

***“A Trip to the Third World – Watch Your Wallet”***

**Rt Honourable Winston Peters  
Public Meeting  
RSA Greymouth Branch  
181 Tainui Street,  
Greymouth**

**2 pm, Saturday the 6<sup>th</sup> March 2010**

Thank you for your warm welcome. It's good to be back on the Coast – among Coasters.

Today let us to start by asking a question – how do you describe a country in the following situation:

Most of its banks are owned somewhere else – just like New Zealand. No other developed country has such a high proportion of its financial system in foreign ownership.

The country has lost control of its strategic and prime assets. A great proportion of the productive economy is owned by foreigners.

There are few restrictions on foreigners gaining key assets -like energy and communications – just like New Zealand.

The main cities are full of immigrant taxi drivers – a form of disguised unemployment - like New Zealand. Wellington alone has 1700 cab drivers

The country has a chronic balance of payments problem –like New Zealand.

The telecommunications system is prone to breakdown and failure – even the emergency numbers - like New Zealand.

Regulation of the financial sector is a sick joke. Thousands can be robbed of their hard won savings by rascals who avoid being called to account – just like New Zealand.

The young, the educated, the talented and the enterprising see opportunities elsewhere – not in their own country – like New Zealand.

Nothing is sacrosanct – even the conservation estate can be plundered (often by foreign owned mining companies) – just like New Zealand.

It loses its commuter train services around the capital, leaving passengers to walk along railway lines – and once again just like New Zealand.

Makes political decisions about changing the electoral system behind closed doors – just like New Zealand.

Increases taxes on the poor and the elderly to give to the wealthy.

This is how you describe that country – and it hurts me to say this – you describe it as descending into the Third World.

That's right.

This country - once described by that famous West Coaster Richard John Seddon – as “God's Own” is in a spot of trouble and nobody appears to be doing anything constructive about it.

If we look at the issues just outlined there is a common thread. They could have all been eased or avoided if we had been prepared to make the right decisions at the right time and had owned our prime strategic assets. No country has ever prospered when its resources have been controlled and exploited from abroad. In the past few decades there never seems to have been a coherent plan to advance New Zealand's interests. Successive governments have placed their faith in something called “the market” and that is supposed to have been the path to freedom and prosperity. All we can say to that in 2010 is, yeah right!

The world has just been shaken by the biggest financial upheaval since the Great Depression of the 1930s and there are no prizes for working out who caused it. You are right – it was the people who make up this thing called “the market”. Hundreds of millions of ordinary people around the world have lost their jobs, their homes and their savings because of the actions of “the market”.

Now tell me – who controls all this? Who has gained? Who has been called to account? What's happened to all the billions of dollars?

There are young men sent to prison in this country for robbing dairies of cigarettes and the contents of a shop's till. Fair enough – commit a crime and do the time. But what about the financiers and businesspeople who rob old people of their life savings? They are still walking the streets, living their lavish lifestyles with family trusts that keep the wolf from the door. They will not be worrying about electricity bills, doctors' bills or the price of food.

And that brings us to the government's planned tax changes. These tax changes promise some kind of economic miracle. It has never happened in the history of the world before - everybody is going to pay less tax, the same amount of tax will be collected, and we are all going to be better off! Especially pensioners and the low incomers who are going to be thrown some crumbs from the Treasury table.

Let us talk about the facts of the matter. First – it is not possible for everybody to be better off, and this is why not. The total tax take is going to remain about the same as it is now. This has been stated publicly several times by leading members of this government – the boys who make the decisions. That means for John, on his ministerial salary alone, to get his expected tax cut of three hundred dollars a week, somebody has to pay for it, through higher personal tax or extra GST. Twenty lower paid people are going to have to pay fifteen dollars more tax a week each to finance the Prime Minister's tax cut.

Here it is again – so you don't miss it - the tax according to John Key changes will be "neutral". That means the same amount of tax has to be gathered.

If people at the top of the heap get a tax cut, it means those at the bottom will pay more tax - even if it is simply through higher GST.

Pensioners are going to be hardest hit – and the Government's own officials are aware of this. That is why the Prime Minister has said there will be a two percent rise in superannuation. But pensioners are already playing catch up because superannuation is always calculated on the PAST average weekly wage.

