

NEW ZEALAND IS NOT FOR SALE

- Murray Horton

I am the spokesperson for the Campaign Against Foreign Control of Aotearoa (CAFCA) - my actual job title is Secretary/Organiser. CAFCA is a Christchurch-based organisation dating back to the mid 1970s, whose aim, summed up in one sentence, is to expose and oppose all aspects of foreign control of this country. If you want to learn more about the issue, and what we say and do about it, then I refer you to our material, either the hard copy samples available at this meeting or to our two Websites www.cafca.org.nz and that of our publication *Foreign Control Watchdog*, which is at www.converge.org.nz/watchdog. Hopefully some of you will join CAFCA, which is the best way to stay informed about the issue.

This is the first such speaking tour that I've undertaken since 2002 (which was also, not coincidentally, an election year) and I am determined not to repeat the error of trying to pack in the facts and figures, which tend to overwhelm the shellshocked audience (who invariably describe it as "depressing"), and which means that my speech goes on for far too long. I'm mindful of the fact that all of us would like to go to bed on the same date on which this meeting starts. So I'm going to concentrate on analysis and presenting an overview, with a few salient facts tossed in, and I recommend that you use our abundant resources to get the extremely detailed picture.

There is only one point that I need to make about CAFCA, for the benefit of people who've never heard of us – immigration is not our issue. We have no argument with the people of any country (including the one that I'll be speaking about tonight), only their governments and the transnational corporations that are notionally from those particular countries. I say "notionally" because transnational corporations (TNCs) are simultaneously stateless and a State unto themselves. Ultimately everybody in this country is a migrant, it is just a question of how long ago our ancestors migrated here, and we are all Pacific Islanders – in my case a blue eyed one with an Australian grandfather and married to an Asian, with a very big family in the Philippines. Neither I nor CAFCA has any argument with "foreigners" – I've had plenty of experience of being a "foreigner" in other people's countries and know that people are the same the world over, with differences only being skin deep. I would be equally happy to regard either Australia or the Philippines as home if the circumstances ever arose that I had to leave Aotearoa.

At this point, I need to briefly divert and acknowledge that I live in Christchurch, which has been a very "interesting" place to be in recent months, to put it mildly. But so far several thousand earthquakes haven't persuaded us to move, from our home or our city – not even the vicious bastard that slammed into the city like an atom bomb on February 22. I was working alone in my home office at the time and it was quite an experience, both then and for some time afterwards. I could devote this entire speech to that subject but that is not what I'm here to talk about. The only "earthquake" story with which I'll regale you is one which could have meant that this speaking tour would never have taken place. All I need to say is that I was in the CTV Building, in an upstairs room, being interviewed about the subject of this very speech, a couple of hours before it was destroyed by the quake, killing a whole lot of people, including the young reporter who interviewed me. I was one of the last people to see him alive, as it turned out. I would

like to dedicate this speech to the memory of all those killed in that dreadful tragedy in my beloved Christchurch, which was, and hopefully will be again, the most beautiful of cities.

This year's election is one of the most important in decades. Both major parties are committed to policies by which the New Zealand economy is even more dominated by transnational corporations; more and more of our farmland is owned by foreigners; publicly-owned assets are privatised; and the country is locked ever more tightly into disadvantageous "free" trade and foreign investment agreements, of which the biggest one being negotiated, in secret, is the Trans-Pacific Partnership Agreement – this is the means to effect a free trade agreement with the US.

There are some differences between National and Labour on these issues, but they are only ones of degree, not principle. A change in government will not, in itself, be enough to change the disastrous course on which this country is set, one of domination by global Big Business and the US. This country needs People Power to let the world know that New Zealand is not for sale! Tonight I will speak on:

- The Trans-Pacific Partnership Agreement and the dangers it poses to the NZ economy and to our very democracy.
- Privatisation of our public assets.
- The relentless takeover of NZ businesses and land by transnational corporations.
- The re-absorption of NZ into the US Empire.
- And, most, importantly, how the New Zealand people can fight back; it's too important to be left up to the politicians.

Let's start with the Trans-Pacific Partnership Agreement (which I'll refer to as the TPPA from now on). I actually am now speaking not only in my CAFCA capacity but also as the Convenor of the New Zealand Not For Sale Campaign Working Group. This is a network of groups, including CAFCA, set up to expose and, hopefully, stop the TPPA. For full details on both the issue and the campaign, which I can't possibly cover in this speech, I refer you to our Website www.nznotforsale.org

This issue actually goes back to the last election year in 2008 when the Labour government announced that steps were under way to join the US up to the existing P4 Free Trade Agreement between NZ, Chile, Singapore and Brunei (the P in P4 is for Pacific). In a once in 12 years coincidence both NZ and the US had elections in the same year (within days of each other, in fact) and both changed governments. That meant that the issue went onto the backburner particularly in the US, as the Obama Administration worked out its trade policy. Suddenly it was announced in 2009 that free trade agreements had the green light again in the US and, what's more, simply joining up to an existing Pacific regional pact was not good enough. There would be a brand new multilateral agreement – the TPPA – which the Americans touted as the best offer on hand as the World Trade Organisation's Doha Round for a globally binding free trade agreement has remained hopelessly stalled for years. TPPA negotiations started in earnest in 2010 (in secret, as such negotiations always are), including one round in

Auckland, and have continued into 2011. The aim is to have the Agreement signed at the APEC Summit in Obama's home State of Hawaii in November. John Key has announced November 26th as the election date, so there is an almost exact convergence in the timing of the two.

