the related facilities have now reached maturity... ongoing work in respect of the development of the golf course will be carried out by professional consultants Boffa Miskell." This development was approved by the OIC as recently as December 1994:

> "T.Y. Tseng and associated family interests, of Taiwan are spending $8 million to buy a total of 198 hectares of land in two blocks in Maraetai/Whitford, Manukau City to develop into an international class 18 hole golf course 'with all related facilities including residential condominium and hamlet developments and a resort hotel ... Mr Tseng who owns a number of international golf courses and clubs in Taiwan which he has developed has the expertise and financial means to undertake the development. The applicant states that the development will be New Zealand's first truly international golf course and Mr Tseng proposes to promote the course to be placed on the "circuit" for international golfing events in conjunction with his existing golf course facilities.'"

A Mr T. Y. Tseng, chairman of the Taiwan First Investment and Trust Company ("one of the largest investment trusts in Taiwan", 40 per cent owned by Citibank), visited Aotearoa on a trade and investment mission with other businesspeople in September 1992. He was described then as being the owner of the First Formosa Golf Course and the Yangmei Golf Club, and mentioned to the organisers of the mission "an interest in investing in or purchasing a New Zealand golf course with a view to developing it into a complex which would appeal to international tourists offering accommodation, restaurants, bars, tennis, squash, spa pools, etc." He was "reputed to be one of the richest individuals in Taiwan" and on his first visit to Aotearoa, accompanied by his wife. He was described as "a very keen golfer currently playing off a 3 handicap having played to a scratch handicap for many years."(!)

Once again there are a number of sales of small blocks of land to residents of **Taiwan** for forestry development, organised by **Deborah Miller, Brookfields, Auckland**. Two are each of **20 hectares** at **Broadwood, Far North District, Northland**, each being sold for **$95,000** to **Jadebrook Developments Ltd** and **Elmere Enterprises Ltd** respectively. The other **six** are at **Paparangi, Wanganui**. Though the creativity in naming the various holding companies which we saw in the early Broadwood sales has largely vanished (remember Loyal View Properties Ltd and Prime Prosperity International Ltd?), the name of one company involved in the Wanganui sales must get high marks for black humour: Yanganui Ltd, owned by three people including Yang Chia-Lin. The sales are as follows:

Holding Company	Hectares	$ Value
Globe Ltd	20	88,000
Grace National Trade Ltd	21	83,160
Huang Ying Forestry Company Ltd	30	117,000
Liann Commerce Group Ltd	23	109,156
Winmax International Company Ltd	24	93,600
Yanganui Ltd	29	127,600
Total	**147**	**618,516**

In other **rural land**,

- A **Hong Kong** resident "who is currently taking up New Zealand permanent residency" has approval to buy **42 hectares** of land at **Cambridge, Waikato**, for **$370,000** through **Brookbank Properties Ltd**. A "New Zealand based management group", **Franklin Rural Management**, will manage the property which already has "approximately 30 hectares" planted in forestry. The remainder will be planted with trees.
- Two residents of **Switzerland** have approval to buy **21 hectares** of arable land at **Kihikihi, Waikato**, for **$625,000**. They have applied for permanent residency and propose to establish a homestay business for tourists on the property.
- **Carter Holt Harvey Forests Ltd**, owned "approximately **51%**" by **International Paper Products** of the **U.S.A.**, is entering into a joint venture with the lessees and the owner of **272 hectares** of land near **Kawhia** in the **King Country, South Auckland**. The joint venture is acquiring a **Forestry Right for approximately 32 years** over the land for **$34,961**. Three-quarters of the land is on unstable soils, about 50 hectares being moving bare sands. Approximately 72 hectares are already planted in pinus radiata and the lessees and land owner wish to stabilise the majority of the remaining land. "It is claimed that without the assistance of Carter Holt in the joint venture the land would remain unproductive."
- **Carter Holt Harvey Forests Ltd** is also buying **264 hectares** of land north of **Taumaranui** for **$450,000** for forestry planting as part of its "purchase programme to enable it to establish new forest areas to provide the necessary renewable resource for its forestry related operations."
- The **Muttamara Family** of **Thailand** are buying **5 hectares** of land at **529 Pys Pa Road, Tauranga, Bay of Plenty**, for **$542,500** for use "as a small lifestyle block". Members of the family "propose to apply for permanent residency". The company used for the purchase is **Lawbase Shelf Company No. 30 Ltd**.
- **Ernslaw One Ltd**, owned by the **Tiong Family** of **Malaysia**, is buying another large block of land for forestry development near **Dannevirke, Hawkes Bay**. This time it is "approximately" **786 hectares** for which it is paying **$1,000,000**. Apart from the minor purchases last month, Ernslaw last bought several such blocks of land in December 1994. According to the OIC,

  > "Ernslaw aims to establish approximately 12,000 hectares of primarily Pinus Radiata forest in the Horowhenua/Manawatu and Southern Hawkes Bay/Dannevirke regions over the next five years. To date approximately **5,725 hectares have been acquired**. ... The new planted areas in conjunction with Ernslaw's existing forest interests in the region will provide Ernslaw with the resource base required to establish a major wood processing plant in a 15 to 20 year time frame. The Commission is further advised that the land is considered marginal farm land due to its contour and poor soil quality and that the property would be better utilised for forestry than pastoral farming."
- Two **U.S.** residents seeking permanent residency in Aotearoa are buying **23 hectares** of land at **Nelson** for

$407,000 where they plan to reside. As well as developing the existing forestry operation on part of the property, they also propose "(in the longer term) to develop a micro homestay business tailored to upper United States of America market clientele." They are buying the property through **Pakim Holdings (No. 12) Ltd**.

