

## WHO'S RUNNING THE SHOW? AND IN WHOSE INTERESTS?

- Murray Horton

I am the Organiser and spokesperson for two Christchurch-based groups, the Campaign Against Foreign Control of Aotearoa (CAFCA) and the Anti-Bases Campaign (ABC). CAFCA, which dates back to the mid 1970s (we're having our 40<sup>th</sup> anniversary do next year), has the simple aim to expose and oppose all aspects of foreign control of this country. ABC, which dates back to the late 80s, is much more a single issue group, focusing on the overt military and covert intelligence ties between NZ and the US. Specifically, ABC calls for the closure of the Waihopai and Tangimoana spy bases and the agency which runs them, the NZ Government Communications Security Bureau (GCSB), plus the demilitarisation of the US military transport base at Christchurch Airport (which is now much less significant than it used to be)

If you want to learn more about CAFCA and ABC's issues, and what we say and do about them, then I refer you to our material, either the hard copy samples available at this meeting or to our Websites. For CAFCA those are [www.cafca.org.nz](http://www.cafca.org.nz) and that of our publication *Foreign Control Watchdog*, which is at [www.converge.org.nz/watchdog](http://www.converge.org.nz/watchdog). For ABC it is [www.converge.org.nz/abc](http://www.converge.org.nz/abc), where you can also find ABC's publication, *Peace Researcher* (I am the Editor of *Watchdog* and Co-Editor of *Peace Researcher*). Hopefully some of you will join CAFCA and/or ABC, which is the best way to stay informed about the issues.

I have done a number of these national speaking tours before, starting in 1993, with the most recent one in 2011. They have always been in election year, as is this one. That is not coincidental. We want people to be aware of the bigger picture before they undertake their triennial democratic exercise of casting their vote. The issues I will be discussing here are much bigger than the spin doctored, personality-driven trivia that is dished up to us in election year. We want to see the wood not the trees.

I want to make clear that we are not affiliated with any party, whether inside or outside of Parliament. CAFCA has always been fiercely independent and reserves the right to criticise any party (and has done so, much to the outrage of some of our members on the odd occasion). As much more of a single issue group, ABC is in a different situation and has enjoyed a strong working relationship with the Greens for decades, specifically in our campaign to close the Waihopai spy base. But ABC is, likewise, not affiliated with any party and reserves the right to criticise all of them. To give a current example, we think that the Greens' support for Labour's call for an inquiry into NZ's criminally scandalous intelligence agencies doesn't go anything like far enough (I'm talking about the revelations of GCSB domestic spying that was one of the major political issues of 2013).

This is the first time that I've done one of these tours on behalf of both the groups for which I am the Organiser. That is not the only difference from my previous tours. The main difference is one of emphasis. A few years ago I asked the partner of a then prominent politician why he had stopped subscribing to *Foreign Control Watchdog*, CAFCA's publication, and, without hesitation, he replied: "Too bloody depressing". And

that was the effect that I fear my previous speeches had on the audiences, because they involved a long and very detailed analysis of the problem.

This time around I am going to emphasise the positive aspects of what CAFCA and ABC want; what it is that we want for the country, the economy, the State, the community. Too often groups such as ours (CAFCA is routinely described in the media as a lobby group; ABC as a protest group) are easily dismissed as “moaners” and “conspiracy theorists” who relentlessly emphasise the negative. So let’s have a look at what we do want, as opposed to the usual recitation of what we don’t want.

The first thing I need to do is put you out of your misery and answer the questions posed in this talk’s title and subtitle: “Who’s Running The Show? And In Whose Interests?” The answers are short enough to be communicated by a text message: “Not us, and not ours”. You won’t be surprised to be told that the answer to both questions is Big Business, specifically the transnational corporations which dominate this country’s economy much more so than that of most other developed First World countries. Transnational corporations (TNCs) are the dominant players in the global economy – transnational simply means that they operate in more than one country; in NZ a foreign-owned company has been legally defined since 1973 as one that has more than 24.9% foreign ownership (whether by one foreign owner or a multiplicity doesn’t matter).

For a detailed analysis of just how much NZ’s economy is dominated by TNCs, and all other aspects of foreign control of Aotearoa – including the perennial hot button issue of rural land purchases by foreigners – I refer you to CAFCA’s Key Facts, which are in the yellow leaflet available at this meeting and on our Website. For the first time in years they have been completely updated and, for the first time ever, they include the sources for all of them (for reasons of space, these are on the Website version only, not the hard copy leaflet). I am indebted to my CAFCA Committee colleague Bill Rosenberg (whose day job is as the Economist and Policy Director for the NZ Council of Trade Unions) – he did all the work. So, I won’t be speaking to those key facts - “the problem” – because I don’t have to.

