wants a closer examination of the pros and cons of tariff cutting. In 2000, the Government confirmed the freeze on textile and shoe tariffs, at present levels, for five years.

Other economists were not so optimistic about National’s figures. The Institute of Economic Research put the GATT Uruguay Agreement’s worth to NZ at a mere $708 million and described the economic benefits as "relatively modest". The OECD put the gain at a negligible 0.6% of GDP and stressed that it was a one-off. True, some NZ farmers have done well from it, with dairy farmers gaining most from increased prices, but the rest of us lose $500 million a year in higher food prices. Another negative feature of its impact on NZ agriculture is that speculators, including agribusiness TNCs, are buying up farmland, and this is driving up the price of land for genuine NZ farmers. Funnily enough, the Uruguay Agreement did not lead to streets paved with gold in rural New Zealand.

National estimated that up to 30,000 new jobs would be created by that Agreement over ten years, if the theoretical relationship held between economic growth and new jobs. Explain that relationship to the tens of thousands of New Zealand workers tossed out of work as unemployment has soared up again in recent years and companies have relocated to Australia or Third World cheap labour countries. Manufacturing, the lifeblood of any economy, is in crisis. The Engineers Union commissioned a report which showed that 28,000 manufacturing jobs were lost in 1996 alone.

And even farmers are worse off, in many cases. Global markets were flooded with subsidised food being dumped at cheap prices, undercutting NZ. The returns on our main agricultural exports fell 18% in 18 months - wool and beef were hardest hit, and even dairying took a downturn. The Asian and Russian collapses hit our commodities markets very hard. They couldn't afford to buy our food and agricultural products. An export led economy is meaningless if nobody buys our exports. The ideologues then switched to telling us that commodity trading is risky, and that this is the price we pay for "free markets" (which aren't free, because our competitors are protected by trade barriers and tariffs worth hundreds of billions). For some farmers, "free trade" has spelled ruin. For example, in 1993 National removed import controls protecting hop growers. The then Minister of Agriculture, John Falloon, said they were a perfect example of a cooperative producer system but that they would have to be destroyed because of NZ's GATT obligations ie to open up all aspects of our agricultural markets. Rather like that old classic line from the US military during the Vietnam War: "We had to destroy the village in order to save it".

A major sector targeted by the Business Roundtable and co are the producer boards. They picked a tough one there. The Dairy Board alone is a world ranked TNC in its own right, and the biggest company in NZ. But the Apple and Pear Marketing Board was partially deregulated; and an ongoing campaign mounted against the Kiwifruit Marketing Board. This latter campaign was bipartisan, with both Ruth Richardson and Sir Geoffrey Palmer among its leading lights. The biggest single apple grower, Apple Fields, spearheaded a Business Roundtable campaign against the Apple and Pear Marketing Board, using brinkmanship and blackmail. It threatened that if it couldn't independently market its own apples, then it would sack all of its staff and turn its Christchurch orchards into property investments. It gambled and lost, in 1997. The Board didn't back down. Despite its shameless use of its workers as pawns in this power struggle, blame for them losing their jobs belonged squarely with Apple Fields, not the Board. To his eternal discredit, Sir Geoffrey Palmer was the company's legal mouthpiece in this whole squalid, and unsuccessful, manoeuvre (Apple Fields no longer grows apples; it has become a property company, using its apple fields to grow money). The WTO, in its 1996 review of New Zealand's trade policies, criticised the boards. The local ideologues got the message.

The 1998 Budget stripped the boards of their statutory powers and full deregulation was the scheduled next step. There was a flurry of mergers amongst dairy companies in preparation for the deregulation of the Dairy Board. If producer boards go, then NZ farmers will rapidly become peasant farmers, having to deal directly with the transnational giants that dominate world agriculture. The cost to NZ will be infinitely worse than any benefit and the cockies know it. Throughout 1998, the PM, Jenny Shipley, was faced by angry protests from orchardists and farmers whenever she went into the provinces. The Dairy Board defied the Government to deregulate it, threatening mass farmer protests. John Luxton, the Food and Fibre Minister, said that he staked his political reputation on forcing through deregulation. Obviously John's reputation wasn't worth much, because the Government promptly blinked first and backed down. Producer boards, the naughty old dinosaurs, remained defiantly unreconstructed. However in 1999, just months before the election, National passed legislation stripping the Dairy, Kiwifruit and Apple and Pear Boards of their governing legislation (but allowed them to retain their single-desk selling function). National planned to corporatise the latter two; the dairy industry planned a mega co-op incorporating most of the nine processing companies and the Dairy Board. This new dairy corporation, which was due to come into existence in 2000, would be NZ's biggest company – and highly vulnerable to foreign takeover. The proposed merger collapsed, in 2000; and Jim Sutton, the Labour/Alliance Minister of Agriculture, has removed the threat of compulsory deregulation hanging over the dairy industry.

The Government has also axed a producer boards razor gang, opting to work with the boards without threatening their unilateral deregulation. The boards did not mourn the demise of this hatchet group of officials. Wool Board chairman, Bruce Munro, said: "We were going down a path where I believe we had farmers onside and their process interfered with that because it was ideologically driven. The arguments revolved around public good and voting levels. They had such a narrow view of what constitutes public good it would have been impossible to operate. The pressure coming off will be useful and it will give farmers the ability to determine what they want, rather than a group of officials pushing a barrow" (*Press*, 20/1/00).