In fact, it is a proposed multilateral agreement which currently involves nine countries (with the possibility of more joining later). But as far as the NZ government is concerned, all that matters is that this represents the means to effect a Free Trade Agreement with the US. It doesn't matter whether National or Labour wins this year's election, because both major parties are uncritical cheerleaders for "free trade". Both parties have publicly declared a Free Trade Agreement with the US to be the Holy Grail of NZ's trade policies. The accession of the US to the P4 was originally announced under the last Labour government, in election year. Now, Labour is starting to show some encouraging signs of a rethink about some of the discredited old Rogernomics policies to which it has clung since the 80s and, from CAFCA's perspective, it is particularly heartening to see Phil Goff announce that, if elected, Labour will tighten up some aspects of the law relating to foreign investment. That does provide a genuine point of difference between National and Labour for voters this year. But Goff and Labour have said nothing about any substantive rethink on free trade policies. In February Labour called for wider scrutiny of the TPPA and for a greater range of groups, including unions, to be consulted about it. Labour also criticised the secrecy surrounding the negotiations. It is a start and is commendable, as far as it goes, but "consultation" is not nearly enough. Nor is openness, which may simply mean that we get stabbed in the front rather than in the back. The past quarter of a century has seen lots of "consultation" on all sorts of things and none were stopped or substantially modified because of it. So there is a bipartisan consensus between the two major parties on this subject. Labour under Clark and Goff proclaimed the 2008 Free Trade Agreement with China to be that Government's greatest achievement in trade policy, and one of its greatest in foreign policy.

The TPPA involves NZ getting into bed with the world's biggest economy and only superpower, and we run the real risk of being rolled on and squashed. I am glad that a free trade agreement with the US is the target of the New Zealand Is Not For Sale Campaign, rather than China – not because I "support" China (I think the media and politicians should really have the decency to routinely call it Capitalist China in exactly the same way they used to call it Communist China) but because we can run this campaign without the distraction of being branded racists and because we can point out the lessons of NZ's existing Free Trade Agreement with the world's second biggest economy and ascendant superpower. For example, why is there suddenly a surge in Chinese firms wanting to buy NZ dairy farms, rural land and agricultural businesses? Because the investment agreement embedded in that 2008 Free Trade Agreement with China allows them to and puts them in a privileged position where NZ "can't discriminate against" Chinese bidders. When the extremely shonky Natural Dairy corporation bid to buy the bankrupt Crafar Farms empire, Federated Farmers put out a naïve statement saying that this was an "unintended consequence" of the Free Trade Agreement with China. "Unintended", my arse. This is exactly how these agreements are supposed to work. They are only superficially about trade, "free" or otherwise. They all come with an accompanying embedded foreign investment agreement which is quite often more important than the trade component. So we won't get called "racists" but we will get called "anti-American". I wouldn't get worried about that, I've been called that for more than 40 years now, and we will get called that no matter how mild our criticism of the TPPA. Calling opponents childish names is par for the course from politicians and Big

Business and their PR and media mouthpieces. Better to be called names than to be ignored.

So what's wrong with the TPPA? Isn't "free trade" good for the country, as nearly all of our politicians, business leaders, academics and media "experts" tell us? The first point to make is that like all such agreements it has very little to do with trade as you and I understand it. All of that stuff has basically already been signed and sealed. As with all so-called "free trade" agreements, the TPPA comes with a major foreign investment component, an investment agreement embedded in it which will throw open what remains off limits in the NZ economy to the tender mercies of American transnational corporations working hand in glove with the US government. It includes a financial services agreement which will commit the member nations to institutionalise the very same horrendous practices which caused the 2008 global financial crisis. It will push up the price of medicines by potentially hundreds of millions of dollars a year by attacking Pharmac; make access to digital recordings more expensive and copying more restricted; attack our GE and tobacco controls and food labelling and food and appliance safety standards; and weaken our controls on food imports where they might carry diseases. And the whole process is both secret and fundamentally undemocratic in the way in which it is being negotiated and then ratified by Executive decree – meaning that MPs will not get a vote on the TPPA, not until after it has already been signed, anyway, which is NZ's standard procedure on free trade agreements and treaties in general.

I'll single out the very big and extremely important health sector for special mention here, by way of example. There is an excellent fact sheet entitled "TPPA Alert - Hands Off Our Public Health System", which I recommend that you all read and that it be as widely distributed as possible. That makes clear that the TPPA targets not only Pharmac, but also ACC and proposed restrictions on cigarette packaging and sales. It will also have effects in areas such as foreign ownership of aged-care chains; health and safety rules for products; and health qualifications. These are real concerns, not hypothetical ones. In March, an international expert on intellectual property litigation gave evidence to a Parliamentary Select Committee on behalf of his client, an alcohol transnational corporation. He warned that proposed changes to liquor laws that target RTDs (ready to drink – the alcopops aimed at teenagers) would breach NZ's obligations under both the Closer Economic Relationship (CER) with Australia and the World Trade Organisation's Agreement on Technical Barriers to Trade, because the proposed changes would prejudicially target one form of alcohol over another by restricting named products. The tobacco control implications alone are huge and equally real. Right now, Philip Morris the giant tobacco transnational corporation is taking legal action against the government of Uruguay because of the latter's tobacco control measures. Although an American company Philip Morris is registered in Switzerland (for tax purposes) and is using a Swiss/Uruguay Free Trade Agreement as the legal basis for its action (which claims that Uruguay is "expropriating" the company's profits by imposing conditions on tobacco sales and "discriminating" against it).

This illustrates one other major danger of the TPPA – it includes what are called "investor rights" provisions, meaning that companies from the signatory countries can sue the governments of those counties if the companies feel that they are the victim of "expropriation" or "discrimination". To clarify – I'm not talking about the signatory governments taking legal action against each other (of the sort involved in New Zealand's attempts to get our apples into Australia) but companies from one country suing the Government, either at the local or central level, of another signatory country.

These cases are heard in secret by international tribunals and deliver rulings that are binding in international law. There is nothing new about this – it is the model that already exists under the North American Free Trade Agreement (NAFTA), one which has resulted in numerous cases in which US corporations have so far been awarded a total of hundreds of millions of dollars in damages against local and central government in both Canada and Mexico. This is what New Zealand will face under the TPPA. At first Key denied that this was the case, describing it as a “somewhat farfetched scenario”. But American negotiators bluntly stated that New Zealand had accepted “investors’ rights” as part of the TPPA. Who do you choose to believe – the organ grinder or the monkey? Key has since said that New Zealand will have to “swallow” unprecedented demands from the Americans in order to get the TPPA concluded. Are you reassured?