The only, very brief, points that I will make about “the problem” are these three:

- Don’t take as gospel the language used by politicians, the media and “experts” about “foreign investment”. A lot of so-called “investment” is simply a takeover, not creating new assets
- Since the Rogernomics bloodless coup of the 1980s a driving goal of Governments, whether National or Labour, has been “to make the New Zealand economy attractive to foreign investment”. What this means to ordinary New Zealanders is that we have become, and remain, involuntary competitors in the race to the bottom.
- Ownership means political power. Foreign control means recolonisation, but by company this time, not country. When the Crafar Farms sale to Chinese buyers first became a major political issue several years ago, John Key said that he didn’t want to see New Zealanders “become tenants in our own country”. I very rarely agree with anything Key says but I’m happy to quote him on that one. In the owner-tenant relationship, there is no doubt about who holds the upper hand. I’ve been both a tenant and an owner, and I know which one I prefer.

And I need to make one brief point, specifically in my ABC capacity. All this stuff about TNCs being the problem is ho hum as far as CAFCA is concerned, it is our bread and butter and has been the subject of every one of my speaking tours since 1993. But the central role of TNCs in the issues of interest to the Anti-Bases Campaign has not always been so clear. Since our foundation in the late 1980s we have been dealing with covert State agencies such as the GCSB and its US Big Brother, the National Security Agency (NSA). All of the revelations in the past couple of years about the GCSB, which have come to light as a result of the spectacularly bungled Kim Dotcom case, have proven just how the NZ State, including its covert arms such as the GCSB, plays a very subordinate, even servile, role when doing the bidding of the TNCs – the Hollywood music, movie and entertainment giants in the case of Dotcom. To quote a media commentator, writing in the *National Business Review* in March 2013: “Our spies’ principal mission used to be the defence of the realm. Today’s GCSB is about the protection of corporate property”. The US makes no bones about the fact that its’ State, including its covert agencies, exists to “serve America’s interests”. It wants to ram through the Trans-Pacific Partnership Agreement (TPPA) this year, which will greatly benefit US TNCs across the whole economic spectrum. Have no doubt that US agencies will be spying on the other governments and leaders involved in the negotiations, including Barack Obama’s best friend forever and golfing buddy John Key. Rest assured that the NSA and its sub-contractors in the GCSB will be spying on opponents of the TPPA in every relevant country, including NZ. Edward Snowden’s revelations from within the NSA make clear the close working relationship between the US covert State and US Internet and telecommunications TNCs. If it wasn’t clear in the past, it sure as hell is now to ABC – TNCs and corporate colonisation are very much our issues now.

As I said, I want to emphasise the positive aspects of what CAFCA and ABC want; what it is that we want for the country, the economy, the State, and the community. The preparation of this speech was a collective project, not just an individual one. After discussion, we came up with four main slogans which broadly sum up what we’re about. They are:

- **People’s Rights Before Corporate Profit**
- **Public Service Not Private Profit**
- **An Independent Foreign Policy**
- **No Unjust Secret Treaties**

I’ll deal with them in that order.

### **People’s Rights Before Corporate Profit**

For as long as I’ve been a political activist (stretching back to the late 60s) “people before profit” has been a rallying cry for innumerable campaigns. You would think that it is a no brainer. But not to the politicians who have formed Governments headed by either major party in the last few decades; not to the ideologues in the key bureaucracies such as Treasury; not to Big Business and its PR lobbyists; and not to the propagandists in the corporate media and the so-called experts in academia and the think tanks. They all chant the mantra that what is good for business (by which they mean Big Business) is

good for the country. The interests of capital are paramount, to be pandered to ahead of all other considerations. Their slogan is simply "Profit Before People".

I recently watched the excellent British documentary "Spirit Of 45", about the birth of the Welfare State in that country in 1945, and its death under Margaret Thatcher in the 80s and every succeeding Government, whether Conservative or Labour. It was like being doused with a bucket of cold water to see grainy old black and white footage of Clem Attlee, the Labour Prime Minister who won the 1945 election, making speeches about his Government's commitment to socialism (by which he meant the democratic socialism variety that used to be the catch cry of Labour Parties around the world, and which has been watered down to something called social democracy). Socialism is not the subject of my speech, nor is it CAFCA's policy (our Committee, let alone our membership, espouse a variety of political views and affiliations and we are not, most emphatically, a political party). The point I am making is that there was a time in the not too distant past when the likes of the British Prime Minister could speak, entirely seriously, of his endorsement of socialism in the context of policies that openly put the interests of ordinary working people ahead of those of capital and Big Business. You won't hear that word today, even from the supposedly most Leftwing of Labour MPs or officials in this country. It is only under David Cunliffe's leadership that I have heard the word "capitalism" used in anything other than an uncritical fashion by Labour. The point I am making is that Big Business (of which TNCs are the biggest; they constitute the dog, the rest are merely the fleas) sets the agenda – indeed it has a firm grasp of it by the short and curlies – and that the ideologues, spin doctors, propagandists, apologists and so-called "experts" rigorously attack anything put up by mainstream politicians that looks like it might not be in the interests of Big Business. For a current example, look at the reaction to Labour and the Greens' eminently sensible proposal to establish a single buyer to bring some order and fairness to the chaotic and profiteering electricity market