- **Carter Holt Harvey** are also buying **27 hectares** of land at **66 Upper Sefton Road, Ashley, North Canterbury** for **$410,000**. It "will allow for future expansion by providing additional land over which the mobile irrigators can deposit the mill plant effluent" from their panel mills.
- An **Australian** who already has two farms at **Cheviot** in **Canterbury** is buying another **1,056 hectares** of pastoral lease adjoining them for **$913,000**. It will be managed by the same farm manager as the other two. The new owner is **Quentin J. S. Black**, who is a member of the Black Family which owns the 730 hectare 'Glencairn' station, at Dipton, Southland (being developed for forestry), and the 5,967 hectare Mendip Hills Station in Canterbury. The Family is also 49.5% owner of Craigpine Timber Ltd (Donaghys Ltd owns the remaining 50.5%), which owns a six hectare rural property containing a sawmill leased from Addington Joinery Ltd (in receivership), Yaldhurst, Christchurch (see May 1994). The two Cheviot farms are **408 hectares** of freehold land and **824 hectares** of pastoral lease. All three farms are owned by companies carrying the Koromiko name. This month's property is owned by **Koromiko Property (1993) Ltd.**
- A man from **New Caledonia** with New Zealand permanent residency has approval to buy a **seven hectare** block of "barren and unproductive" land near **Queenstown** for **$150,000** on which he proposes to establish a vineyard. It adjoins an existing vineyard which he owns.
- **Southland Plantation Forest Company of New Zealand Ltd**, which is **51%** owned by **New Oji Paper Company Ltd** of **Japan** and **49%** owned by **Itochu Ltd** of **Japan**, is buying a further **482 hectares** of land in the **Centre Hill Survey District, Southland** for **$800,000**. As in previous similar purchases (such as last month), the actual conversion of the land to forestry and subsequent operation will be contracted to **South Wood Export Ltd**, which is $33^1/_3$% owned by C Itoh and $66^2/_3$% by M.K. Hunt Foundation Ltd of Aotearoa.

September 1995 decisions

TransAlta takes control of EnergyDirect

TransAlta Energy Corporation of **Canada** subsidiary **TEC Utilities Ltd** gained approval this month to take a further **21%** shareholding in **Hutt Valley electricity and gas** supply company, **EnergyDirect Corporation Ltd** for **$69,004,433**. TEC at the time had "approximately 20%" of EnergyDirect. This limit was forced by company rules disallowing any one shareholder more than 20% of EnergyDirect, a cap common amongst newly privatised power supply companies to protect local control. A month earlier, in August, TransAlta was working to persuade Takapuna electricity supply company, Power New Zealand (itself 34% controlled by Utilicorp of the U.S.A.), to sell its 20% stake in EnergyDirect, and to persuade the EnergyDirect Community Trust which is a major shareholder in EnergyDirect, to vote to remove the share cap (*Press*, "Canadians move to raise stake in EnergyDirect", 4/8/95, p.18). The removal of the cap was forced by the Stock Exchange which banned such caps as a condition of listing (*Press*, "Power company listings at risk", 26/8/95, p.22). A 75% majority of shareholders was required to vote for the removal of the cap, but TransAlta made a conditional purchase of Power New Zealand's 20% and Todd Electricity Securities' 0.92% on September 12 (*Press*, "Wgtn power merger closer", 13/9/95, p.28), and obtained the approval from the OIC in anticipation of that vote on September 13. TransAlta had previously used its 20% stake to prevent a merger between EnergyDirect and Power New Zealand using a absurdly hypocritical "local control" rationale; hence the readiness of Power New Zealand to sell its shares (see commentary on the November 1994 OIC decisions). Eventually TransAlta persuaded the EnergyDirect Shareholders' Protection Association and the Community Trust to support removal of the cap, despite opposition from the lobby group, Community Power (*Press*, "Way cleared for TransAlta", 20/9/95, p.27) and the vote went 39 million for and 700,000 against, a week after the OIC approved the sale (*Press*, "Vote waives EDirect cap", 23/9/95, p.24). The formal sale of shares went through in early October giving Power New Zealand a handy $20 million profit (*Press*, "Power NZ sells EDirect", 7/10/95, p.27).

TransAlta is regarded as a "cornerstone shareholder" in EnergyDirect with 41% of the shares. In November Mike Pavey, TransAlta's senior vice-president and chief financial officer, was appointed to EnergyDirect's board giving TransAlta effective control through a formal agreement with the Community Trust. However the Shareholders' Protection Association fears TransAlta's control will mean job cuts and big rises in power prices. EnergyDirect chairman Ron Arbuckle and Community Trust chairman John Burke agreed that job cuts were possible through contracting out maintenance work, but claimed "large" increases in power bills were unlikely. (*Press*, "New post likely to hasten power merger", 11/11/95, p.27.)