We went through the same charade when CER (Closer Economic Relations) started in the early 1980s - at first, NZ capitalists gained from it; but then the tide was all the other way, either NZ businesses relocating to the bigger Aussie market or Australian companies buying up NZ holus bolus. That trend of companies closing their New Zealand factories, sacking their New Zealand workers, and relocating to Australia accelerated throughout the 1990s – Bendon, Arnotts, Cedenco, Helene Curtis, Reckitt and Colman, Johnson and Johnson, General Motors Holden, Kambrook, Methven, Dorf Taps, Fernz, and Nestle are only some of the best known companies who have gone, laying off thousands of workers. Among the reasons given for Cedenco's trans-Tasman shift were cash and regulatory inducements offered by the Victoria State government. No level playing field there. Owens, Mainfreight and Fisher and Paykel are focusing on Australia; Lane Walker Rudkin has said it can get a better deal at its Brisbane factory than at its Christchurch one, if tariff protection is removed. Politicians, the Business Roundtable and the media may wax lyrical about the "reforms" having turned us into an "attractive" economy - but the simple fact is that NZ Big Business prefers to invest overseas. A faction of NZ capitalists, fronted by Gilbert Ullrich, has been calling for more State involvement in business and a tariff reduction policy in line with that of Australia, rather than being an ideological leap of blind faith.

You will find very little opposition to free trade in the mainstream media. Nearly everything said against it is actively suppressed and I can quote chapter and verse on this one, particularly relating to the Christchurch *Press,* which is part of the Rupert Murdoch global media empire and shows it. Opposition to free trade is seen as treason and opponents are to be demonised. Indeed, the successful saga of the civil suits brought against the Crown by Aziz Choudry and David Small, arising from Security Intelligence Service agents being caught breaking into Aziz's Christchurch home during a 1996 anti-APEC activity, shows that National regarded opponents of free trade as enemies of the State, to be spied upon and harassed. Those who "threaten" NZ's "international or economic well-being" have been added to the list of people to be spied upon by the SIS, in the most recent legislative expansion of its powers.

CAFCA has published screeds on the case against "free trade", we are one of the few organisations to do so (the specialist group is GATT Watchdog, with whom we work closely. I am on its committee). I refer you to our material, rather than rehash it all here. But, very briefly, the "successful" conclusion to the Uruguay Round, in 1994, meant that only the TNCs are successful. Because GATT established a legally enforceable transnationals' charter, removing virtually all remaining vestiges of national protectionism from all signatory economies. It established the World Trade Organisation, now headed by our very own Mike Moore, whose unelected, unaccountable committees have the power to enforce the Agreement by international trade retaliation. TNCs wanted to extend “free trade” into services, the fastest growing sector of the global economy. The result was separate agreements in that field, with major implications for education, which is defined as a service industry. In 1997 there was a global agreement opening up the telecommunications market.

Another round of agricultural negotiations was scheduled by the WTO to start at its Millennium Round, in Seattle, at the end of 1999. As we all now know, the “Battle of Seattle” marked a turning point in 20th Century history, inflicting a historic defeat on the “inevitable” forces of globalisation. The Seattle meeting was besieged from outside and beleagured from within its own ranks – it ignominiously collapsed without having launched the Millennium Round. No agenda was even agreed, let alone anything concluded. But the ideologues won’t give up – negotiations will resume behind closed doors at WTO headquarters in Geneva, most probably between the rich countries only.

TNCs are leading “free trade” into protecting "intellectual property" ie patents and copyright. Worldwide there is pressure to extend the period that drugs can be covered by patent, thus protecting the drug companies. For indigenous people, intellectual property rights can see them lose access to the products of trees and plants that they've used for centuries. Drug TNCs have actually tried to patent the human cells of indigenous peoples.

Already in this country the British drug giant Glaxo and other drug companies successfully got the National government to amend the 1953 Patents Act, to stop local companies replicating cheap copies of drugs patented by the TNCs. Not satisfied with that, Glaxo legally challenged the Government's list of generic medicines ie cheaper copies of those whose patents have expired. Several drug TNCs took legal action against Pharmac, the Government's drug management agency. General manager, David Moore, accurately stated the reason why: "What the drug companies want is an open cheque book". It cost Pharmac $4 million of taxpayers' money in 1997 alone to defend the suits – in 1999 the TNCs won a Court of Appeal case, extending their patent rights from 20 years to 40. Pharmac’s stance led to US drug companies pressuring the US Government to put NZ on a “watch list” and threaten trade barriers. They threatened to take NZ before the WTO, in Geneva. This is all part of the pattern of bullying Pharmac.

The drug TNCs have never had any qualms about milking the taxpayer. An insight into their exorbitant profit margins is provided by the fact that some common medicines cost NZ taxpayers seven times the overseas price. In 1997, the drug TNCs launched a massive publicity campaign opposing Pharmac’s cost cutting moves. And what were they so violently opposing? The impending removal of Government subsidies on various types of drugs! No railing against the “nanny State” from these TNCs. To its credit, Pharmac did not back down, forcing price reductions of up to 70% on some drugs. Pharmac says it saved the NZ taxpayer $55 million in 1997. The drug TNCs show their true colours when they can’t get their own way. In 1995 Glaxo announced that it was closing its showcase Palmerston North plant, with a loss of 120 jobs. It cited an alleged "hostile environment" in NZ; in 1998, Bristol-Myers Squibb followed suit, virtually closing down its NZ operations.

