



**Rt. Hon Winston Peters
Leader NZ First**

Tauranga Electorate, Wesley Church Hall 13th Ave, Sunday 23rd May 2010, 1.30 pm

“Radix Malorum Est Cupiditas”

There is an old Latin saying “radix malorum est cupiditas” or as originally written in the bible -"the love of money is the root of all evil". All we can say today is – many centuries after those words were written - nothing has changed. The leaders of this country love money – particularly other peoples' - and there is no doubt that a serious evil is befalling the land of the long white cloud. You only have to look at Bill English - who delivered the Budget this week on behalf of his currency trader leader.

Comment on Thursdays Budget has been nothing short of remarkable in its sanguine positivism. However the devil in this budget is not in the detail but in the economic reality of NZ’s place in the scheme of things.

One commentator claimed “it has turned those muddy economic waters into wine by constructing a clever package of significant tax cuts when the government’s books are written in deep red”. “National is now camped around the \$40,000 – a – year salary level – roughly the boundary between low and medium income earners”.

And that is about it really. New Zealand’s continued slide into the unwelcome realms of a low wage economy will proceed unabated devoid of any lightning rods for real, productive, sustainable economic growth. Pre Budget rumours having in the main been set aside the comentariat heaved a collective sigh of relief, for themselves, but hardly for their country. To say that NZ has weathered the storm better than most suggests that the recent economic storm is over. It most certainly is not.

Examine the tumbling Dow Jones Index these last few months, remind yourself of the borrowing of \$250 million NZ needs each week, look at the extraordinary high level of NZ public and private debt, the gap between our imports over our exports, recall NZ’s sad dependence on borrowing other countries money, and the conclusion is truly sobering.

Of course, everyone wanted a tax cut.

Set against increasing GST, a forecast inflation rate of almost 6% and increased costs across the board, tax cuts for most are an illusion. Far more than 50% of earners don’t get the average wage, and our falling behind Australia will only worsen.

Inflation, without deflation means that 6% inflation is not, as some blithely argue, a 'one off'. The rising cost of this inflation will be permanent. Families with two young children will be much worse off as will Superannuitants.

Nothing in the Budget helps either the young or older generation. A few dollars extra a week in superannuation will not compensate for higher GST and an explosion in the cost of living. Power bills will go up. So will your doctors bills – and your rates and everything else. Elderly people have made their contribution. They are entitled to some comfort and peace of mind. Why should they be worrying how to make ends meet?

No amount of verbal gymnastics will change that. And failing to pre-fund the Cullen Fund means that the mass majority of today's voters are staring down the barrel of retirement insecurity like never before. Sooner rather than later most will come to bitterly regret it

The trouble with this government and most of Parliament for that matter is that for twenty five years they have never understood that more important than tax cuts or tax equality, is what is left in a voters pocket after tax. This is the international comparison against which NZ so sadly fails. Going down the low wage path means that compared to leading First World Nations, Kiwis have much less in their pockets each pay day than their overseas cousins. Bragging about NZ tax rates, whilst our children shoot through to other countries for much higher wages is meaningless.

Beating Australia to a 28% company tax rate will not persuade one overseas company to come here, or one NZ company not to leave for elsewhere. A 25% company tax rate would.

Whacking exporters, who risk so much abroad, with the same tax rate as domestic companies won't turn around our poor export performance. A maximum 20% tax rate for exporters would.

And fiddling with Research and Development, Plant and Equipment depreciation rates reveals a lamentable grasp of how dependant New Zealand is on export wealth in our export dependent economy. Until an exporter sells product offshore to bring home greater wealth for all to share then the Family New Zealand's prospects will remain mediocre. The tourism industry has the same effect and result - it's just that it works differently when you are exporting scenery and culture. 50 years ago, Parliament knew that. Today, it doesn't.

Moreover, NZ exporters suffer from a failed Reserve Bank Policy. NZ has the most volatile currency, that is movements up and down, in the world. How can a successful export industry cope with that? The results show that it cannot and the government refuses to face this blunt fact.

That just leaves one more blip on the economic horizon for the 2010 budget calculations to be seriously out. The consequences will be serious. There is already a \$500 million hole in Treasury's calculations. The Emissions Trading Scheme \$2 Billion cost appears to have been lost in the excitement as well. There will be no

bank evasion tax windfall this year to unexpectedly boost the books. And all the while interest rates are going back up

Who remembers the 1990 budget? That year Treasury forecast a surplus of \$89 million. It turned out to be a deficit of \$3.2 Billion. Steady as she goes with borrow and hope is not what NZ needed

And pandering to the Maori Party with a toxic mix of separatist policy glue might please the Maori brown table, but not their supporters. Read Hone Harawira's 18th May Northland Age column. To quote "The Waitangi Tribunal hearing staged over four weeks running through to October 2010. The main issues being considered are: how Ngapuhi and the Crown understood Te Whakaputanga and Te Tiriti: the relationship between Te Whakaputanga and Te Tiriti and the commitments Ngapuhi and the Crown were agreeing to when they signed both documents. At more than 120,000 members and clearly the country's biggest iwi, Ngapuhi is challenging the Crown assertion that they ceded their sovereignty, and are laying down the case that Ngapuhi retains the right to be a self-governing and independent state. At the heart of the Maori argument will be the historical evidence showing that in signing Te Whakaputanga (the Declaration of Independence), Ngapuhi clearly recognised the importance of their sovereign authority, and that that sovereignty was never ceded in the signing of Te Tiriti (The Treaty of Waitangi) in 1840".