TransAlta also has management control of the neighbouring Wellington city power company, Capital Power, through a 49% shareholding. The Wellington City Council owns the other 51%. A merger of the two companies appears inevitable. TransAlta's control of both companies has been followed by discussions expected to lead to firm merger proposals. (*Press*, "Wgtn power merger closer", 13/9/95, p.28; "New post likely to hasten power merger", 11/11/95, p.27.)

TransAlta also is one third of a consortium (with Fletcher Challenge and Auckland power company, Mercury Energy) which took over the construction of the controversial Stratford power station when Todd Petroleum and U.K. company National Power were forced to withdraw (see commentary on July 1995 OIC decisions).

Changes in the insurance industry

The **insurance** industry features in three approvals which appear to have received little press coverage:

Sun Alliance Insurance Ltd, a subsidiary of **Sun Alliance**

Group Plc of the U.K. has approval to acquire **Commercial Union General Assurance Company** from its parent **Commercial Union Plc** of the U.K. Commercial Union has operations in Wellington and Auckland. The price has been suppressed.

Hunter Premium Funding Ltd, a subsidiary of **MMI Ltd**, a public company from **Australia** is setting up in **Auckland** for a sum that "exceeds $10,000,000". "It has identified New Zealand as an opportunity for expanding its Australian operation of funding commercial insurance premiums... the target markets will be the insurance pool managed by local and international insurance brokers which currently generates very little funding. The applicants claim that their entry to the market will bring significant expertise to the New Zealand insurance industry."

And the **AMP Society of Australia** is "rearranging the way it conducts its New Zealand business" by setting up **AMP General Insurance Ltd** for "in excess of **$10,000,000**". "It is moving from a New Zealand subsidiary operation to a branch operation".

Increase in Singapore Government share in BellSouth cellphone network

The **Singapore Government** has approval to increase its shareholding in the **BellSouth** cellular phone network from 20% to **35%**. The price is suppressed. **Singapore Technologies Pte Ltd** (ultimately owned by the Singapore Government) currently has 20% share in **BellSouth New Zealand Partnership**, with the other 80% held by **BellSouth Enterprises Incorporated** of the **U.S.A.** The increased interest is through subsidiaries **Singapore Technologies Cellular (NZ) Pte Ltd** and/or **ST Telecommunications Pte Ltd**. "Singapore Technologies has interests in new technology ventures throughout the world and its interest in the BellSouth mobile telephone network is in keeping with its technology focus." BellSouth is Telecom's only current competitor in the cellphone market, claiming 90% coverage of the country but probably only 5% of the market. Its strategy is to pick the eyes out of the market: business and heavy users. It claims problems with local authorities in establishing its cellphone sites (for example local residents in Christchurch are currently fighting its sites on health grounds), but interestingly it has never applied to the OIC for purchase of such sites, though Telecom regularly does so. (*Press*, "Bell Sth nears 90% cover", 19/6/95, p.32.) BellSouth is rumoured to be interested in buying part of Telecom's main toll competitor, Clear Communications.

Unilever's Abels division sold

Unilever Plc of the **U.K.** is selling its **Abels** division in Aotearoa to **Aspak Foods Ltd**, which is equally owned (33.3% each) by the **New Zealand Dairy Board**, **"New Zealand based dairy companies"**, and **Goodman Fielder Ltd** of **Australia**. As the OIC points out, "the acquisition will result in the Abels business reverting to majority New Zealand ownership", though in fact Aspak is by law an overseas company, being more than 25% overseas owned. The price has been suppressed. Abels was owned by **Unilever New Zealand Ltd**, a subsidiary of the U.K. parent.

Auckland Airport Hotel sold to Hotel Grand Central of Singapore

Grand Central (NZ) Ltd, a subsidiary of **Hotel Grand Central**, a **Singaporean** public listed company, has approval to buy the **Auckland Airport Hotel** in **Manukau City** for **$19,150,000**. The hotel is owned by **Auckland Airport Hotel Ltd**. "Hotel Grand Central has experience and expertise in owning and operating hotels in New Zealand, Australia, Malaysia and Singapore ... they propose to institute a refurbishment/improvement programme for the hotel." In July 1995, they were part of a Singapore/Malaysia consortium which bought the James Cook Hotel and associated car park and commercial and retail properties in Wellington for $37,500,000. It has other properties in Auckland, Wellington and Christchurch (see the July decisions).

Tiong family of Malaysia continues to expand interests in fish and forestry

The **Tiong Family** of **Malaysia** continues to extend its interests in Aotearoa. It is buying two further substantial areas of land for forestry development, and it is increasing its control of fish farming. The blocks of land, both being sold to **Ernslaw One Ltd**, a Tiong company, are:

- **2,359 hectares at Lumsden, Southland**, purchased for **$1,750,000** from the **MD Heenan Family Trust**. "The acquisition is the ninth in a series of purchases in the Southland/Otago District by Ernslaw and represents a continuation of Ernslaw's business strategy of establishing a substantial Douglas Fir resource in the area. Ernslaw aims to take advantage of the market opportunities created by Douglas Fir production falling in the Pacific Northwest by establishing a Douglas Fir Resource in New Zealand... Ernslaw claims that afforestation programmes are more labour intensive than farming generally and it is envisaged that one person per ninety hectares will be employed."
- **569 hectares at Birch Road North Weber** near **Dannevirke** for **$900,000**. "Ernslaw aims to establish a Pinus Radiata forest in the Horowhenua/Manawatu and Southern Hawkes Bay/Dannevirke regions over the next five years... The new planted area in conjunction with Ernslaw's existing forest interests in the region will provide Ernslaw with the resource base required to establish a major wood processing plant in a 15 to 20 year time frame." The sale allows the vendors to move nearer to town, although they will lease back the property until forestry planting begins and they find another farm. There has been a series of purchases of farms in the area by Ernslaw, the last one being in August 1995.