The power of the drug TNCs has been attacked by Sandra Coney, the famous health campaigner and author. She pointed out that six young New Zealand women died from blood clots after being on particular brands of oral contraceptives. Coney was on a Ministry of Health working committee which intended recommending that doctors prescribe other brands. “All hell broke loose. The drug companies bombarded GPs with dossiers contradicting the studies that had shown the risk. Legal action against the ministry was threatened...the ministry bowed to pressure and the advice was now only to `consider prescribing' other brands" (*Press*, 25/1/99). The result? The deaths of NZ women, who are the world's biggest users of these brands of third generation oral contraceptives, have continued, constituting a major scandal in 2000.

There are major environmental implications eg NZ companies will have to compete against rivals using environmentally destructive methods of production and the WTO limits our government from subsidising them to ensure that their production methods remain environmentally safe. Thus they will be tempted to sacrifice environmental concerns in order to remain competitive. "Competitiveness" is one of the buzzwords. The opening of borders and the lowering of standards will see NZ agriculture exposed to dangers such as the importation of mad cow disease and all manner of other pests and plagues that are thankfully absent here (but already we have seen more and more of these pests come over our open borders, scourges such as poisonous snakes and spiders, scorpions, mosquitos bearing dengue fever and other diseases, Asian gypsy moths, and tussock moths).

The WTO institutionalises "free trade", another mantra of the ideologues. But there's nothing free about it. **According to UN studies, TNCs account for two thirds of world trade, one half of that being being inter-firm and the other half "intra-firm" ie between subsidiaries of the same corporation**. Prices are fixed by the parent not by the much vaunted "market". So TNCs chant "free trade" in the same way that the ideologues chant "democracy", and once again it means exactly the opposite. Yes, free trade does benefit TNCs. It frees them from all restrictions, and frees them to go wherever they can get the most profitable deal. But free trade sure as hell is not fair trade and TNCs don't want fair trade. The global implications of the WTO are huge. In one sentence: the WTO guarantees Rogernomics forever, cementing in place our totally deregulated economy, with international law preventing any return to national economic protection and forcing us to compete with the most ruthless and cheapest labour economies. How come, if the WTO is going to deliver a chicken in every pot, that we're the ones getting stuffed?

This is not mere hypothesis. There are a number of regional free trade pacts in place that provide smallscale hints of what is to come on a global scale. The current example is NAFTA, the North America Free Trade Agreement. In Canada it is seen as a disaster causing massive unemployment (hundreds of thousands of manufacturing jobs alone have gone) and businesses moving to the US or Mexico. Public opposition to it cost two Prime Ministers their jobs and electorally destroyed the ruling Conservative Party. In 1998, it saw a US TNC successfully sue the Canadian government because of interference with its polluting business. Other such cases have followed the same path. In the States it is equally seen as a disaster with businesses and jobs moving to Mexico (hundreds of thousands of jobs have gone; US unions and thousands of their members were on the front line at the "Battle of Seattle"). As for Mexico it has recently suffered the worst economic crisis in its history, one that impacted most on the poor. Since NAFTA, more than two million Mexicans have joined the unemployed and tens of thousands of businesses have gone broke. Real wages have been cut by 50%. It also has the extremely serious Zapatista armed uprising by indigenous peasants who see NAFTA as a direct threat to their very existence. NAFTA is planned to be expanded into the Free Trade of the Americas Agreement.

In this part of the world there is the Asia Pacific Economic Cooperation forum, APEC, which is aimed at establishing a regional free trade zone. Its stated goal is a tariff free Asia Pacific by 2020 (and in the developed members by 2010). Under National, New Zealand was the most enthusiastic ideological lunatic and vowed to scrap all remaining tariffs by 2000 (reality forced National to postpone this until 2006). 1999 saw NZ as the

APEC host nation, so we endured a year long propaganda barrage, accompanied by an unprecedented security clampdown for the Leaders Summit in Auckland. If that wasn't not enough, Shipley and co ardently courted the US to establish a new and separate free trade zone with little old Noo Zeeland. Shipley also tried to drum up free trade pacts with countries as geographically diverse as Chile and Singapore.

Labour's approach to APEC and the whole "free trade" bandwagon differs from National only by degree – it supports things like environmental and labour rights being protected by the WTO. Jim Sutton, the Minister for Trade Negotiations, has described opponents of free trade as "having rocks in their heads". Labour is pushing hard for a new free trade agreement with Singapore, continuing National's initiative. This proposed agreement has been described by NZ's chief negotiator at the GATT Uruguay Round (who is now head of the Asia 2000 Foundation) as a "Trojan horse for the real negotiating end game: a possible new trade bloc encompassing all of South East Asia and Australia and New Zealand" (Tim Groser, address to NZ Institute for Policy Studies, 15/3/00; "Beyond CER: new trade options for NZ"). New Zealand is pressing on with exploratory negotiations for just such a South East Asian free trade zone – extraordinarily, it has retained Bill Birch as its negotiator. The Alliance does not share Labour's enthusiasm for free trade and globalisation; this could be the first major point of difference between the coalition partners.

Ironically, Labour has already learned, the hard way, the limits imposed by trade agreements signed by National. The General Agrrement on Trade in Services (GATS) stymies its promise to introduce an NZ quota system in radio and TV broadcasting; GATS endangers Labour's Industrial Development Policy; the WTO and CER severely constrain promises on genetically engineered food

And, of course, we already have CER, which is being relentlessly extended into more and more areas. In 1999, it was used by National to further liberalise NZ's foreign investment laws. Left unchecked, CER will reduce Aotearoa to a second Tasmania: poor, ignored and backward islands off the Australian mainland. When the former Australian Prime Minister, Paul Keating, came to Wellington in 1993, he spoke of his wish for a trans-Tasman unity "that stops only at the point of becoming one country". In 1999, senior National Minister, Sir Douglas Graham, called for NZ to join Australia; in 2000, the Government has announced a wide ranging Inquiry into the trans-Tasman relationship, including the extension of CER and the possible creation of a common currency, the proposed "Anzac dollar" (ACT and various other ideologues are calling for New Zealand to adopt not the Australian dollar, but the good old American greenback, joining various Third World countries which have done so).