Many people have commented on the similarities between the proposed TPPA and the aborted MAI of the 1990s. The Multilateral Agreement on Investment was the pinnacle of hubris by the capitalist triumphalists of that decade – it was an attempt to achieve, with one king hit, a binding, globally enforceable, international treaty to subject the world to transnational corporate rule. For the conspiracy theorists that get excited by “one world government” and “the New World Order” this really was an attempt to convert that into reality. The people of the world have grown used to increasingly gigantic corporate takeovers; this was the daddy of them all, an attempt by Big Business to take over the world. And it failed miserably. It was defeated by an inspirational campaign, both in New Zealand and right around the world. If you were involved with the Alliance or New Zealand First or the Maori movement or any one of a number of other groups in the 90s, you will remember the issue and the campaign very clearly. That campaign was a model of both national and international campaigning. It was a shining light in a decade where transnational corporate capitalism saw itself as being the status quo for the indefinite future, backed up by the unchallengeable military might of the world’s sole superpower, the US. It was the decade where history was declared to have ended. This was a battle fought and won well before the massive anti-capitalist and anti-World Trade Organisation protests of the late 90s and turn of the century; before the massive international anti-war and anti-imperialist movement of a decade ago; and before the global financial crisis rendered capitalism a rather more shaky proposition than only a few years before. I mention that because people get the message rammed down their throats by politicians, academics, “experts” and the media that “you can’t fight City Hall”. Oh yes you can, and the complete defeat of the MAI proves exactly that point. Actually try telling that to the people of Egypt or Tunisia, if you want more current examples.

Over and above all this there is the fact that despite the TPPA being a proposed multilateral agreement involving nine countries at present; it is the means to effect a Free Trade Agreement with the US. And New Zealand’s relationship with the US is different than with any other country with which we have any kind of trade agreement. The great majority of New Zealanders don’t want to be sucked back into a military alliance with the US, nor do they want our country to be reabsorbed into the American Empire. You don’t need me to spell out the history – NZ being out of ANZUS and nuclear free has gone well beyond being the status quo, it is now part of the political furniture, and virtually part of the DNA of being a New Zealander (it’s used in bloody beer ads, for Christ’s sake). Even in the white hot hysteria of the early post 9/11 years, Helen Clark took great care to keep NZ out of the Iraq invasion and made only a token commitment to the illegal occupation of that country. Afghanistan, of course, is another matter and governments led by both Labour and National have played shameful roles in the invasion and seemingly permanent war in that country. At least the Alliance had the

decency to tear itself to pieces and eject itself out of Parliament as a result of its internal bustup over the issue when it was Labour's coalition partner.

Throughout the whole period that NZ was officially in bad odour with the US because of the ANZUS Row, the secret intelligence relationship continued undisturbed (and, as we know from Wikileaks, was covertly fully restored on a specific date in 2009 – an action so sensitive that the order was to deny it if it became public). The most important manifestation of that is the Waihopai spybase, in Marlborough, which dates exactly to the year that the nuclear free law was passed, namely 1987. It is NZ's most important contribution to all and any American wars. I also work for the Anti-Bases Campaign, which has called for the closure of that spybase from when it was first announced. Waihopai is operated by New Zealand's Government Communications Security Bureau (GCSB) in the interests of the foreign Powers grouped together in the super-secret UKUSA Agreement (which shares global electronic and signals intelligence among the intelligence agencies of the US, UK, Canada, Australia and NZ). Its satellite interception dishes intercept a huge volume of civilian telephone calls, telexes, faxes, e-mail and computer data communications. It spies on our Asia/Pacific neighbours, and forwards the material on to the major partners in the UKUSA Agreement, specifically the US National Security Agency (NSA). Its targets are international civilian communications involving New Zealanders, including the interception of international phone calls. Post-9/11 the GCSB and Waihopai now spy further afield, to those regions where the US is waging wars. The codename for this – Echelon – has become notorious worldwide as the vast scope of its spying has become public. New Zealand is an integral, albeit junior part of a global spying network, a network that is ultimately accountable only to its own constituent agencies, not governments, not citizens. I don't have time in this speech to go into further details about Waihopai; have a look at ABC's Website www.converge.org.nz/abc

The TPPA has been presented, quite openly, by its proponents as NZ's "reward" for being a loyal satellite of the US (we call ourselves an "ally" but in the good old days of the Cold War, the Soviet Union never had allies as far as the West was concerned, only satellites. So "satellite" is good enough for me when it comes to describing NZ's relationship to the American Empire). In the days of the Vietnam War, when the Holyoake government pretty much disappeared up Uncle Sam's arse, our policy of sending troops to help fight America's wars was popularly known as "guns for butter". Now that both major parties see NZ's trade policy as being that whatever is good for Fonterra is good for the country, the slogan could be updated to being "guns for milk". The principle is the same – if little old New Zealand does its bit to serve American military and political interests, it might, just might, get a sniff of a reward in the shape of a free trade agreement.

As I've already said, the great majority of New Zealanders don't want a bar of being back in the American Empire, fighting its wars and hosting its spybases, warships and military forces. The secret is to make people see the connection between the two; that, seen in its proper context, the TPPA is not the Holy Grail but a poisoned chalice. This is not wishful thinking – independence from the American nuclear machine is a given as far as the vast majority of Kiwis are concerned. Our campaign needs to build on that to include getting into bed with the US via trade and investment agreements. I've already mentioned Wikileaks. Several of the released NZ cables spell out the American position on the TPPA and reveal the truth behind the lies peddled to the NZ public by our negotiators. Those cables also provide a priceless glimpse into all aspects of the US/NZ

relationship, detailing what the Americans really think of us, who their stool pigeons are inside the NZ political Establishment, which NZ journalists they have been cultivating to best present their point of view. They provide an uncensored and fascinating portrait of the Empire in action, of who is shouting “jump” and who is replying “how high?” I recommend that all New Zealanders read them to get a rare glimpse of the truth. Three cheers for Wikileaks!