What would a society look like in which people were put before profit? I'll briefly look at a couple of current hot button issues – corporate welfare and corporate tax avoidance. Corporate welfare is where the Government abandons its own fairy tale of "market forces" and simply hands over taxpayers' money to TNCs, either directly or as indirect subsidies such as tax breaks, as well as all sorts of other favours such as favourable law changes. If that policy were to cease, then we would have a film industry whose members were workers with all the legal protections that entails, rather than as "self-employed contractors" who carry all the costs and risks themselves. Instead of giving hundreds of millions of taxpayers' dollars to Warner Brothers and Fox Studios, the Government could put that money directly into supporting a real NZ film industry, not just one to which giant Hollywood TNCs outsource their movies to benefit from highly talented, extremely cheap labour and world-beating locations. This is not a pipe dream. A December 2013 *Time* article entitled "How Sweden Has Re-Engineered the World's Music" included the Welfare State as one of the reasons why Swedes are doing so well in all sectors of the world's music industry. Sweden generously pours money into both music and its indigenous music industry. Now there's an interesting model for New Zealand culture. The Government should help its own people, not TNCs.

If corporate welfare was to cease and the Government was to stop propping up the transnational Chorus we'd all benefit by lower Internet rates. If corporate welfare was to cease we could start dealing with the major social ills caused by problem gambling, rather than giving a free hand to Sky City Casino. If a half century of corporate welfare was to cease the country could get rid of its biggest bludger, Rio Tinto's Bluff smelter,

and we would find ourselves in the position of having the single biggest chunk of electricity in the national grid available for more productive uses than being exported as alumina. There would be no excuse for power prices for domestic users not to come down to affordable levels. Those TNCs came third, second, and first, respectively, in the 2013 Roger Award for the Worst Transnational Corporation Operating in Aotearoa/New Zealand.

Transnational corporate tax avoidance involves serious money, for instance, the \$2.2 billion which the Big Four Australian banks agreed to pay in 2009 to get IRD off their backs. TNCs will go to great lengths to dodge taxes e.g. MediaWorks restructured in 2013 and was thus able to “walk away” from a \$22 million tax debt. The likes of Cadbury pay derisory amounts of tax or none at all in New Zealand because of various international tax rorts that are available to TNCs (but not to local businesses, let alone “Mum and Dad” taxpayers). To quote a January 2014 *Businessday* column in the *Press*: “Together, Google, Facebook and Apple made an estimated \$750 million out of New Zealanders in the last tax year but paid less than \$3 million in tax – that works out to a tax rate of 0.4%. On the other hand, the New Zealand company tax is 28%”. If TNCs were made to pay their share of NZ taxes (and I’m not calling it “their fair share” because the tax rates for businesses have been cut and are too low), the State would have billions more available for the needs of the New Zealand people, such as education and health. If those tax rates were restored to what they were until recently, let alone increased from that to a more realistic level, there would be yet more billions available for the common good, as opposed to the shareholders and grossly overpaid CEOs of transnational corporations.

If people’s rights were put before corporate profit, we would have a drastic improvement in workers’ pay and conditions; we would see an emphasis on workers’ safety in currently very dangerous industries like forestry; it would be a top priority to restore full employment (as opposed to “an acceptable level of unemployment” that is currently peddled to us as full employment); we would tackle national disgraces such as child poverty, food banks, homelessness and the emerging phenomenon of the working poor; we would tackle the increasingly yawning gap between rich and poor, with all the attendant problems that inequality brings; we might even see justice for the long suffering people of Christchurch who are still waiting for their quake-damaged homes to be repaired or rebuilt. These are specific examples – but by no means the only ones, there’s a long list – of wrongs that could start to be righted (or, more correctly, lefted) by a reorientation of the national priorities, a reversal of emphasis from putting corporate profits before people. Politicians and the “experts” like talking about the benefits of investment. What better investment could there be than in our own people, as opposed to foreign-owned corporations; investment of money, resources and political will for the benefit of the many instead of the few?