The fish farming company is **Regal Salmon Ltd**. Before the latest approvals, it was owned **24.8%** by **Sheikh Suliman Olayan** of **Saudi Arabia** and **11.29%** by **Oregon Forestry (NZ) Ltd**, a **Tiong** family company. Regal owns fish farms on **Stewart Island** and in **Marlborough**. The first approval relates to an issue of a further **20,423,518** 25 cent shares to Oregon for **$5,105,880** which will give it **41.3%** of Regal. In addition it acquired convertible notes issued in April 1995, which when converted (by March 1997) will give Oregon 47% of Regal. The second approval takes this even further: Sheikh Suliman Olayan "wishes to realise his investment" and is selling 7,107,892 shares (12.4%) to Oregon for $1,492,657, apparently giving the Tiongs an immediate 53.7% of Regal. "Apparently", because news reports quote Regal's (and Oregon's) managing director Thomas Song as saying the purchase brought the Tiong's shareholding to 35.55% of the ordinary shares, 71.35% of the partly-paid shares and all of the convertible notes. The Tiong's 70% control of Aotearoa's fish farming was described in our commentary on the August decisions. (*Press*, "Tiong nets Regal Salmon shares", 4/10/95, p.29.)

Six more blocks of land bought for forestry by Carter Holt

Carter Holt Harvey Ltd, **51%** owned by **International Paper Products** of the U.S.A. has approval to buy six blocks of land, totalling **3,050 hectares** and **$4,669,400**, all "to enable it to establish new forest areas to provide the necessary renewable resource for its forestry related operations":

- **158 hectares** at **Taumaranui** for "approximately" **$205,400**;
- **779 hectares** at **Taumaranui** for **$840,000** (in this case 175 hectares closer to Taumaranui is being sold to the vendors by CHH);
- **455 hectares** at **Owhango, King Country**, for **$550,000**;
- **537 hectares** at **Owhango, King Country**, for "approximately" **$850,000**;
- **1,031 hectares** at **Owhango, King Country**, for **$2,038,000**;
- **90 hectares** in **Hawkes Bay** for **$186,000**;

More Telecom cellphone sites

And while on the corporates, cell phone sites are springing up all over, with **Telecom Corporation of New Zealand Ltd** subsidiary, **Telecom Mobile Communications Ltd**, buying up no less than seven small sites around the country this month. All had the price suppressed. They were:

- two in **Rotorua**: one of **5,500 square metres** in Rotorua North, the other of **3,000 square metres** in Rotorua West (purchased from "proprietors of **Ngatiwhakaue** Tribal Lands");
- two in **Canterbury**: one of **1,600 square metres** at **Greta Valley**; the other of **2,500 square metres** at **Mt Michael**;
- two of **400 square metres** each at **Hunterville, Wanganui** and **Taihape**;
- **900 square metres** at **Masterton, Wairarapa**.

And more blocks of land sold to Taiwanese investors

Deborah Miller of Brookfields, Auckland is organising the sale of further blocks of North Island land for forestry development under local managers. Again they are at Broadwood, Northland and Paparangi, Wanganui, but there are some interesting twists this month:

- A block of **19 hectares** at **Broadwood, Far North District, Northland**, already owned by two residents of **Taiwan**, is being resold to another **Taiwan** resident. The vendors, when they bought it in December 1993 (via Ms Miller, from Far North Afforestation (NZ) Ltd), proclaimed it as "a long term forestry investment." They bought it for $65,550 and are now selling it for **$80,000**. The holding company for the land is **Moonglow Properties Ltd**.
- Two blocks are being sold from **Paparangi, Wanganui District** to **Taiwan** residents. One is **23 hectares** for **$101,200** (via the **Eternity Company Ltd**): the other **25 hectares** for **$95,940** (via **Green's Trading Company Ltd**).
- In a considerable departure from the usual pattern, a large property of **2,162 hectares** at **Ruakaka Rd, Gisborne** is being sold to five **Taiwan** residents, for **$2,500,000**. Again the forestry development proposed for the land will use a "New Zealand based manager".