I am quarter Australian, regard it as my second home, have lived and worked there, travelled all over it. I am perfectly happy to be a New Zealander, not because of kneejerk national chauvinism, but because that is my national identity and because we have a unique and progressive social history that I want to continue, not see swallowed up by our big neighbour.

To conclude, "free trade" poses the greatest threat to the world's peoples. It will devastate the Third World. New Zealanders won't be affected as much as, say, Bangladesh. But it will severely and adversely impact here also. An apt analogy is with the rich and poor regions inside every country, the difference between, say, Auckland and Hokianga. Auckland has prospered and is the country's Big City (even if its water, traffic and electricity give more than a little cause for concern). But East Cape, or Hokianga or the West Coast, are the Third World within Aotearoa: exploited for their resources, poor, underdeveloped, exporters of people. Northland has 10% unemployment, far above the national figure, with Maori making up nearly three quarters of that; Northland's average income is $3,000 per year lower than the national average. Nationally, the Maori unemployment rate is 19%; for Pacific Islanders, it's 13%.

Absolute poverty (illustrated by the appalling housing conditions and huge unemployment in Hokianga and East Cape) is usually staved off by Government intervention, either directly or via taxation, to transfer resources into the poor regions. But under the WTO's global free trade, international law prevents any intervention or national protection to even out those international inequalities. There is no international taxation to even things out either.

The World Trade Organisation itself loves New Zealand, we were the model economy of the 1990s. "New Zealand now provides a clear, positive example of liberalisation...which has been undertaken primarily on the unilateral track, in the recognition that liberal trade policies are in New Zealand's best interests, whatever the policies of other countries" (*Trade Policy Review: New Zealand*; September 1996). Although the WTO did say we're not perfect - our tariffs for textiles, clothing, footwear and motor vehicles were still "too high" (National set about rapidly rectifying that, with attendant devastation). What this means, in plain language, is that the ideologues have gone further in this country than in any other. Naively, we've levelled our playing field. It's a madness along the lines of "I'll cut my head off first if you promise to cut yours off next". A headless and brainless sort of madness but the Big Boys, whose approval we crave, haven't been so silly. And a great big juggernaut called "free trade" is about to run right over us. Splat! Indeed, New Zealand has gone so far that it has actually upset the US. In 1998, National lifted restrictions on parallel importing, meaning that copyright holders no longer have the exclusive right to sell specific products; you can buy them all at The Warehouse. This evoked howls from US TNCs, and the so far unsuccessful leaning on New Zealand by our imperial masters, the US Government. In 1999, the US put NZ on its watch list, for failing to protect the intellectual property rights of US TNCs. The Labour/Alliance government has slightly slowed this "liberalisation" process but definitely not stopped, let alone reversed, it.

And just when we were starting to absorb GATT/WTO, along came the MAI. The Multilateral Agreement on Investment was being pushed through by the OECD, the rich countries' club, in the strictest secrecy, both globally and nationally. National initially refused to release its copy to the public but later relented, in 1997, as a leaked copy was available on the Internet. The draft MAI was horrifying reading. TNCs would get "national treatment" ie the same legal status as local companies, in every country they operate in and it would be illegal to discriminate against them in any way. It would bar national and local governments from tightening controls on foreign investment, such as controlling international speculators like George Soros, and prevent measures such as encouraging local investment and requiring use of local products or staff. It would allow TNCs to use NZ courts to enforce their "rights" under the MAI but give no reciprocal legal rights to citizens or governments. It would give TNCs' executives, and their families, special immigration privileges. This would render New Zealand law, and sovereignty, meaningless. The MAI truly would have been a Bill of Rights for TNCs. As the NZ Government is fond of committing us to international agreements without any debate or ratification in Parliament, it is also a full frontal assault on democracy. As a sop, National announced that, as of 1998, all treaties will be debated in Parliament - but not voted on!

But, for a change, we have some good news to report. The campaign against the MAI, both globally and in New Zealand, actually beat it. First it was fought to a standstill and the OECD was forced to suspend all MAI negotiations for six months while it tried to better "sell" the message. Then, at the end of 1998, as countries such as France walked out of the negotiations, MAI negotiations at the OECD were abandoned. Even New Zealand, formerly the staunchest of the staunch, joined the stampede away from it. The MAI or some similar agreement was picked to resurface at the WTO, which wanted to incorporate an investment agreement into its 1999 Millennium Round of negotiations. The "Battle of Seattle" put paid to that, for the time being, but it is bound to feature at the behind closed doors talks at the WTO. So we haven't won yet but we haven't lost either, and it's been a long time since we could say that.

These battles, against the MAI and the WTO Millennium Round, and the continuing major protests throughout 2000 against all the institutions – the International Monetary Fund, World Bank, Asian Development Bank, World Economic Forum, etc - actually mark a turning point in the war against globalisation, which is now one of the major items on the protest agenda of peoples all over the world. It has been dragged out from its secret meeting places and exposed to the bright light of debate and mass opposition. Globalisation is nothing more than imperialism under a new name. Transnational corporate imperialism.