It is appropriate here to say what it is that CAFCA wants in relation to transnational corporations in this country. We have discussed this in the past and it came down to two different options. The “aspirational” one is to kick the bastards out. The sky wouldn’t fall if we did. It would certainly have an effect on the economy but not as much as the TNCs’ political and business mouthpieces would have us believe. For example, if you check out our Key Facts (hard copy or online) you’ll see that foreign investors are not great for employment – they only employ 17% of the workforce, despite owning a large proportion of the economy. But the other option is the “realistic” one – namely, to introduce many

more hoops for them to jump through before being allowed into the country and, once in, much, much tougher rules and controls to govern their operations here. I don't have time to go into all those details but the central principle would be that their presence here would have to be genuinely deemed to be in the national interest and in the public interest. This is our home and they are visitors to our home – the home owner sets the rules for the visitors. Let's apply that slogan that we keep being told in other contexts – it is a privilege, not a right. As far as foreign purchases of NZ rural land is concerned, there is a good case to be made for a blanket ban. If that is deemed “aspirational”, then the “realistic” option is to only allow land to be leased by foreigners, not bought.

## **Public Service Not Private Profit**

Mass opposition to flogging off public assets has been one of the major campaigns of the past several years, and one in which I've been heavily involved (I am the Convenor of the Keep Our Assets Canterbury coalition). We have already had a referendum on asset sales, which overwhelmingly rejected them, and the issue will doubtless feature strongly in this year's election campaign. One thing needs to be made clear - privatisation of public assets is wrong, regardless of whether the new owners are transnational corporations, local Big Business (pakeha or Maori) or “mum and dad” (ditto). No matter how much Key and English and co tart it up, the central, glaringly obvious fact is that “mum and dad” already own these State-Owned Enterprises, and all other public assets, because that's what public ownership is. It means ownership by the public. It's not very difficult to work out; you don't need a Master of Business Administration degree from Harvard. The Government has been brazenly stealing public assets - all sugar coated as “partial privatisation” or “the mixed ownership model”, because it is only stealing 49% of them - and laughing in our faces by urging us to buy back a little bit of this stolen property in the form of shares. Forget about Nigerian scams; this is the much worse New Zealand scam.

We have paid for them by our taxes, why should we be expected to pay for them again by buying a few shares in them and diluting our ownership to the status of a minority shareholder? What happens if one of these privatised companies goes bust? The obvious fact is that, in the share market, there are always highs and lows, winners and losers. So, in the event that one of them goes bust, mum and dad will go to the back of the queue as unsecured creditors, just as happened with the shonky finance companies that toppled like dominos. And mum and dad will be left with nothing, exactly as they were by the finance companies. Isn't that a great bargain!

Key makes the facile claim that restricting private ownership to 49% provides some sort of protection. Crap! Ever since 1973 the Overseas Investment Act has defined a foreign-owned or controlled company as one with more than 24.9% foreign shareholding. It doesn't matter whether that percentage is held by one or many foreign owners; if it totals anything higher than 24.9%, it is recognised as a foreign company. In other words Key is talking about accepting a level of private, inevitably foreign, ownership which is double the legal definition of a foreign company. Even in the unlikely event that these SOEs do end up in continued New Zealand ownership or, in the unlikeliest event that they do end up being owned by “mum and dads”, that doesn't make it right. It would still be the privatisation of what is rightfully public; the expropriation of the common wealth for private profit.

There are no sound economic reasons for selling these State-owned electricity generators and any other SOEs that may be also being eyed up for sale. As in the past, the reason cited for selling assets is to help to pay off public debt. But the Government can borrow money at cheaper rates than the private sector, so why is that a worry? It's the equivalent of selling your house to pay off the mortgage. You've cleared your debt, but you've no longer got your prime asset. More importantly, you no longer own the roof over your head. You have to downsize to being a tenant – everyone knows who calls the shots in the landlord/tenant relationship. I've been both a tenant and a homeowner, and I know which one I prefer. That's the path Key and co is setting us onto – becoming tenants in our own home. That is ironic because it's only two to three years ago that Key himself said that he didn't want to see New Zealanders become tenants in our own country. Well, he's doing everything possible to bring that about.

And there is an inherent contradiction in the economic justification offered for selling assets – they're being put on the market because they're attractive to private owners, TNCs in particular. Why? Because they're profitable; they're not distressed assets being offered at a bankruptcy sale (Solid Energy, the only SOE in that situation, has been withdrawn from the auction block). To whom do they deliver those profits at present? The Government: on behalf of their owners, the New Zealand people. So the Government is blithely waving goodbye to that guaranteed income stream of hundreds of millions of dollars per year (well, at least, to 49% of that income stream).