Other rural land sales

In other **rural land**:

- A resident of the **U.S.A.** who "is investigating the possibilities of taking up New Zealand residency" has approval to buy **four hectares** of land at **Mahinepua, Northland** for **$280,000** "to erect a personal residence for her own use on her regular visits to New Zealand". It is being purchased via **Bundaron Holdings Ltd**.
- A **U.S.A.** resident who "will be applying for New Zealand permanent residency" has approval to buy **11 hectares** of land at **Kaukapakapa, Auckland** for **$165,000**. He proposes to erect a house on the property for his own use as a "lifestyle block".
- A resident of the **U.S.A.** who "is seeking New Zealand permanent residency" has approval to buy **two hectares** of land on **Waiheke Island** for **$395,000**. He "states that he intends to construct a house on the property which will be used as an **exclusive tourist lodge**. In addition, the applicant states that yachting charter services will be operated. The property has been on the market for approximately 3-4 years and is being sold as part of a subdivision of a larger property." The purchase is through the company **Island Holdings Ltd**.
- Two decisions approve land being used for **ostrich farming**. **A. and E. Embrey** and **K. and J. Lester**, all of **Australia** each own **50%** of **Kea-J Ostriches Ltd** and **33.3%** of **Phoenix Ostrich Company Ltd**. The remaining 33.3% of Phoenix is owned by two New Zealanders. Kea-J has approval to **lease for up to nine years approximately 65 hectares** of land on **Puketutu Island, Manukau, Auckland**. (It is noted that "Puketutu Island although so called is not an island as it is connected to the mainland in three different places.") The rental is **$60,000 per annum**. Kea-J also has **retrospective** approval to carry on business in Aotearoa. Phoenix has **retrospective** approval to buy **eight hectares** of land at **Waitoki, Auckland** for **$355,000**. Ostrich farming, in which the Embreys and Lesters "have significant experience and expertise", will be carried out on both blocks.
- **Juken Nissho Ltd** has approval to buy "approximately" **1,220 hectares** of land at **Wuhaka, Gisborne** for **$675,000** as "a continuation of its strategic afforestation programme in the Gisborne region. Juken Nissho propose to establish a commercial forestry operation on the property which will provide an ongoing supply of logs to their existing mill as well as to their proposed new mill."
- **Nelson Pine Industries Ltd**, a subsidiary of **Sumitomo Forestry Company Ltd** of **Japan**, has approval to buy **580 hectares** of land for forestry development in the

Mangles Valley, Murchison, Westland for **$450,000**. The reason given for the purchase is to give it some independence from its competitor, Fletcher Challenge:

"Nelson Pine owns and operates a substantial medium density fibreboard manufacturing plant in Nelson. The Commission is advised that although Nelson Pine owns areas of forest it is to a very large extent still dependent on annual purchases of chip wood from **Tasman Forestry Ltd**, a significant competitor of Nelson Pine... the establishment of the forestry operation will assist in Nelson Pine becoming more self sufficient in chip wood, thus ensuring the ongoing viability of the Nelson manufacturing operation."

- A **U.K.** resident who "has applied for" permanent residency has approval to buy **Nockatunga Farm Ltd** which owns a **68 hectare** farm near **Oamaru, Otago** for **$325,000**. He wants his own farm in Aotearoa and "states that he has both business and practical skills that will enable him to introduce new and innovative ideas in livestock management particularly in prime lamb production in which he has specialised in the past."
- **Fulton Hogan Ltd**, which is **36.67%** owned by **Shell New Zealand Holdings Ltd** of the **U.K.** has approval to buy **eight hectares** of land on the **Balclutha/Lawrence main road, Otago** for **$80,000**. Fulton Hogan already has a **quarry** on adjoining land which it wants to expand into this block.
- **South Wood Export Ltd** is leasing **98 hectares** of land in **Southland** for forestry. The price is in kind: "30% of the market value of the lumber harvested". South Wood has until now mainly been seen as the manager of forestry developments for Southland Plantation Forest Company of New Zealand Ltd of Japan, but does own other forestry developments in its own right. It is owned **66.6%** by **MK Hunt Foundation Ltd** of Aotearoa and **33.3%** by **C Itoh and Company of Japan**. C Itoh is also a 49% owner of Southland Plantation Forest Company.

Internal restructurings

In **internal restructuring**,

- **Smithkline Beecham (NZ) Ltd**, a subsidiary of **Smithkline Beecham Plc** of the **U.K.**, is acquiring another Smithkline Beecham subsidiary, **Sterling Winthrop (New Zealand) Ltd** for **US$11,900,000**. Drug companies Smithkline Beckman and Beecham merged in 1989 forming Smithkline Beecham which is now the eighth largest drug company in the world by sales ($5.5 billion) (*Time*, "Remaking an industry", 4/9/95, p.53).
- **ANZ Banking Group (New Zealand) Ltd** is buying out subsidiary **ANZ Holdings (New Zealand) 1990 Ltd** for **$53,680,132**.
- **Toyota Finance New Zealand Ltd** is raising **$20,280,000** from its ultimate parent, **Toyota Motor Corporation** of **Japan** by the issue of 6,000,000 ordinary shares (at a premium of $2.38) to Toyota Motor Corporation. The money will be used to expand its business in Aotearoa. Previous to this, it was a subsidiary of **Toyota Finance Australia Ltd**, another Toyota Motor Corporation subsidiary.
- Interests associated with the Pacific Group of property investors are restructuring one of their holdings. NZL **Investments (Wyndham) Ltd** which is owned by the **New Zealand Land Trust** is being sold to beneficiaries of the Trust. Those beneficiaries are **Stanley Tan Poh Leng** (otherwise known as Stanley Tan), **Trustees in the Dynasty Trust**, **Pang Yoke Min**, **David Tan**, and **Johnny O Sy** all of **Singapore**, and their associate, **George Horsburgh** of Aotearoa. The Dynasty trust is presumably associated with the Singaporean hotel operator, Dynasty Hotels International, which is controlled by the **Tang** family. The Wyndham company was one acquired by the Pacific Group when New Zealand Land Ltd merged with Kiwi Investment Property Trust in 1994. It owns properties KIPT didn't want in the merged company. NZLL was owned by the Pacific Group, which is ultimately owned by Stanley and Freddie Tan and George Horsburgh.
- **Revlon International Corporation** of the **U.S.A.** is acquiring all the issued capital in **Revlon New Zealand Ltd** at a cost of **$0**.
- **EDS (New Zealand) Ltd**, a subsidiary of **Electronic Data Systems Corporation** of the **U.S.A.**, is acquiring EDS subsidiary, **GCS Ltd** for **$39,690,000**. GCS is the former SOE, Government Computing Services. See November 1994 for the original takeover which cost EDS $47 million. EDS also owns Databank, and is a General Motors subsidiary.