What Can We Do About It?

Now it's time to have a look at some solutions, and some strategies to counter it. So what can we do about it? Are we facing an invincible enemy? Is it a lost cause? Not on your life. Remember one simple fact - the bigger they are, the harder they fall. The MAI campaign and the "Battle of Seattle" proved exactly that point.

The most wonderfully succinct call to arms came from veteran international peace activist Helen Caldicott. She told the *Listener* (26/7/97): "Economic feudalism - are you going to let it continue or not? You need a revolution. You've got to take the whole thing away from the corporations". I couldn't have said it better myself. If it's good enough for Helen, then it's good enough for me. The devil, of course, is in the detail.

Internationalism To Fight Globalisation

Some people do actually wage revolutions and wars of independence against the TNCs. One such struggle is going on in our backyard - for more than a decade the people of Bougainville have succeeded in shutting down the cause of their misery, the gigantic Panguna mine, owned by Rio Tinto of Britain, the world's biggest mining company, and the owner of Comalco in this country. That war of independence against a TNC and its client government has exacted a terrible cost in human suffering for the people of Bougainville and, in 1997, led to the extraordinary spectacle of the PNG government hiring foreign mercenaries to try to achieve what its own military had failed to. This use of mercenaries by TNCs, particularly mining TNCs, has become common in Africa, and is the logical development of corporate feudalism. State violence has become privatised, along with all other State "services". But we owe the people of PNG a big vote of thanks - they rose and physically chucked out the mercenaries, forced the Government to back down, and voted out the politicians (including the PM) who were responsible. The mercenaries fiasco provided the breakthrough to the present peace settlement on Bougainville. The people of one of the world's most "primitive" countries defeated the world's biggest mining company and its local agents. And they did so with a minimum of bloodshed.

Now there hasn't been an armed struggle in this country since the land wars of the 19th Century. So that isn't a top priority here. But the international angle is highly relevant. We face a transnational foe - so we must work together internationally. The old truism is correct - their struggle is ours, and vice versa. International networking and united action is very effective against the TNCs. It worked wonderfully against the MAI, APEC and the WTO. CAFCA is indebted to our American and European friends for information and help in dealing with TNCs such as Waste Management, Onyx, Stagecoach and Serco, to give recent examples. They have appalling records in the US, Europe and elsewhere overseas - it is vital that New Zealanders know that when these TNCs come here smelling of roses. So international work is vital. I'm a great believer in globalisation - but a globalisation of people working together across the world to gain control of their own destiny, not a globalisation of Big Business grinding everybody's face in the dust. For some campaigns, such as that against the WTO, international work is the only practical option.

Let's have a look at what we can do in New Zealand.

Join CAFCA, every member of which receives *Foreign Control Watchdog*. We have a vested interest in suggesting that (and in urging you to financially support the CAFCA/ABC Organiser Fund, which provides my income). But the fact is that we have probably the best specialist knowledge on the subject, outside of the inner circles of the political and business collaborators of the transnationals. It is important to remember that our perspective on the subject is internationalist, progressive nationalist, Leftwing and anti-racist. Not to mention a wealth of facts.

Fine, that's given away more money, but what can I do?

If you attach importance to the Parliamentary system, then get involved in the party of your choice and work actively to ensure that it serves the interests of the New Zealand people, not local or international Big Business. MMP has changed the game and provided greater Parliamentary representation by people who share our viewpoint. CAFCA doesn't endorse any particular party nor parliamentarianism as a whole. We recognise it, however, as a legitimate means of advancing the cause. MMP enables working alliances with likeminded people from all parties - Labour, Alliance, Greens, National, New Zealand First (even, God help us, ACT). At the local body level, the chances of lobbying and influencing politicians are even better. Campaigning against the MAI at local body level was particularly successful.
OK, that might lead to somebody representing me but what can **I actually do?**

Raise your political consciousness. Educate yourself about foreign control in all its manifestations. It affects us in so many areas of our daily lives. You don't need to study obscure academic texts; just read the papers with a critical mind. You'll find an awful lot just from the business pages and general news. Reject defeatist thinking. You are neither alone nor powerless.

Individually, you can do the time honoured letterwriting, earbashing your MP, etc. Or you can individually fight back by doing something like refusing to pay a hospital bill or your water charge (if you live in Auckland). That single action is a blow against the New Right, and their transnational backers. Never underestimate the power of an informed and determined individual. Multiplied, that is a mass civil disobedience campaign. And it works - hospital charges were scrapped. I speak from personal experience when I say that it is a very satisfying feeling telling the army of health sector financial managers to shove it. Even better when you burn your hospital bills in Cathedral Square, as a number of us did. Auckland's Water Pressure Group is directly defying Metrowater's cold-blooded attempts to make people pay for water, reconnecting those who have been disconnected for refusing to pay.

Collectively, get actively involved in any of the myriad campaigns fighting the transnational agenda: trade unions; groups fighting the commercialisation and privatisation of our electricity, health and education systems; groups fighting to retain public and local ownership of essential services such as water and garbage; groups fighting for beneficiaries and State house tenants; groups fighting for the environment; groups fighting against genetically modified food; groups fighting for justice for superannuitants, Maori and women. But don't restrict your vision to the single issue. Recognise that all these campaigns are fighting a common foe and that the fight of all these groups is yours also.