Only a certain amount of weight should be attached to the economic argument for retaining the SOEs. Indeed, by concentrating on that aspect, the whole debate can be diverted down a slippery slope. The emphasis should not be on how profitable they are or aren't, because that accepts the validity of them having been set up as SOEs in the first place, by the 1984-90 Labour government, as one of the central pillars of Rogernomics (and Labour's policy of opposing the privatisation of these SOEs does not propose any change in their status from profit-oriented State-owned businesses).

Who said this? "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". Answer – none other than Sir Roger Douglas, in a book praising the sale of State forests ("Out Of The Woods"; Reg Birchfield and Ian Grant; 1993). So there you have it, from the horse's mouth or, more likely, the other end. Privatisation is not about money; it's all about ideology. And it is truly nothing more complicated than that – the wilfully blind zealous belief of both major parties, since the 1980s, that public ownership is bad and private is good.

What is needed instead is a political commitment that State-owned companies supplying an essential service actually be a public service rather than profit-obsessed corporations, which are publicly owned whilst exhibiting all the worst characteristics of privately owned Big Business corporations. That requires a political decision to change the business model of those and other State-Owned Enterprises from profit to service. Now there's a scary, radical concept – but it was the status quo in NZ until the 1980s and early 90s. The country's electricity system existed to ensure nationwide, coordinated, uninterrupted supply of an essential service, at cost. It functioned from one end of the country to the other and was characterised by planning.

The operative words here are public service. Being State-owned is not enough by itself, if the sole priority of that State ownership is to generate a profit. What would a society look like that prioritised public service over private profit? It would have as its central principle the concept of “the public interest”. So, for a start, we would see a stop to the erosion and downgrading of the public education and health systems. I’m old enough to remember both free public education including at university level, and free public health, including visits to GPs. It would see the State resume the role it used to play in providing thousands of jobs for the unemployed, and provide direction for the economy as it did in the past in sectors such as forestry. The State would once again commit to housing the poor and vulnerable, rather than leaving them at the mercy of the market. It would see the central Government once again committed to local and regional democracy, rather than what has been the case in Canterbury for several years, where this Government fired the regional council and replaced it with unelected functionaries whose top priority is to serve the interest and profits of the dairy industry, which is now the dominant agribusiness in the country. It would, once again, see a commitment to a public service broadcaster, rather than a lowest common denominator TV network existing solely to deliver customers to advertisers and dividends to the Government. The State would, once again, recognise public transport as a top national priority and invest in the infrastructure that has been allowed to run down over the decades. It would do all of those things because they are in the public interest.

We need to fight to retain what we’ve got left that does provide a public service, things such as Pharmac (which was established by a National government, as a matter of interest). Pharmac keeps down the price of prescription drugs and for that reason is hated by the giant pharmaceutical transnationals who are working through the US government to get rid of it as part of the Trans-Pacific Partnership Agreement (TPPA). We need to retain Pharmac because it is in the public interest.

I’m not indulging in romantic nostalgia for the past – I remember what it was like and I worked for the Railways for 14 years when it was in its heyday as a Government department, so I don’t have any illusions on that score. I could tell you a few stories. But the solution was to fix it, make it work better, make it better serve the New Zealand people who owned it, not to chuck out the baby with the bath water. Only the State has the resources to deal with things at the national level, because that is the basic requirement of Government. I live in a city that is currently run by a specially created Government department, the Canterbury Earthquake Recovery Authority, and in a city where nearly every resident has had dealings with the Earthquake Commission, another Government department. So I’m well aware of the horror stories of my fellow Cantabrians. I’ve had extensive personal dealings with both EQC and my Australian-owned insurance transnational in relation to quake damage to my own home (which is also my workplace), so I know what it’s like. I also know that Christchurch, and the country, would be immeasurably worse off if we didn’t have EQC and I salute the foresight of those who established an organisation that is unique in the world. Could it have done a better job? Of course, and it must. But it is in the public interest to have the State, and not the profit-driven insurance transnationals, responsible for disaster recovery.

## **An Independent Foreign Policy**

First question – don’t we already have one? Well, we are most definitely nuclear free, and that is something to be very proud of. It puts NZ well ahead of most other countries.



I recommend that you read Maire Leadbeater's excellent new book "Peace Power And Politics: How New Zealand Became Nuclear Free". The lesson from that successful campaign was that it was won from the grassroots up, not from the top down – it wasn't bestowed upon us from on high by some enlightened politicians. And, as a direct consequence of that, we are out of ANZUS. But the key fact about that one is that NZ was kicked out, we didn't leave of our own accord. If things had panned out the way that 1980s' Labour government wanted, we would have had our cake and eaten it, by being both nuclear free and still in ANZUS.