Now it is time to look at the issue of privatisation, which is an integral part of this strategy to turn even more of this country and its economy over to being owned and/or controlled by transnational corporations. National was so desperate to get back into power at the 2008 election that, against all its own instincts, it promised not to sell off any public assets in its first term in office. That term finishes this year and already National has declared its hand. To nobody’s surprise, a central plank of its policy, if re-elected, is the partial privatisation of a number of specified State-owned Enterprises – namely the four major power generators, Solid Energy and Air New Zealand. John Key has made a big song and dance about how private ownership will be restricted to 49% and he also promised that “Kiwi mums and dads” will be the target of the shares to be issued when these public assets will be floated. Neither of those promises stand up to any scrutiny – commentators, including Key, have admitted that even if these mythical “Kiwi mums and dads” do buy the shares, there is nothing to stop them promptly selling them to the first big corporate buyer that comes along, either from NZ Big Business or, much more likely, a transnational corporation. That is exactly what happened in the 1990s to community-owned local electricity network operators – shares were issued to their customers, who promptly became the target of offers they couldn’t refuse from corporate buyers. Nor does 49% private ownership provide any kind of protection. All you need to do is look at the Overseas Investment Act which, despite many amendments since it was first passed in 1973, still retains the same legal definition of a foreign company – one that is more than 24.9% foreign-owned. 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. And there is an inherently absurd contradiction in this whole “Kiwi mums and dads” nonsense – they already own these assets, because that is what public ownership means. They have paid for them by their taxes, why should they be expected to pay for them again by buying a few shares in them and diluting their ownership to the status of a minority shareholder?

Why does the Government want to privatise public assets? Key and English are trotting out the tired old lie that it is to reduce debt. This was used during the huge wave of State asset privatisations in the late 1980s and early 90s. It couldn’t be justified then and certainly can’t be justified now. At least Roger Douglas had the decency to tell the truth. In an early 90s’ book praising him and his cronies for the selloff of State forests, Douglas said: “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”. New Zealand does have high foreign debt at present but the great bulk of it is private debt, not public. Of that private foreign debt around 70% is bank debt, which is only a problem for the Australian owners of our major banks, not the New Zealand taxpayer. Under Labour public debt was substantially reduced as a matter of policy priority. That trend was reversed when the global financial crisis erupted and National started borrowing large sums to keep the economy afloat during very difficult times. So, increasing public debt became a policy priority for National and a sensible one in the

circumstances. As it is, NZ's public debt is very low compared to other high income countries; it is certainly nothing like the public debt levels of countries such as Portugal, Ireland, Greece and Spain – countries with which the Government is now comparing New Zealand in a propaganda drive to panic Kiwis into accepting There Is No Alternative to privatisation. Our public debt levels provide no justification for flogging off those assets. The answer to the question is, of course, that the Government wants to privatise public assets for ideological reasons.

The State-owned power companies, Solid Energy and Air New Zealand are only the beginning. There is a well advanced process of privatisation by stealth. Just to quickly summarise other affected sectors: there are public private partnerships (PPPs) being set up for infrastructure projects; the extremely lucrative workplace component of ACC is being “opened up to competition”; the first contract has been let for a private prison; (in the case of both ACC and prisons, these moves continue policies started by the 1990s' National government and stopped by Labour); PPPs are being set to run education sector infrastructure. Those are all privatisation moves underway right now. In the future there is the very real prospect of Kiwibank being flogged off – not only is it ideologically unacceptable to the Tory privatisers (and Labour's leadership sneered at it when they were forced to establish it as part of the coalition deal with the Alliance) but it is also an extremely successful and innovative bank which is giving the big Aussie banks a run for their money at the lower end of the market. People ask: “Well what is left to sell?” because so much has already been flogged off. The answer is: plenty. Two huge sectors which the transnationals want to get their hooks into are water and local body services. Rodney Hide went to all the trouble to restructure Auckland local government for the benefit of his Big Business mates, only to have the ungrateful voters deliver the wrong result and the wrong Mayor. But the structure is now all in place for our biggest city to be run as a board of directors when a future more obliging Mayor and Council are in place. And why muck around with all this tiresome democracy nonsense? In 2010 the Government simply sacked ECan, Canterbury's regional council, and installed Commissioners to run it. Dictatorships are so much more stable and predictable and deliver the desired outcomes.

But what's wrong with privatisation? Three examples should suffice – Telecom, the Railways, Air New Zealand. You don't need me to spell out the details of all that was wrong with their respective privatisations (necessitating renationalisation in the case of two of them). People say “who cares who owns the power companies? The State-owned ones behave like bastards anyway” (and don't I know it, I'm a customer of one of them). True, but the solution is not to flog them off to a private owner but to enact a policy 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. Both the Railways and the Post Office could have been fixed, updated and recapitalised without needing to be flogged off. They are both textbook examples of what is called socialising the losses whilst privatising the profits.

I'll put it in individual terms that all of us can understand. If you can't afford to pay your mortgage, you can always sell your house. Fine, you've cleared your debt and you've sold your asset. But that's the central contradiction, isn't it – by selling your asset you've no longer got a house. And you now don't have the money to buy another one. So where

will you live? You could downsize to a smaller place (where could New Zealand downsize to? Stewart Island? The Chathams?). Or you could revert to becoming a tenant – and we all know who has the power in the landlord/tenant relationship. Ownership is power. This is recognised by none other than John Key who has said that he doesn't want New Zealanders to become tenants in their own country. Well he is doing his best to bring that about.