So there you have it. Maori retain "the right to be a self governing and independent state"

This limb of this governments support base hasn't many months to go before it is brought home to them the cost of voter betrayal. Meanwhile another limb, the yellow one, is declaring its' hand in a similar desperate struggle for survival. For both, of course, it will be too late. As it may be for this government despite its present state of euphoria

Watch now as Government readies us for even greater immigration and the standard opening of a Pandora's box of privatisation of public owned assets, first, in Auckland, and then across the nation

Just to refresh your memory - Bill English got the taxpayers to give him tens of thousands of dollars to live in his own house in Wellington and now he and the currency trader are going to receive thousands more in tax cuts. Funny how the overseas owned media don't talk any more about the double dipping by the double dipper from Dipton. These people love your money. And so do their supporters waiting in the wings to get their hands on all the state assets that are going to be flogged off unless there are some changes to the political make up of the government.

Surely the Budget and the comments since from English are the final incontrovertible proof of why New Zealand First represents such a danger to the asset sellers.

The tactic is obvious – Kiwibank is first up – and that will be used for the public debate while all the assets of the state owned power companies and the other rich

pickings are sold – and most would end up in foreign hands. One question screams out for an answer. Why has NZ's P.M. spent so much recent time in discussions with Macquarie Bank?

When you think of the sacrifices that generations of New Zealanders made to build this country you can only weep at the entangled economic treachery of those in the Beehive. The day after the Budget Bill English admitted their next term privatisation plan. But he says he will ask you first. Yeah right. Are Aucklanders getting a local referendum on their \$28 Billion assets? Of course not.

Nowhere in history has a country thrived when most of its assets are in foreign hands. There is something that has not been explained to you in the avalanche of propaganda that came with the budget – and has continued to pour out ever since – and it's this.

How can people at the top - like Bill English and John Key get hundreds of dollars per week extra – and announce proudly that EVERYONE is better off.

Remember the tax changes are fiscally neutral – that means the tax take will be the same. So if you give some people at the top a lot more – the ones at the bottom must get less. It's the law of financial gravity and it is hard to understand how anyone can swallow the unadulterated nonsense poured out by the boys in the Beehive.

Puts you in mind of a man called Bryers and Blue Chip that was chosen by the local National Party in Tauranga to have naming rights to our local stadium. When it all went belly up the local ratepayers ended up buying it. Tauranga investors in Blue Chip lost everything and Bryers got a \$37,000 fine and a week's community service. Much of our recent history shows how much of our financial sector simply stinks.

It's like George Orwell – of the novel “1984” fame, said: “Political language is designed to make lies sound truthful and murder respectable and to give an appearance of solidity to pure wind”.

New Zealand First is needed in parliament more than ever.

The fate of the country rests in our hands because we are the one party prepared to say NO to another fire sale of state assets, and the courage to stop it happening.

Foreigners are already trying to grab our dairy industry. On the 10th of May I released information about a “tangle charade” surrounding the Crafar farms purchase by UBNZ Funds Management Ltd, in reality a Chinese entity. Last night on television news and more than a year after the 18th of May 2009 purchase the receivers confirmed the purchase agreements had been accepted subject to OIO approval. The receivers said they were “ambivalent” about the purchaser's reputation. That is hardly the word for it. The facts behind this deal are a tangled commercial charade that is against New Zealand's interest and reputation. And yet the Government has done nothing to stop this duplicitous activity.

We have enemies at home who want to sell us – and we have foreigners who want to buy.

Again last night on TV3 news we learnt that \$37 million medical treatment debts owned by foreigners using our hospitals have been written off and a further \$10 million is outstanding but looks to suffer the same fate. This whilst waiting lists for Kiwis to get treatment get longer. Again Government has failed to protect New Zealand's interest and allowed tax payers to be taken for a ride.

“Millions of dollars embezzled by the former head of China's first publicly listed rail company in one of the communist country's biggest corporate frauds might have been laundering through New Zealand.

The Chinese government is attempting to retrieve money and assets invested in New Zealand as part of what it believes was a “trans national money laundering scheme” run by Liu Guiting, who gained New Zealand residency in 2002 under the investor category by depositing \$2 million in an ASB bank account. He also bought an apartment in Auckland and hotels in Rotorua, through companies controlled by his wife and daughter, who live in Auckland. Guiting is serving two life sentences in China but carried out his embezzlement for years following his New Zealand residency “. This from today's Sunday Star Times.

In short, the Government has put New Zealand's interest last.

Over the next year we will be going the length and breadth of this once great country to spread our message and to meet with people who share our vision of unity and prosperity for everyone.

Our people are our greatest asset. We live in a wonderful resource rich country.

It's time to go back to sound policies which look after our people and to preserving and protecting our country.

Let's fight against the philosophies of greed and separatism that will tear us apart.

After all, we're all in it together.

ENDS