October 1995 decisions

Kraft products and assets sold to Heinz/Watties

From one transnational to another ... **Kraft General Foods New Zealand Ltd**, a subsidiary of **Kraft General Foods Inc** of the **U.S.A.** is selling **Craigs** and **Kraft** products to **J Watties Foods Ltd**, a subsidiary of **H.J. Heinz Company** of the **U.S.A.** Assets affected are "all the business, related assets and related liabilities (except for those assets and liabilities agreed not to be included) associated with the 'Craigs' jams and marmalade business, the 'Craigs' and 'Kraft' flavoured and salad beans business, the 'Kraft' salad dressings, mayonnaise, and sauces business, and the 'Kraft' portion control unit business." Wattie (now officially Heinz-Wattie, according to the *Press*, "Wattie's now Heinz-Wattie", 20/4/95, p.33) told the OIC that, as well as "economies of scope and scale", the acquisition would "provide for it a justification for further investment in glass container and other capital equipment, more quickly and to a greater extent than would be possible without the acquisition". Kraft is said to be selling "as part of its global strategy of shedding non-strategic businesses". It is part of the Philip Morris group of companies.

Kraft announced in May 1995 that it intended to sell its New Zealand-based Craigs and Chesdale processed cheese operations. Craigs' annual sales are reported to be $30 million. Heinz-Wattie received Commerce Commission approval for the acquisition in October, the Commission saying that though Heinz-Wattie would become a large jam producer, there was sufficient competition from imports and small jam producers. It would mean a "slight increase" to Heinz-Wattie's share of the baked bean and spaghetti market where it already held 83.5%. "However, there is ease of entry into production in New Zealand, and there is possibility of increased imports under the manufacturer's brands or as housebrands", said the Commerce Commission. (*Press*, "Wattie 'one of several' after Craigs", 4/10/95, p.34; "Wattie given go-ahead on Kraft units", 16/10/95, p.32.)

Kraft was already active in New Zealand by the 1970's, manufacturing Vegemite. However, its first attempt at taking over the processing of New Zealand products was in 1973-74 and proved highly controversial. It was strongly opposed by parts of the dairy industry, the Federation of Labour and the Dairy Workers and other unions. Kraft wanted to enter the dairy industry by trying to take over the Butland[1] group which made Chesdale and Dairylea cheese, Goldpack dried fruit and other products, Craigs and Blue Bonnet jams, and other processed products. Opposition was based on fears that transnationals would dominate the industry, including warnings from farmers' organisations in Canada, based on their experience of Kraft holding down milk prices and knocking out Canadian cheese producers. In addition, Nestlé was clearly waiting in the wings if Kraft succeeded. The Labour Government approved a 60% takeover of Butland subsidiary, New Zealand Cheese Ltd, as long as Kraft had only 50% voting power. However, Kraft was forced to withdraw in the face of the public opposition, saying it "was not going to impose itself on a country in which it was not wanted".

Instead, Kraft craftily waited quietly until 1981, when the Muldoon government allowed it to buy 49% of Butland industries itself. By then, Butlands and the New Zealand Dairy Board each had a 50% share in a large-scale cheese processing plant at Penrose, Dairy Industries Ltd. The Dairy Workers' Union still had concerns, but the public opposition had apparently been either exhausted or satisfied by the involvement of the Dairy Board in the deal. In August 1989 it bought the remaining 51% of Butlands it did not already own.

It is not at all obvious that any of the promises of the Butlands takeover by Kraft have been fulfilled. These included wider markets (especially access to the United States market), and production of a greater range of products in New Zealand. Most of the most important developments were already underway when it was locally owned. Whatever has been developed is now being passed on to another transnational.

(Ref: *Australian Financial Review*, "NZ Government, labour turn cold to Kraft Foods entry", 26/11/73, p.28; "NZ lets Kraftco in - with strong strings attached", 29/11/73, p.16; *People's Voice*, "Kraft cheese take-over 'safe-guards' designed to stifle widespread protests", undated 1974?; *Press*, "Kraft succeeds at last", 12/11/81, p.21; "Dairy Workers' Union still concerned over Kraft", 9/2/82; "Kraft to buy all of Butlands Inds", 12/8/89.)