Of those suggestions, I think the most important are consciousness raising and networking. I don't discount the traditional parliamentary and political party work. It has its advantages - fighting the MAI within NZ is a good example. The Alliance did excellent work on it and we got the most unlikely allies, such as the ACT MP, who was not happy with it for his own reasons. But I would discourage reliance on politicians - Winston Peters barnstormed the country in 1995 breathing fire about foreign investment (CAFCA hosted him and Jim Anderton at a public meeting in the Christchurch Town Hall). I needn't go over what happened. From Roger Douglas onwards, the last decade and a half has been a procession of broken promises, worthless pledges and betrayal. I don't get dewy eyed over the election of a Labour government – we were born during a Labour government; this is the third in CAFCA's lifetime. We certainly won't be packing up just because the Alliance is in government and the Greens are in Parliament.

Winning the MMP battle was a great victory over the politicians and Big Business who bitterly opposed it - but we have to realise that MMP simply delivers a more representative Parliament; it doesn't choose a government, let alone provide any different sort of government. Politicians do still hold some power over the TNCs - but only if they choose to exercise it. If they can't or won't do so (and the MAI was definitely aimed at stopping any politicians who might be thinking of doing so), then we shouldn't waste time with them. We have to do it ourselves.

Consciousness Raising

Of those suggestions, political consciousness raising and network building are the two most important. Reclaim the language. Reject perversions of "democracy", "efficiency", "free trade", etc. Don't be afraid of words like "government", "protection", "independence". Reject the ideology, find out what these concepts really mean. Recognise that TNCs and their local agents are far from invincible. On some issues they are positively vulnerable. Faced with direct, united and uncompromising action - such as the 1993 Matakana Island blockade - they can be frustrated and defeated by ordinary people. It has been the small towns and rural areas that have fought most tenaciously to retain their endangered local hospitals, from Kaitaia to Balclutha, and most prominently, in the Ashburton homebase of Jenny Shipley. Worldwide, and in New Zealand, it was ordinary people who stopped the MAI in its tracks. Ordinary people withstood the teargas, batons and curfews to win the "Battle of Seattle".

Consciousness raising sounds rather daunting. Not really - at its most basic, it means seeing through the bullshit. Recognise that we're being constantly bombarded with propaganda. Reverse the emphasis and stop to think - who does benefit by New Zealand being flogged off lock, stock and barrel? What is so "efficient" about chucking tens of thousands out of work and reducing hundreds of thousands to poverty? In whose interest is it that a very significant chunk of the population is markedly worse off than before? Realise that we are involuntary competitors in the race to the bottom ie the race to provide the "most attractive" conditions for foreign investors, ones in which they can make the most profit with minimum costs.

Knowledge is power and knowledge is the first step in fighting back. We need to know with whom we're dealing. That's where we come in - CAFCA has a ton of stuff on the subject. But we don't have a monopoly on it - for instance, GATT Watchdog, another Christchurch-based group, is the specialist on the politics of international trade. We work closely with other likeminded groups and key individuals. New Zealanders and the world owe Jane Kelsey a huge vote of thanks for her tireless research and activism. Singlehandedly she blew the whistle on the MAI in this country, and has campaigned around the world against the whole gamut of globalisation, from APEC to the WTO, and the current proposed free trade agreement with Singapore.

Act Locally; Pick Specific Targets; Don't Be Boring

This consciousness raising should not be a passive process ie you waiting for us to tell you about it. Get out and find out who's who and who's up who in your own backyard. I'll give you some examples, based on what we've done. On the 1997 anniversary of the signing of the GATT Uruguay Round, CAFCA and GATT Watchdog held a bus trip entitled Tour The Global Economy (Without Leaving Christchurch). It was so successful that we had to turn people away. It was simply a scripted afternoon tour of a representative sample of TNCs in one New Zealand city. On a midwinter workday in 1999, CAFCA held another very successful walking tour of who owns central Christchurch. These can be duplicated anywhere (with local research) and capture both media and public interest.

Pick specific targets which people can relate to - in Christchurch, we slowly and painstakingly brought together a range of groups, each with their own axe to grind with Telecom - the union representing its workers, beneficiaries, people fighting cellphone towers, independent Internet service providers, political parties. We held a two day event, in 1997, called Telecom Exposed! A Critical Forum. It's hard work - one school board of trustees, scheduled to speak, pulled out at the last minute. But that Forum led to the creation of SPOT - the Society for Publicly Owned Telecommunications, which specialised in Telecom. The name said it all - we decided to accentuate the positive, what we wanted, rather than the negative, what we don't like (the other suggested name was the Society for Public Outrage at Telecom). Telecom has national significance but there's also plenty of scope for localised campaigns on specific TNCs.

The presentation of information need not be boring. In 1997 the Auckland Unemployed Workers Rights Centre toured the country with a programme of plays on subjects such as the Employment Contracts Act and "free trade". There is great public appreciation of well presented information. Look at the astonishing success of the documentary "Someone Else's Country", which took the country by storm in 1996. Alister Barry, who made it, had no great expectations: CAFCA premiered it in Christchurch, the night after a blizzard, with limited publicity and got over 100 paying customers. We knew from that moment it would be a runaway success.

Corporate Code of Responsibility & The Roger Award

CAFCA had a philosophical debate in 1997 - we discussed whether we want to kick the bastards out, or to allow them to operate here under tighter control. The TNCs can breathe easier - on pragmatic grounds we opted for the latter.