Both of those highly commendable achievements were won a generation ago and have become the status quo, part of the cultural furniture. But things haven't progressed from there, and the powers that be, both in NZ and the US, have been actively working to nullify those facts on the ground, to get around them, to subvert them, and to render them irrelevant. My case is that we have a half pie independent foreign policy, if that; and it will take another grassroots campaign of similar scale to achieve a full pie one. That's not to say that there haven't been some laudable instances of NZ acting independently of our imperial masters – such as, for the first time ever, we stayed out of someone else's war, namely Iraq (although we did send non-combat forces there for a less than distinguished deployment which achieved nothing); and NZ played the key role in reaching a lasting peace settlement in Bougainville.

But those are exceptions, not the rule. Despite being both nuclear free and out of ANZUS, NZ has continued to be a loyal junior partner to the US in American wars such as in Afghanistan; in the vitally important covert intelligence alliance, the secret ANZUS best illustrated by the Waihopai spy base; and in slavishly doing the bidding of both of the US government and American transnational corporations when told to do so. We're not as much of a doormat as Australia but that's not much of a benchmark, and we're getting there.

So, what would an independent foreign policy look like? Firstly, it's not the same thing as neutrality, armed or otherwise. It doesn't mean isolationism. It would mean that New Zealand would pick our allies and, if necessary, our wars, on a case by case basis, decided first and foremost by what is in the interests of the New Zealand people, not the interests of foreign governments and/or corporations. To give a couple of real world illustrations of what I mean by that: this year being the centenary of the start of World War 1, we are being force fed a diet of nauseating pap and propaganda about it. That war was the epitome of imperialist wars; it literally was a clash of empires, with ordinary people from all over the world, including one of my own great-uncles, paying for it with their lives in their tens of millions. It was a war with absolutely no justification. It demonstrates exactly why New Zealand needed then, and still needs, an independent foreign policy. On the other hand, a case can be made for World War 2 having been necessary because it posed an existential threat to not only New Zealand but the world at large (my father was a prisoner of war in that one). We fought both those wars as the most loyal servants of the British Empire and as soon as that was over and power shifted to the American Empire, we rode off with those cowboys.

An independent foreign policy would involve cutting the strings that continue to bind us to the American Empire. ABC's demands are clear and easily understandable – the GCSB spy bases at Waihopai and Tangimoana (which are US National Security Agency bases in all but name) must be closed; the GCSB, which is simply a junior subcontractor for the NSA, must be abolished; and the US transport base at Christchurch Airport must

be demilitarised, to end it providing cover for US military and intelligence activities that have nothing to do with providing logistic support for peaceful scientific research in Antarctica.

Now, once again, global power (economic at first, with political and military still to come) is shifting from the US to China. I do not advocate NZ transferring its allegiance to become a loyal servant of the arising Chinese Empire. True to form, we have put all our eggs into one basket (dairying) and hope to sell them in one market (China). Once again, that puts NZ into a terribly vulnerable position if and when something goes wrong in the Chinese economy, or it develops its' own dairying industry. As the trade off for that short term gain NZ has opened the doors to a Chinese takeover of that very industry and the rich farmland on which it depends. So it will be a race to see which comes first – China developing its own dairy industry, meaning that it won't need NZ any more; or China owning the NZ dairy industry, rendering the question academic. I need to make clear that I am using the example of China only to make the point; my criticism would be the same if the country involved was Australia, the US, Britain .Japan or wherever. Indeed, in parts of the South Island, specifically Southland, the biggest foreign owners of dairy farms come from Germany and Ireland.

An independent foreign policy means not being part of anyone's empire but standing on our own two feet and picking and choosing our friends and allies, based on what is in our own national interest and in the public interest (I make that point because NZ Big Business has a habit of hijacking the phrase "national interest" to mean what is in its interests). Foreign policy does not only involve military alliances and wars; these days it predominantly means trade. The same principle applies – that NZ chooses our trading partners based on what is in our national interest and, more importantly, what is in the public interest. Global trade is dominated by transnational corporations and their interests have been prioritised by the governments of their nominal home countries, governments which have subject to corporate capture, governments that think what is good for Big Business is good for not only their own countries but for the world. Most of what are misleadingly called "free trade" agreements is nothing of the kind – they are investment agreements, serving as the Trojan horse of the transnationals to gain access to ever more markets for profit, power and control. In that respect, much of global foreign policy has been privatised, meaning that the agenda is being set, not by sovereign governments but by transnational corporations using their political allies to further their interests.