And there is plenty that is right with publicly-owned assets. To quote from a Council of Trade Unions' flyer entitled "If privatisation is the answer, what was the question?", they have many benefits, including: preventing profiteering in important services with little competition e.g. electricity, Kiwibank; ensuring essential services are provided fairly and affordably e.g. water, welfare, superannuation; providing security of services e.g. electricity, coastal shipping, public transport; social solidarity, and services which are more efficient to provide universally e.g. ACC, health; providing services and development when the private sector doesn't e.g. Air NZ, rail, Solid Energy; and providing additional income to the Government e.g. electricity, Kiwibank; Solid Energy, Air NZ. I speak from the personal experience of being a Christchurch earthquake victim and I ask you to reflect on where things would be at now if earlier governments had decided to privatise the EQC with its very tempting pot of billions of dollars. How do you reckon the private sector would have gone if it was in charge of the whole operation? Well, the answer to that is not hypothetical, because there are whole categories of earthquake victims who are not covered by the EQC and who are reliant on their insurance companies for repair, rebuild and/or compensation. And, no surprises here, these mostly foreign-owned insurers are principally concerned with getting a good return for their shareholders and not with providing a public service. A disaster of this magnitude can only be handled by the State, not the private sector – there are plenty of private companies involved but they are operating under the direction of the State, which has the power to declare a state of national emergency and mobilise all necessary resources. This is a core function of the State; a lot of things are just too big and important to be left to the private sector. Sure the EQC and the Government, both at local and national level, could do some things better but (theoretically at least) they are accountable to us the voters, the people who pay their wages and who determine whether they keep their jobs or not. Private company people are only answerable to their boards of directors and shareholders. And we need to beware of what Naomi Klein has identified as "disaster capitalism". She was referring to what happened in the aftermath of the 2005 Hurricane Katrina catastrophe in New Orleans, where private firms took advantage of the circumstances to get their hands on various functions and activities previously performed by the State. Already Roger Kerr of the Business Round Table has suggested that Christchurch's publicly owned assets (such as the power company, airport, port, buses, housing, etc, etc) be fully or partly sold to help pay for the earthquake repair and rebuild.

All of this – the TPPA and the privatisation of public assets – is all just a part of the big picture, namely the relentless takeover of nearly every sector of the NZ economy you can think of by transnational corporations. It is, in effect, a recolonisation but one by company rather than by country (although you could argue that if the TPPA goes ahead NZ will be virtually colonised by the US government and reabsorbed into the American Empire). This whole subject is the reason for CAFCA's existence and has been since we were founded back in the mid 1970s. The various issues, battles and transnational corporations may have changed through those decades (although some have stayed exactly the same) but our underlying message is the same – we exist to expose and

oppose all aspects of foreign control of Aotearoa. That's what our name says and that's what we mean. Now that is a huge subject in its own right and I could spend several hours giving a very detailed account of it (which is exactly what I did on some of my earlier speaking tours; we're all older now and that would keep us up past our bedtime). So what I suggest that you do is check out our material, which is voluminous and recognised as the authority on the subject. Either read the hard copy stuff (such as the copies of *Foreign Control Watchdog* available for sale at this meeting) or check out our two Websites www.cafca.org.nz and that of *Foreign Control Watchdog*, which is at www.converge.org.nz/watchdog. If you want to stay informed, join CAFCA at this meeting or when you get home tonight.

I'll simply highlight a handful of facts from our "Who Owns New Zealand? Key Facts" flyer. The great majority of foreign "investment" is not investment at all, but takeovers, which don't create any new assets. One key myth is that "we need their money". Actually transnational corporations make massive profits out of NZ (see the Fact Sheet for the figures), so they need our money more than we need theirs. Their profits are NZ's biggest invisible export and are the main cause of NZ's very high current account deficit (which is not caused by "us" spending more than we save). That deficit only drops in times of economic crisis when the transnationals' NZ profits drop – which the neo-liberal economists and their political allies see as a bad thing. They scramble to reassure the transnationals that normal business will resume as soon as possible, meaning the unrestricted flow of money out of the country – which they see as a good thing.

Apologists say that "they pay tax here". Don't assume that at all. In 2009 the four big Australian-owned banks settled out of court with IRD for \$2.2 billion of taxes they had avoided (that settlement was for less than the sum sought, and avoided penalties which would have been imposed by the court). It was the biggest tax avoidance case in NZ's history. Right now IRD is pursuing a number of big Australian-owned companies through the courts for tax avoidance. Later on in this speech I mention the annual Roger Award for the Worst Transnational Corporation Operating in Aotearoa/New Zealand. It has only been won once by an Asian company, Juken Nissho, a Japanese wood processing transnational. The *Financial Analysis* of that company revealed that it had paid no NZ tax in the previous five years and injected basically no money into the economy here, operating almost entirely on borrowed money. It was a liability not an asset to the NZ economy. And that is just one example that we studied in detail.

Another key myth is that we need the transnationals for our jobs. No we don't, they are not big employers (once again, see the Fact Sheet for the figures). The vast majority (four out of five) of Kiwi workers work for New Zealand-owned companies, which the transnationals need to enable them to operate their businesses in this country. Once again they need us more than we need them. Not only are they not big employers, in many cases they have actively contributed to mass unemployment and/or a serious downgrading of NZ workers' conditions (Telecom is the only example I need to give). And the third key myth (particularly relevant in light of the proposed resumption of privatising public assets) is that selling things to foreign owners helps NZ's foreign debt problem. No, it doesn't – despite a quarter of a century of systematic public asset sales NZ's foreign debt has continued to balloon (see the Fact Sheet for figures). I'll repeat what Roger Douglas said (in relation to the sale of State forests): "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".