For example, from a reasonable commentary in the New Zealand Herald this week – it said ...and I quote:

***“superannuation payments will rise slightly faster, by 2.31 per cent, because of the National Party's election promise to maintain the married rate at a floor of 66 per cent of the net average wage.***

***But the net average wage actually rose by 4.16 per cent, so all beneficiaries and superannuitants slipped slightly further behind those still in the workforce.”***

We calculate that the forthcoming tax changes and the time lag for adjusting pensions will cost the average pensioner the equivalent of a day's food a week – about seven or eight dollars. It also means that superannuation is actually falling below 66 percent of the net average wage. People on superannuation, in the main, spend differently to most other people in the community. They live on their pension and their savings (and don't forget the withholding tax has gone up on the interest on their savings). Also there will be a transition period when GST is increased. Don't tell us that some businesses won't use the chance to make a bit extra, thus throwing a further burden on those on low fixed incomes.

You might not be aware of this but Treasury officials generally refer to superannuitants as the “unproductive sector”. In most parts of the world, age is venerated because of the wisdom of experience and the value of the life contribution. Here, in NZ the elderly make up the “unproductive sector”. It makes you wonder if all these clever people at Treasury have parents or grandparents or whether they were spawned by a process of osmosis!

And to add injury to insult, a study is being carried out as we speak on cutting the transport concessions of the SuperGold card. The Transport Minister Stephen Joyce has ordered this work to be carried out. This study of course has never been announced publicly by the government. John Key forgot to mention it in his recent speech to Grey Power in Auckland – or perhaps he was not aware of it.

This whole tax change business appears to be a giant “con” job because all the people engineering it – from the back rooms at Treasury to the board rooms in Auckland – are those who will benefit from it. We are in some sort of strange parody of Robin Hood and the Sheriff of Nottingham – except the poor are going to be robbed to pay the rich.

And speaking of parodies - let us now refer to one of New Zealand's favourite companies – Telecom. This company has systematically looted New Zealanders' pockets ever since it was privatised by the Labour government in 1990. Telecom spent a lot of money advertising its new XT mobile phone network. Remember that advertising? You could ring up anywhere in the world if you were parked on top of a shipping container somewhere in the ocean. It was pretty fancy hi-tech stuff. Trouble is most of us live on dry land in New Zealand and prefer to stay off shipping containers afloat in the ocean! On land, the new network keeps breaking down. To be fair to Telecom though – their mobile network works most of the time – as long as it's not an emergency call to one, one, one. Telecom's Scottish boss got a three million dollar bonus for presiding over this debacle. Perhaps he could be placed on one of these shipping containers and sent back to the UK. We'd make sure he had an XT mobile phone to deal with emergencies.

And remember the railways? As Wellington commuters wander along the railway tracks when their trains break down they should spare a thought for the last National government and another iconic New Zealand company called Fay Richwhite. Between them they managed to distribute hundreds of millions of dollars of taxpayer assets to themselves and their mates.

And what about the people using electricity in Wellington. Their distribution system is owned in China!

The problems outlined today could, and can be avoided by sound stewardship in New Zealand's best interests. And by owning our own strategic assets.

The international financial disaster has shown that globalisation is an expensive mistake. We are simply too small and vulnerable to throw open our doors for the wolves to come in and plunder. Unfortunately we have a crop of highly paid politicians and bureaucrats who are interested in economic theories that should be kept in the textbooks on library shelves – not in the real world.

Last century New Zealand went through two world wars and a depression and we appear to have forgotten about past generations' struggle for peace and prosperity.

Our country is getting bogged down in arguments between economic theorists, capitalists and socialists instead of simply confronting the issues staring us in the face.

We are even heading towards a fight with the separatists who are trying to drag us back to some pre-European utopia where Maori created some kind of dusky paradise.

You'd think that in a country of only four million people we would try to pull generally in the same direction.

But no, the various factions head off in a direction of self interest that will make us all poorer.

Only one political party has ever tried to act in the interests of all – and that is New Zealand First.

We are on our way back – we want to work with and for you next year.

Until then – good luck!

ENDS