New Zealand has long led the world in allowing the TNCs free rein here (the MAI would have extended this deregulation on a legally enforceable, global scale). As a bare minimum, CAFCA wants to see the TNCs regulated and controlled in New Zealand by law - not the rubberstamp and welcome mat setup we have at present. Most recently, the 1998 Overseas Investment Amendment Act made some alterations to the law governing land sales to foreigners, giving effect to the derisory Coalition Agreement provisions on foreign investment. We made a submission urging that the existing law be toughened up to more effectively control the TNCs (it wasn't, and the Coalition Agreement is history, as well). Interestingly, that Act is not yet in force, because the requisite Order in Council hasn't been promulgated.

But we also decided to be pro-active and draw up a Corporate Code of Responsibility for TNCs operating in this country (we believe that TNCs are much more deserving of a Code than are beneficiaries). Throughout 1997, CAFCA scoured international codes for a model applicable here. It was a lot of work, which went through several drafts, and was sent to various sector groups for comment.

We publicly launched this Code in 1998. Unusually for CAFCA, it is not 80 pages long. It is but a single A4 sheet. It is a statement of very broad principles. It covers human rights, workers rights, legal and government, the Treaty, environment, commercial practices and consumers, and general. I'll simply give a few quotes: "TNCs shall act in accordance with the Treaty". Straightforward you might think - but not if the MAI came into effect. "TNCs shall allow workers the freedom and right to belong to a union, associate, organise and bargain collectively". This aspect is missing from most overseas codes, which are primarily aimed at TNCs operating in the Third World. In fact, this confronts the Employment Contracts Act head on. "TNCs shall not interfere in the internal affairs of host countries or attempt to manipulate or defeat public opinion or political leaders". That is aimed at the likes of Comalco, with its history of decades of manipulation of politicians and public opinion. And at the TNCs which comprise the Business Round Table, and those which campaigned against MMP. "TNCs shall respect local environmental legislation and standards". Right now they are campaigning to have the Resource Management Act removed. "TNCs shall not exploit a dominant market position, nor attempt to gain such a position". Think of Telecom or any of the other big monopolies. "TNCs shall promote and adhere to the goals of sustainable and equitable development and full employment". Phrases like "full employment" should produce anxiety attacks in corporate boardrooms.

Simultaneously, CAFCA, GATT Watchdog and Corso organised the first annual Roger Award For The Worst TNC In NZ. Guess who it's named after. Nominations came in from all over the country. We had a national panel of judges (including the Mayor of Dunedin). The winner was Tranz Rail, with INL and Coeur Gold equal second. Both Tranz Rail and INL reacted like wounded bulls, thus ensuring a blaze of publicity.

That Award emphasises all the negative aspects of TNCs and Big Business in general (in 1999, it was won by TransAlta; Monsanto, the 1998 winner, got a dishonourable mention, and Tranz Rail, the 1997 winner, got another Continuity award). The aim is to poke fun whilst serving a very serious purpose - to present an indictment against the TNCs; to reverse the ceaseless propaganda flow; and to get people to think about and spell out just why Big Business is so bad. Please make sure that you take part in the 2000 Roger Award.

This Code is the flip side of the coin - it lists all the positive and useful things we want TNCs to abide by. Are we terminally naive? Not a bit of it. So who is this Code aimed at? Only incidentally at the TNCs themselves. Although I see no problem in sending them a copy and asking them to sign it. After all, I'm sure they agree with: "TNCs shall not kill, enslave or imprison people". Or: "TNCs shall, at all times, obey both the spirit and the letter of the law in host countries". That's motherhood and apple pie stuff.

Primarily, we see the Code as a campaigning tool. For example, that political parties be asked to adopt it as the basis of their policies towards TNCs. That local bodies require TNCs to agree to it before moving into their region. That ordinary people say that they will only accept foreign investment into NZ by TNCs which accept this Code. And, most importantly, that it be used as an indication of what we are for, rather than simply a reiteration of what we are against. We urged people, in 1998 - when they got the glossy brochure and questionaire from the National government, asking their views on the beneficiary bashing Code of Social Responsibility - to send back a copy of this Corporate Code of Responsibility instead and demand that the Government get this enforced. Let’s concentrate on the mugger, not the mugger’s victim.

The best outcome would be for the Code to become law, with proper enforcement and penalties for non-compliance. The most that CAFCA can do is to float the idea. Already some influential people are getting the message. Christchurch’s Mayor, Garry Moore, wrote to us (26/1/99) saying: “The code is a very useful statement of the principles all companies, especially transnationals, should follow. It provides a useful checklist to use when agreements are being negotiated”.

The Vital Importance Of Networking

Finally, I want to stress the importance of networking. In the past decade and a half, the people of New Zealand have been badly let down and failed by two of the traditional institutions for advancing the interests for ordinary people - namely, the Labour Party and the trade union movement. CAFCA has a limited working relationship with both Labour and the CTU (there are very good people in both, including a few MPs). So we need to look elsewhere - both the Alliance and the Trade Union Federation (TUF) are a response to the failings of Labour and the CTU. We have an excellent relationship with both. Changes in CTU leadership and policies have been the most hopeful sign in union politics for a decade. Let’s see if our relationship with the Alliance survives its’ being Labour’s junior partner, in Government.

But we have to take it a lot further than relying on parliamentary parties and/or unions to do it for us. We have to do it ourselves. Which means we have to build a genuine grassroots people’s movement. I’m not suggesting yet another party - we’ve got too many now. Movement building is damn hard work - you have to agree on what you’re for, not merely what you’re against. And you get into all sorts of turf wars with people who want their single issue to be the priority and not compromise.