Of course the foreign takeovers which attract the highest public attention and opposition are those involving rural land. The specifics change from decade to decade – it used to be coastal land, then it was South Island high country stations as hobby farms for the likes of Shania Twain, and forests were all the go during the 1990s' forestry boom (whatever happened to that?) – but the issue remains the same. There has been a quantum change in the past year or so, namely agribusiness transnationals snapping up the current engine room of the economy, namely dairy farms. The most notorious of these was, of course, the attempt by the Chinese Natural Dairy Corporation to buy up the bankrupt North Island dairy farm empire of the lamentable Allan Crafar. As you know this was one of the few (and certainly the most high profile in recent years) foreign investment applications to be actually rejected by the rubberstamp Overseas Investment Office because it was deemed not to be in the national interest and because the individuals owning and/or controlling Natural Dairy did not meet the “good character” criteria of the Overseas Investment Act. What was interesting about the whole Crafar/Natural Dairy soap opera was that it obviously caused great disquiet within the ranks of National supporters and voters. Indeed it caused an obvious difference of opinion at the highest ranks of the National government, with Key saying that he doesn't want New Zealanders to become tenants in their own country (language that no senior Labour figure has ever used), and with Bill English and Treasury forced to accept a review of the Overseas Investment Act that did not, as predicted, liberalise it further but tacked on a couple of cosmetic measures to give the appearance of toughening it up in relation to land sales.

However, another Chinese transnational, presumably one more presentable than Natural Dairy, has put in a bid to buy the Crafar farms and that has attracted nothing like the same level of political or media disapproval, so we're definitely not out of the woods yet. The Natural Dairy bid was just too egregious for even the Tories and their mates to stomach. And the relentless takeover of our agricultural sector has progressed to the next level with the bid by yet more Chinese transnationals for PGG Wrightson, which is a major NZ agribusiness. The more perceptive commentators have pointed out that the attraction is not the company per se, but the fact that it has the commercial rights to 90% of the technology on which NZ's grass seed manufacturing is based. To quote a seed company director speaking to a farmers' paper: “Having this technology controlled overseas was ‘like selling 5,000 farms to overseas buyers. Everyone was up in arms when it looked like 20 Crafar farms would be sold to the Chinese, but this is much bigger’”.

Every time there is controversy about some particular foreign land purchase, the apologists say “Well, they can't take the land with them”. Quite – and why would they want to, when they can own it here and milk it for all its worth. What a lazy argument. Ask Maori what happened when Britain colonised NZ – the Poms didn't take the land with them, did they, but that didn't seem to help Maori one bit. It's rather like saying Telecom can't take all the phones with it. Once again, why would they want to? They're happy to leave the phones here and take the money with them. If we don't watch out, NZ's agriculture will go the way of the wine industry, which did all the hard work to establish itself as a keystone part of the economy and a player on the world scene, only to be progressively bought out by transnational corporations and to now have been reduced to the level of a being a bulk grape grower for foreign booze giants. They don't care if there is overproduction here and a consequent slump in the industry, because they can just concentrate on their more profitable operations in other countries. That is the essence of being a transnational corporation.

And land sales to foreigners, despite being so high profile (it's the one aspect of the issue that TV news consistently covers, because it offers visuals) are only part of – an important part but only a part, nonetheless – of a much bigger picture. They pale into insignificance compared to the transnational corporate takeover of just about every sector of the NZ economy that you can think of. At most, land sales total several hundred million dollars per year (the Natural Dairy bid for the Crafar farms was touted as being for \$1.5 billion but there was never any proof that it had anything like that money). Just one commercial takeover can be worth several billion dollars. I am not downplaying the issue of land sales, they are what get the strongest response from New Zealanders of all shades of political opinion, but they need to be placed into context. Who owns and profits from a particular farm or even a number of farms (those Crafar farms again) is a matter of local or regional significance, at most. Who owns and profits from our banks, supermarkets, media companies, telecommunications companies, airlines, transport companies, insurance companies, etc, etc, etc, is a matter of national significance which affects everyone in the country, and in some cases it is a matter of international significance.

When looking for examples of why being a branch office economy dominated by transnational corporations is not a good way to run the country, it's hard to know what to leave out. The word Telecom comes to mind as a textbook example. Have a look through our material, hard copy or online – there is an embarrassment of riches! But I think that a very recent example will suffice to make my point. The sorry spectacle of the Prime Minister falling over himself to appease Warner Brothers to ensure that the giant American transnational corporation would condescend to continue to film "The Hobbit" in New Zealand was a perfect illustration of the global modus operandi of such corporations, aided and abetted by their local collaborators, and facilitated by craven and wilfully naïve politicians. How appropriate that a film about an imaginary feudal society should be made possible by such a textbook example of modern day corporate feudalism in action, complete with forelock tugging grovelling from the powers that be, mass hysteria from the media, and some Oscar-worthy prima donna behaviour by the knights of the shire, Sir Peter Jackson and Sir Richard Taylor. The American studio bosses must have been falling over themselves with laughter when they realised that all they had to do to get their own way was to threaten to take their bat and ball and go elsewhere (a standard threat from transnational corporations, sometimes enacted, but much more often used as a bargaining ploy to extract concessions. It has been a standard tactic for decades from the transnational owners of the Bluff aluminium smelter, to cite the most high profile example). So John Key made himself personally available when the Hollywood moguls flew into Wellington and proceeded to give them even more tens of millions of taxpayers' dollars (isn't it interesting how politicians and the media never wax indignant about these subsidies to Big Business or demand that something be done about these beneficiaries of such massive corporate welfare, surely the biggest bludgers in the country?). And just for good measure Key got the labour laws changed so that anyone working in the film industry is now classified as a self-employed contractor, not an employee, which makes things a lot easier for the film industry employer, who now has no responsibility for things such as tax, annual leave, sick leave, ACC levies, etc, etc. All of that becomes the responsibility of the worker. The hysteria and political overkill was in reaction to one Supreme Court case where a film industry worker had been ruled to be an employee, not a contractor. In fact, so sweeping was the scope of the political gutlessness that even kneejerk backers of National and the bosses felt uneasy enough to express doubts about it in editorials and columns.