To give a current New Zealand example, which is a textbook one of its kind – the Dotcom case, where the New Zealand State, from the highest political level down to its enforcement agencies such as the Police and the spies, fell over itself to do the bidding of the US government which is working hand in glove with huge US transnationals, namely the movie and music industries, to shut down Dotcom's operation, lock him up and deliver him to be imprisoned by those whose interests he had threatened. The Yanks said "jump", and the New Zealand government said "how high?" That case demonstrates the privatisation and corporatisation of American foreign policy. Wearing my CAFCA hat, I need to say that we don't carry a flag for Kim Dotcom – he should never have been allowed into the country. The fact that he was allowed in is a further demonstration of the gutlessness of the Overseas Investment Office, which sees its role as a doorman for foreign "investors", when what is needed in cases like this is a bouncer. CAFCA has a copy of that Office's file on Dotcom – it makes for fascinating reading. But wearing my ABC hat, I express gratitude that he has tackled head on the

covert State which was illegally spying on him and that, in doing so, has forced into the open the whole shonky practices of the GCSB and their counterparts in the US. Good on him for doing so. The Dotcom case provides two different illustrations of what an independent foreign policy would mean; firstly, NZ wouldn't let in every Tom, Dick and Kim in the name of "attracting foreign investors"; but, secondly, having done so, NZ would put the interests of its own people, including non-citizen residents, ahead of the corporate and political interest of the US government and Big Business.

## **No Unjust Secret Treaties**

This begs the question – are there any just secret treaties? We had a discussion about that and concluded that, by definition, secret treaties are unjust. There is no shortage of examples but I'll concentrate on two current hot topics which are of major interest to both CAFCA and ABC – namely the proposed Trans-Pacific Partnership Agreement (TPPA), and the UKUSA Agreement, commonly referred to now as the Five Eyes Agreement or alliance.

I'll deal with the latter one first, because it naturally flows on from the need for an independent foreign policy. Very briefly, Five Eyes is a top secret agreement, dating back to the immediate post-World War 2 years, between the spy agencies of the US, UK, Canada, Australia and New Zealand to, between them, cover the globe for the purposes of systematic electronic intelligence gathering (back in the 1940s it started off as signals intelligence). The NZ member agency is the GCSB; the US NSA is the biggest of the Big Brothers. So, Five Eyes is what Waihopai is all about – and if you have a look at that place, you will see that not only does this monster have five eyes, it also has two balls. Secrecy is at the very heart of Five Eyes – for its' first 50 or so years its very existence was denied by all member countries. That has now changed but don't expect to be sent a copy of it if you write to the Prime Minister under the Official Information Act.

The seminal book on the GCSB and Waihopai is Nicky Hager's 1996 classic "Secret Power". The foreword is written by David Lange who, as Prime Minister in the 1980s, gave the go ahead for Waihopai. At the time, the spy base was justified on the grounds that it gave NZ an independent intelligence gathering ability, particularly after the US supposedly cut us off from their intelligence in punishment for our nuclear free policy. It is, of course, nothing of the kind. As Lange wrote: "But it was not until I read this book that I had any idea that we had been committed to an international integrated electronic network...it is an outrage that I and other Ministers were told so little, and this raises the question of to whom those concerned saw themselves accountable". Remember those ruefully candid words from a former Prime Minister next time you hear John Key assuring us that he knows what the GCSB and NSA are up to and that we have nothing to be worried about.

Five Eyes is the reason for the existence of both the GCSB and Waihopai. Five Eyes is what binds New Zealand into the American empire, specifically both its intelligence and military wings. It is much more important than ANZUS ever was, it pre-dates ANZUS, it has carried on uninterrupted despite NZ being kicked out of ANZUS a generation ago, it is, in reality, the secret ANZUS to which NZ has always belonged and in which we have been a willing accomplice. Getting NZ out of Five Eyes is absolutely central to achieving a genuinely independent foreign policy. I'll go further than that and say that getting NZ

out of Five Eyes would be a major step to NZ being a truly independent nation. This is in addition to closing the Waihopai and Tangimoana spy bases and abolishing the GCSB.

The TPPA is not yet a done deal and hopefully never will be. I could have spent this entire speech talking about it (indeed it was the subject of my speech on my 2011 national speaking tour). I recommend that you go to [www.itsourfuture.org.nz](http://www.itsourfuture.org.nz) for all the details about it. The proposed Agreement itself has changed shape radically in the years it has been on the political and transnational corporate agenda – it started off being tacked on to an obscure existing agreement among a handful of Asia/Pacific countries, including NZ and has now ballooned into the Big Daddy of such agreements, which is being used by the US to cement into place its’ “pivot to the Pacific”, to reassert its self-proclaimed role as the world’s sole superpower (there is a parallel drive to implement a trans-Atlantic agreement between the US and Europe). But, regardless of what shape the TPPA takes, one thing remains constant – everything about it is shrouded in secrecy. All that anyone knows about it comes from leaks.