So, rather than starting from scratch, the next best thing is networking. That is, building links and sharing information with all manner of existing groups. But to be proactive about it - cooperate and coordinate campaigns. And, most importantly, establish the common ground between us all. That’s the vital part. All around New Zealand there are groups directly fighting TNCs - whether they be genetic engineering companies, gold miners, power companies, forestry companies, cheap labour shipping companies, greedy oil companies, or communities fighting cellphone towers. Recently, CAFCA worked with Canterbury farmers and rural residents, who were fighting plans to build the South Island’s biggest landfill in their backyard. They were none too keen on the involvement of garbage TNC, Waste Management, and that’s where we could help them.

Add to that the huge number fighting the indirect effects of foreign control, by which I mean everything that has been done to "make New Zealand attractive to foreign investors". So then you get all those fighting hospital closures, the destruction of the Welfare State, the attack on unions and workers, the deliberate impoverishment of a huge number of New Zealanders. What has been done here is good old fashioned class warfare - from the top down. We need to be organising the middle and bottom.

Bring together the Greypower/RSA/National voters who fight to keep their small town hospitals open and the so-called "Maori radicals" who are fighting for land and self-determination; bring together the city councillors fighting to keep their power, water, buses, airports, ports, etc, in public ownership and the unions and workers fighting to keep their jobs, wages and conditions; bring together the middle class parents concerned about the impact of cellphone towers on their kids' health, the activists fighting the genetically modified food issue and the newly impoverished underclass fighting market rents, benefit cuts and dependence on food banks. Thrash out what we have in common and realise that we all have a common foe - an economic and political system that benefits only the TNCs and local Big Business. Dump phony issues, such "as these bloody Maoris are ruining the country with their demands", and realise that the Treaty is the one thing that has stopped yet more of New Zealand being flogged off. For instance, it's the only reason that the land itself, rather than just cutting rights, was not sold when the State forests were privatised. Accentuate the positive - all round the country are examples of people helping themselves, standing tall without reliance on the State or our new corporate sponsors. The People's Centres in Auckland are an excellent example.

CAFCA, GATT Watchdog and Corso organised a conference called Taking Control: The Fightback Against Transnational Corporate Power. It was held in Christchurch, in 1998, and featured speakers from around New Zealand, plus one from the Bougainvillean armed struggle, and a Canadian indigenous activist. The emphasis was on networking and action - it wasn't a collection of "experts", but people engaged in the campaigns I've outlined. As 1998 was local body election year, a theme of Taking Control was organising resistance to the next wave of Rogernomics and sell off to the TNCs, namely of our publicly owned local assets and utilities. I'm pleased to report that it was a very well attended and extremely successful conference.

Fighting For The Right To A Fair Go

In case you think that this all sounds rather well meaning but airy fairy, I should spell out that I quite clearly see the problem as being capitalism itself. CAFCA's brief is to concentrate on imperialism, which Lenin called the highest stage of capitalism. Because that's what "globalisation" is, just a modern name for imperialism, but one in which companies, rather than countries, set out to colonise the world, including New Zealand. I'll reiterate one major point. Foreign control is not the only issue nor necessarily the most important one. Eradicating it will not, in itself, secure the environment, restore equity to the workplace, cure unemployment or remove racism and sexism. But it is one of the very biggest problems that we and all the peoples of the world face. It needs concerted opposition, progressive opposition, and because we face a global foe, international opposition. It is an anti-imperialist struggle and fighting imperialism has always been a vital and honourable part of any progressive people's movement worthy of the name. Eradicating it will not in itself eradicate capitalism, its seedbed, but it would give it one hell of a kick in the guts. Speaking personally, it's got to go but it is not my brief nor the policy of CAFCA to tackle capitalism per se.

New Zealand has a distinct national identity, a people's identity, not to be confused with flagwaving bullshit and artificial hype. In the case of the Maori they are a completely unique people, culture and language. The Treaty is a unique partnership and provides a powerful weapon with which to fight the foreign takeover.

And we have a distinct people's ethic, that of the fair go. There has been a deliberate attempt to kill the fair go in recent years and to permanently stack the balance in favour of the rich and powerful, of the local and international variety. There has been an attempt to destroy the natural cooperative nature of New Zealand society, both Maori and pakeha and to break us down into competing individual units. It hasn't succeeded yet but that's not from lack of trying. We are being set up to compete with the most ruthless societies on Earth, all in the name of "attracting" foreign investment. Fundamentally we need to establish one simple point: that the people of this country are the only ones entitled to control our national destiny, and we want a reaffirmation of the fair go society. A commitment to equity, democracy, sustainability and security. To achieve that, national sovereignty is essential.

Basically I'm optimistic because more and more people are seeing that what we've been saying from the outset is right – that foreign control is economic and political recolonisation; that globalisation is just another word for good old fashioned imperialism; and that the root cause of the whole thing is capitalism. We don't have to explain to people any more what is a transnational corporation. At its simplest, we can say "We told you so". But it goes much further than that.

Our side has started winning some battles in recent years – the Multilateral Agreement on Investment was killed; the World Trade Organisation's Millennium Round was brought to a screeching halt in Seattle; globalisation is being fought, in the streets and in the battleground of public opinion, around the world; here in New Zealand, the Rogernauts are the ones being rogered for a change.

This is a very important fight with no shortcuts. We invite you to join us in the struggle to reclaim Aotearoa from its present status as a floating branch office of the TNCs, a Disneyland for the rich. We're taking on the Big Boys but we needn't be daunted. Always remember the simple fact that elephants are terrified of mice. So I suggest we join together and get on with the task of biting some big fat toes. And I can assure you, not only is it a worthwhile fight, its a lot more fun than you think.

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