Since 1997 CAFCA has, along with another Christchurch group, jointly organised the annual Roger Award for the Worst Transnational Corporation Operating In Aotearoa/New Zealand. The winner of the latest one, for 2010, was announced in Auckland in April. To nobody's surprise, it was Warner Brothers, even though it was a first time nominee. The *Judges' Statement* says that: "The 'Hobbit' affair was an extraordinary example of transnational capital interfering in local politics, and overtly influencing the actions of the NZ Government (which richly deserves its Accomplice Award). It was an overt display of bullying that humiliated every New Zealander, and deliberately set out to do that... such interference in New Zealand politics sets a precedent for all future negotiations between the New Zealand government and transnational corporations". It won because of its interference in NZ politics and governance and treatment of employees and contractors. John Key and his Government won the Accomplice Award for their ignoble role in the whole Warner Brothers/"Hobbit" affair. The judges announced a special Quisling Award for Sir Peter Jackson (to be awarded to the individual New Zealander who does the most to facilitate foreign control of New Zealand), once again for his role in the Warner Brothers/"Hobbit" affair. So, a triple sweep for the movie industry – the Roger, the Accomplice and the Quisling. That really says it all, doesn't it? You can read the complete detailed *Judges' Report* on the CAFCA Website.

That brings me to my final and most important section of this speech – what can we do about it? Indeed, is there anything we can do about it? This speech is entitled New Zealand Is Not For Sale and cynics might suggest that is because there is nothing left to sell and/or because it's been given away, not even sold. I'd be mad to deny that there is an element of truth in that. But rest assured that there is plenty more to be sold in this country, just ask Rodney Hide and his Big Business mates what else they'd like to get their hooks into. And never assume that once something is gone it's gone for good. Look at what happened to both Air New Zealand and the Railways – sold overseas (not once but twice, in the case of the Railways) and renationalised in both cases. And new realities can be created to partly make up for what has been lost – that was the reason behind the creation of Kiwibank, which is one of the great success stories of the past decade. All three of those cases demonstrate that with sufficient political will and plain old fashioned gumption, nothing is impossible; the situation is far from hopeless.

In fact there is plenty that can be done to fight back and, more importantly, is being done. To illustrate the point I will refer specifically to the campaign to stop the Trans Pacific Partnership Agreement (TPPA) but what I am about to say applies equally to the campaign to stop the privatisation of public assets and the whole issue of the recolonisation of New Zealand by transnational corporations. As I've already said, it is not coincidental that I am making this tour in election year. This gives all of us the opportunity to employ all of the tactics that we have become familiar with, when we've used them about any number of other issues in previous elections. Firstly, we need to wage an educational campaign to inform our own members and supporters, and the broader public, about the dangers posed by the TPPA and for them to then lobby the MPs and candidates about it. This is the one year in three that politicians are acutely sensitive to public opinion (or, at least, pretend to be). We need to think of ways to exert pressure on them on this issue, which is one with very broad implications. Sometimes the oldest tried and true tactics can be stunningly effective. For example, during the 2008 election campaign, CAFCA circulated a humble little postcard for people to send to MPs and candidates opposing further liberalisation of the Overseas Investment Act and urging that it instead be tightened up. It was a runaway success and even succeeded in

becoming a major media story as a result of it getting up the noses of very senior figures of both major parties, who went ballistic about it. We are doing something similar this election, with a postcard about the TPPA. There is the fact that MPs will not get a vote on the TPPA – not until after it has already been signed, anyway, which is NZ's standard procedure on free trade agreements and treaties in general. But actual and wannabe MPs can't wriggle out of it that easily by saying that it's beyond their control, nothing to do with them, they don't know anything about it. They are asking us to employ them as our representatives in the business of running the country – there is no bigger issue this election year than the TPPA, because it will impact into so many areas of our economy, our society, our culture and our everyday lives. So every politician of every party has to be put on the spot about which side he or she is on. Are they for or against the TPPA? To me it's an issue comparable in national importance to the 1981 Springbok Tour in that everybody in the country, whether they wanted to or not, had to form an opinion and come down on one side or the other about that. We're nowhere near that level of public awareness yet about the TPPA but this year presents the perfect opportunity to put it on the political agenda, to make it an election issue and to put all politicians on the spot about it.

Because the TPPA has such wideranging implications, that gives our campaign an immediate point of reference with a number of others, such as: groups fighting to retain MMP at the referendum accompanying the November 26th election; groups fighting on water and regional democracy issues in Canterbury; groups opposing the Auckland Super City (whose fears have only been partly allayed by the election of Len Brown as Mayor and a Centre-Left Council - that was definitely not in Rodney Hide's grand plan to corporatise Auckland local government and hock off the juiciest portions to his mates). It gives us common cause with: medical sector unions and health advocacy groups (in relation to Pharmac and the US wanting NZ patent laws tightened, specifically in relation to drugs); food safety groups (and the Safe Food Campaign is already a member of the New Zealand Not For Sale Campaign); groups opposing genetic engineering (although neither GE nor food safety laws are mentioned in the 2010 US list of "barriers to trade" with NZ); and Internet freedom advocacy groups, maybe Internet service providers, because of US demands for tougher laws on accessing and copying digital recordings. When the Ministry of Foreign Affairs and Trade called for submissions on the original proposal to expand the P4 Agreement, a number of individuals, groups, institutions and businesses did so, many of them about the issues involving copyright and intellectual property rights. That aspect alone affects the likes of libraries, universities, Internet service providers and the digital technology sector. Already some groups representing people like authors have started to grasp the implications that the TPPA has for their members. People and institutions that don't normally ever have to think about "free trade" agreements are being forced to do so because this one will affect so many aspects of life in this country.

I'll single out the very big and extremely important health sector for special mention here, by way of example. The TPPA targets not only Pharmac, but also ACC and proposed restrictions on cigarette packaging and sales. It will also have effects in areas such as foreign ownership of aged-care chains; health and safety rules for products; and health qualifications. That opens up the potential for our campaign to link with the existing campaign to keep ACC as a publicly-owned asset (the Government has started the process of privatising it); to link with the various unions and interest groups fighting to retain quality care for residents and decent wages and conditions for staff in retirement homes (it's worth noting that one such chain was runner up in the 2010 Roger Award for

the Worst Transnational Corporation Operating in Aotearoa/New Zealand); and, most significantly, enable us to link with the powerful and extremely well organised tobacco control campaign. I have worked with them before when a tobacco transnational won the Roger Award (another tobacco company was third in the 2010 Award) and I can vouch for the fact that they are a determined and resourceful campaign, with a long history of fearlessly confronting some of the nastiest global corporations of them all, companies that make their money by killing their customers and addicting replacements.