Agreements such as this are always misleadingly and deliberately called “free trade” agreements. In reality they are not about trade at all, or certainly not in the way that you and I understand that word. In a nutshell they are about making things easier for transnational corporations in every sense imaginable. The TPPA has been called a modern version of the aborted 1990s’ Multilateral Agreement on Investment (MAI), which was defeated by a global campaign, including in NZ, which saw it for what it was – an attempt to formalise the privatisation and corporatisation of global governance. A major reason that it was defeated was that the essence of it was leaked and the world’s peoples were outraged by what was planned to be imposed upon them. Those negotiating (or selling out, in NZ’s case) the TPPA are very anxious that there no such slip up this time around. Once again there is, and has been for several years, a growing global campaign to defeat the TPPA. Here I must pay credit to the indefatigable Jane Kelsey – the people of the world, not just New Zealand, owe her a huge vote of thanks.

If NZ does not end up being ensnared in the TPPA or, even better if the TPPA doesn’t come into existence; that would mean that we would keep a modicum of control over our own affairs. What is stake here is national sovereignty, and there is no more important subject, indeed it’s been at the heart of the whole debate over the Treaty of Waitangi since 1840. Does that mean that CAFCA and other opponents of the TPPA are “anti-trade”? Of course not but we need to retain our national sovereignty, our ability to control our own destiny, and our right to pick and choose with whom we trade and which transnational corporations we let into our country and on what terms. I used the phrase “a modicum of control”, meaning that we’ve already lost plenty of our national sovereignty due to rushing lemming-like into a whole lot of other “free trade” agreements.

One thing needs to be clarified here – would either Five Eyes or the TPPA be OK if they weren’t secret? Short answer: no. The secrecy under which they exist or are being negotiated simply adds insult to injury. The campaign to release the TPPA text is all well and good, and sunshine is an essential ingredient of the democratic process, but the primary problem is those treaties themselves. New Zealand, whether led by either National or Labour governments, has been far too willing to relate to other countries and transnational corporations on their, rather than our, terms. Apologists describe this approach as “realistic”, that a small country like ours has no choice but to behave that way. History proves them wrong. Once again I only need to mention the nuclear free

policy, whereby NZ decided to put its own interests first for a change. Doomsayers predicted that the sky would fall – a generation of New Zealanders has grown up knowing no other reality and the sky still seems to be very much in place. Defenders of ‘free trade’ agreements say that NZ’s current salvation is the Free Trade Agreement we have with China (the foreign policy high point of the last Labour government). But NZ would have reached that situation with China by means of normal trade; the Agreement has encouraged us to foolishly put all our eggs into one basket (the one marked “dairy products for China”); and we are seeing a systematic buy up of every sector of that very same dairy industry in NZ by Chinese transnational corporations and rich individuals, enabled by the terms of the Agreement. That is an unacceptably high price to pay.

It’s at this point where people usually ask: “What can we do about it?” I’m not going to address that topic. Not because I don’t have any answers – on the contrary, I have a lifetime’s experience of campaigning and my 2011 tour speech devoted a decent chunk of time to talking about how to fight the TPPA. What to do about it is not the topic of this speech, and would easily fill up another speech of this length. In essence, the answer is simple – build a campaign to achieve the goals I have talked about in this speech (and/or incorporate those goals into existing campaigns). To use a phrase much beloved by the Western press when applied to other countries – we need a People Power movement.

That campaign has to be from the grassroots up, not from the top down. It should work in partnership with a political party or parties, but not be dependent on the Parliamentary process – that should only be part of the campaign, not the be all and end all (to give a current example, there has to be more to a campaign to save public assets than a referendum which the Government ignored). New Zealanders have a wealth of experience in campaigning, we are very good at it, world leading in some instances, and you don’t need me to tell people how to do that. New Zealanders will run such a campaign or campaigns in ways that are most appropriate to their community and to their situation. The point of this speech, of my tour, is to urge that the four topics that I’ve talked about be central in this year’s election campaign; that they should be central to campaigns already being run on a whole raft of issues around the country, and they should be central to any new campaigns set up. The first thing to realise is that we’re all dealing with different symptoms of the same disease.

CAFCA and ABC are not arrogant enough to say that these four topics are the most important ones facing the country. Of course there are others. But what we do say is that they are among the most important, that they underlie everything else that the people of this country are concerned about, and that any campaign, electoral or otherwise, that doesn’t include them is missing the point. To conclude: we want an independent Aotearoa based on policies of economic, military and political self-reliance, using Aotearoa’s resources for the benefit of the people of Aotearoa. This country needs People Power to let the world know that Aotearoa is not for sale! How we do that is up to us, the people of this country. So let’s get on with it.