Fulton Hogan and Auckland Regional Services Trust form rubbish joint venture

A company which will own rubbish disposal operations in Auckland and the South Island, **EnviroWaste Services Ltd**, is being set up by **Fulton Hogan Ltd (50%)** and **Auckland Regional Services Trust**-owned company, **Northern Disposal Systems Ltd (50%)**. It is taking over **Zelman Ltd**, owned by Northern Disposal Systems, for **$0**, all the assets of Northern Disposal Systems itself, for **$12,000,000**, **Otago**-based **Tartan Enterprises Ltd**, owned by Fulton Hogan, for **$0**, and the "refuse disposal assets" of Fulton Hogan itself, for **$10,000,000**. Fulton Hogan is Dunedin-based but is owned **36.94%** by **Shell New Zealand Holdings Ltd** of the **U.K.** As part of the establishment of the joint venture, EnviroWaste is also issuing 10,000,000 $1 ordinary shares to Fulton Hogan for **$10,000,000**. "It is ... claimed that the proposal will result in increased efficiency of the refuse disposal and landfill businesses in the South Island and Auckland by a synergistic combination of the two."

The company will be the third-largest waste management company in Aotearoa. Northern Disposal operates two transfer stations and two landfills in Auckland. Fulton Hogan, a civil engineering and contracting company with 29 branches in Aotearoa, has rubbish operations in Nelson, Blenheim, Timaru, Christchurch (Waste Systems) and Dunedin[2].

The background to this development is the oozing (in some cases spurting) privatisation of local body services. The largest private contractor in rubbish is the notorious but rapidly expanding Waste Management NZ, and it is undoubtedly that company which the joint venture has in mind when it talks of the need for size. Auckland Regional Trust member, Neville Aitchison, commenting on the announcement, said that "New Zealand's waste management industry was dominated by two big companies. Northern Disposal Systems needed to boost its 'critical mass' if it was to seriously contemplate expanding its range of services and compete against larger operators." Effectively it is Auckland's capitulation to privatisation of its rubbish disposal services, and an expression of interest in those of other local bodies.

(Ref: *Press*, "Sales skyrocket in a disposable market", 15/8/95, p.32; "Ful Hogan joins Disposal in waste group", 28/8/95, p.22.)

DB Corbans sells its share in Sainte Neige Wines to Japanese shareholders

Corbans Wines Ltd is selling its remaining **10%** shareholding in **Sainte Neige Export Wines Ltd** to Sainte Neige's controlling shareholder **(80%)**, **Kyowa Hakko Kogyo Company Ltd** of **Japan**. The price is a peppercorn: **$1,000**. The other **10%** is owned by **Kanematsu Corpora-**

1. It is interesting that Butlands itself was a beneficiary of an early privatisation – that of the New Zealand Packing Corporation, privatised by the National Government in 1957. Butlands' chairman just happened to be chairman of the Corporation. Butlands acquired assets at well below cost. (*People's Voice*, "Nestles eager to follow Kraft in 'Labour's' hand-over bonanza", undated (1974?).)

2. See the November 1995 decisions for further developments.

tion also of **Japan**. The company owns **21 hectares** of land in **Hawkes Bay** (near Napier) and **34 hectares** in **Marlborough** (near Blenheim). Corbans is owned by the **DB Group**, in turn, over 58% owned by Asia Pacific Breweries Ltd which is itself jointly controlled (80%) by Heineken NV of the Netherlands and Fraser and Neave Ltd of Singapore. Corbans approached Kyowa to sell its share in Sainte Neige because of "a change in philosophy by DB Group not to hold minor shareholdings in companies that they do not themselves manage". Yet "Corbans will continue to manage the vineyards and manufacture the wine for Sainte Neige using their local wineries".

Kyowa gained control of Sainte Neige in January 1991, buying 60%, with 30% held by Corbans and 10% by Kanematsu. It was previously 24% owned by Kyowa; the extra 36% was reported by the OIC to have been purchased for $3,600. At that time, Sainte Neige owned and operated vineyards, and exported wine from 134 acres of rural land in Hawkes Bay and Marlborough. "It is claimed new technology and expertise will be introduced. Kyowa has assured Sainte access to overseas markets," said the Commission. In June 1991, Corbans sold 20% of its 30% shareholding to Kyowa. Corbans made the offer because "they felt with the existing vine cultivation agreement, together with the wine manufacturing agreement, between the companies, there was little point in their having a significant shareholding in" Sainte Neige. So much for "new technology and expertise".

Gold Resources becomes wholly owned subsidiary of Mineral Resources

Otter Investments Ltd, a wholly owned subsidiary of **Mineral Resources (NZ) Ltd**, has consent to acquire the **46%** of **Gold Resources Ltd** which Mineral Resources does not already own, for **$3,500,000**. Mineral Resources is "just over **25%** owned by overseas persons primarily from Australia". The Commission reports that Gold Resources has interests (undefined) in **Bay of Plenty/Coromandel, Waikato**, and **Otago**. With unusual scepticism, the OIC notes that "it is claimed that the proposal will provide Gold Resources with the necessary access to capital. It is also claimed that Gold Resources as a wholly owned subsidiary will have greater access to the expertise and management skills available in the Mineral Resources Group throughout Australasia."