We don't need to reinvent the wheel with this campaign. We've been here before. I've already commented on the similarities between the TPPA and the aborted Multilateral Agreement on Investment of the 1990s, which was defeated by an inspirational campaign, both national and international. There were some key features of the New Zealand campaign against the MAI that haven't yet shown up in our campaign against the TPPA and we need to learn from those. For a start, two Parliamentary parties, one from the Left and one from the Right, namely the Alliance and New Zealand First, campaigned very hard on the issue and ensured that the MAI entered mainstream consciousness and got on the political agenda. When it was defeated, Jim Anderton, God bless him, claimed the credit. In fact, those two parties were only benefitting from the hard work of dedicated campaigners, some of whom are involved in the TPPA campaign, but the fact is that having Parliamentary parties pick up the issue and run with it was invaluable. We have one in the present campaign, namely the Greens. It would be good to have at least one more on our side. Ideally that would be Labour, but Labour has always been missing in action on the whole issue of "free trade". That was the case with the MAI and remains the case with the TPPA. It strikes me as being a perfect issue for the Maori Party, at least for the flaxroots members, if not for its brown Tory MPs.

And that brings me to the second crucial feature of the MAI campaign that hasn't yet shown up in the TPPA campaign – Maori played a huge role in defeating it. There was a whole campaign entirely within the Maori movement and the Maori community in general that really got mobilised, educated their own people about the dangers of the MAI and really got stuck in, including a nationwide series of hui and a high profile hiko that attracted big numbers. Maori are our natural allies in this campaign – not the corporate leadership of iwi and their Big Business structure – but ordinary, working Maori people, who always suffer the most from the transnational corporate agenda, because they are at the bottom of the heap. I reckon that the danger that the TPPA poses to tightening tobacco control in NZ is a reason all in itself why we can build links with Maori to fight the TPPA. Tobacco has a singularly deadly impact on Maori and there has been a uniquely Maori fightback against the tobacco transnationals in recent years; they have led the way with the tobacco control campaign.

And the third crucial difference is that the campaign against the MAI (and the various bilateral trade agreements of the 90s) put in a lot of work with local government, nowhere more so than in Christchurch. We lobbied and educated Council officials and Councillors about the MAI's very negative impacts on their assets and operations. It worked – as a direct result of CAFCA lobbying one key committee of the Christchurch City Council, it recommended that the full Council declare itself against the MAI, which it did, and furthermore, the Council wrote to every other council in NZ recommending that they declare themselves against the MAI. A number of them did so. This was repeated in relation to some of the bilateral trade agreements also. That was the high point of our ability to positively influence local government, and things have changed since the 90s (I don't see Bob Parker being particularly receptive to our campaign; Councils now don't

have the committee structure that they then did; they have been depoliticised and are now run like boards of a corporation). But the bottom line is that they are all comprised of politicians and susceptible to persuasion, particularly if there are votes in it, or the threat of loss of votes. Wouldn't it be great if Auckland Supercity, whose voters so spectacularly refused to deliver the outcome that Hide and Key had set it up for, came out against the TPPA? What about Wellington's new Green Mayor? All these trade and investment agreements have major implications for local government; it is the job of our campaign to alert them to it and get them to come out against the TPPA.

Important as it is to lobby politicians and generally engage with that whole Parliamentary process, that is a top down and essentially passive approach, asking our elected representatives to actually represent us. You don't need me to spell out the whole history of betrayal, sellouts, compromises, and flat out lying that has involved in the past. So it's not enough to trust politicians to do it for us, or even rely on a change of government to make it all good. We have to do it for ourselves, we need some People Power in New Zealand. We've seen it in spectacular action in the Arab world this year but they are very different societies. Within our country we have seen the most magnificent grassroots mobilisation and community action in response to the seemingly never ending earthquakes crisis in Christchurch. There we witnessed ordinary New Zealanders – students, farmers, women, workers, the unemployed, brown, white – take charge of things in their own streets, neighbourhoods, suburbs and city, rather than helplessly waiting for somebody else to do something about it. Just to single out one group – I speak as a student activist from decades ago, and one who was cynical about the calibre of “today's young people”. I stand in awe of the Student Volunteer Army which mobilised somewhere between 10,000 and 20,000 students to get stuck into the most basic of tasks, namely digging the city out from under the ocean of silt, and muck and shit that engulfed it. Now, what I'm talking about is an emergency response to a life and death catastrophe, and not what is commonly perceived to be a “political” issue. But there is nothing more political than spontaneously organising people at the grassroots level to take control of their own communities. New Zealanders care very deeply about their communities and our country, despite the best efforts of the ideologues to turn us into a dog eat dog society. That people power is a truly formidable force.

To conclude, I think you'll agree with me that we have a huge number of potential allies for the campaign to both expose and defeat the TPPA. The trick is to convince them that a “trade” issue is also their issue and for them to join the campaign to defeat it. This, of course, is a two way process, and involves us helping them in their specific fight. We need to build links between different campaigns, while also drawing in people who haven't previously been involved in any kind of activism. That simply demonstrates the old adage which is as true as ever – unity is strength. Education and action are the keys to building a broad-based national campaign that, in partnership with our international allies can, and will, enable us to defeat this latest assault on our sovereignty, our democracy, our economic wellbeing and our national identity. Time, as always, is of the essence, so let's get stuck in. By extension, this also applies to the campaign against privatising public assets and the whole big issue of fighting the transnational corporate recolonisation of Aotearoa. We're all dealing with symptoms of the same disease, and it's the diseases we need to tackle. We're confronting the most powerful institutions in this country and in the world, but we've beaten them before and we'll beat them again. They're the ones who have to hide inside a fortress of secrecy and lies. We have nothing to hide and the truth is on our side. We are many and they are few.