As part of the takeover, Mineral Resources subsequently changed its name to Otter Gold Mines. An Australian company, Otter Exploration NL, which controls the Tanami gold mine project in Australia's Northern Territory, was 86.2% owned by Mineral Resources and 13.8% by Gold Resources. The owners of the Tanami project signed a mining agreement with the area Central Land Council and "traditional owners" in late 1995 and expected to produce 100,000 ounces of gold a year. The group is also mining at the controversial and environmentally destructive Martha Hill mine at Waihi in the Coromandel, and has begun prospecting at Union Hill at Waihi. Gold Resources has significant operations in Chile, Vietnam and Fiji. Mineral Resources itself has operations in Australia as well as Aotearoa. Otter has a 45% listed subsidiary, Allstate Explorations, which is the majority participant and manager of the Beaconsfield gold project in Tasmania. (Refs: *Press*, "Otter likely name for Min Res", 23/9/95, p.23; "MinRes makes full bid for subsidiary", 19/10/95, p.39; "Martha Hill rock solid", 2/11/95, p.35; "Otter to lift gold output" and "New Drilling for Gold Res", 28/11/95, p.31.)

Brierley's Guinness Peat after Colonial Motor Co

Guinness Peat Group Ltd, Ron Brierley's U.K.-based retirement hobby, has consent to acquire **49.99%** of the Wellington-based car dealer **Colonial Motor Company Ltd**, which is currently controlled by the **Gibbons family** of Aotearoa. The price is **$39 million**. "Guinness Peat will bring valuable management expertise and experience to the ongoing operations" of Colonial, so the OIC is advised. It apparently was not advised that the Gibbons family is not convinced of the value of the bid: they have been resisting it for several months.

Grocorp buys Hawkes Bay asparagus supplier

Grocorp Pacific Ltd, which is **49% owned** by **Sanyo General Capital Company** of **Japan** has consent to acquire a supplier it had formerly been in partnership with. **Link Agencies Ltd**, which leases **111 hectares** of land in **Hawkes Bay** to grow, market and pack asparagus for export to Japan, is being bought for **$215,000**. "In November 1990 Grocorp formed a partnership with **Kalpana Orchard Development Company Ltd** through Link Agencies Ltd to carry on business growing, marketing and packing asparagus for export to Japan ... it is now proposed to terminate the partnership and the Grocorp [sic] wish to acquire Link Agencies to enable them to continue the operation on the land leased by Link."

This is similar to an acquisition we reported in September 1993:

> "A further example of vertical integration concerns a Japanese-controlled company, Mangatawhiri Squash Packers Ltd. It is acquiring all the assets (except land) of its 45.5 per cent shareholder, M.C. Pope Ltd, an Aotearoa company which was in debt to Mangatawhiri's other shareholder, Grocorp Pacific Ltd. Grocorp is approximately 50 per cent owned by Nitto Tochi Tatemono Co Ltd of Japan. "Grocorp lent funds to M. C. Pope so that the latter could grow squash to sell back to Grocorp." This arrangement was converted into the Mangatawhiri joint venture, with the debt to Grocorp satisfied by issuing it shares in Mangatawhiri: 54,500 $1 ordinary shares, and 835 $1 redeemable preference shares at a premium of $999 a share. So the Japanese squash buyer is buying the producer."

No explanation is given for the apparent change in ownership of Grocorp.

Further land sales to Taiwanese investors

Deborah Miller of Brookfields, Auckland is at it again. This month she has branched out from Broadwood, Northland and Wanganui to Otago. She has organised the following land sales at **Palmerston, Otago**, all described identically as being for forestry using "expert management skills of New Zealand appointed agents and their managers":

- two Taiwanese residents, via front company **Jadefield Properties Ltd**, are buying **17 hectares** of land for **$63,580**.
- four **Taiwanese**, three of whom have permanent residency, are buying **15 hectares** of land for **$57,413**. Their front company is **Sparton Properties Ltd**.
- two **Taiwanese**, both with permanent residency, are buying **five hectares** for **$15,914** via **Happyfield Properties Ltd**.
- another **Taiwanese** who has permanent residency is buying **6.5654 hectares** of land for **$24,620** via **Cadison Corporation Ltd**.

There are two more sales in **Paparangi, Wanganui**:
- to a **Taiwanese**, via **Ho Trading Company Ltd**, **20 hectares** for **$78,000**; and
- and to two **Taiwanese** via **Chen-Hsuan Trading Company Ltd**, **22 hectares** for **$96,800**.

Carter Holt continues to buy up blocks of land, including one from the Crown

Carter Holt Harvey Ltd, "approximately" **51%** owned by **International Paper Products** of the **U.S.A.** has consent to acquire a further three blocks of land near Taumarunui in the **King Country**:
- "approximately" 357 **hectares** at **Hikumutu** for **$500,000**;
- "approximately" **85.6 hectares** at **Taumarunui** for **$265,000**;
- and "approximately" **620 hectares** at **Owhango** for **$1,260,000**.

It also has consent to acquire "approximately" 559 **hectares** in **Hawkes Bay** for **$1,100,000**.

A more unusual transaction in **Hawkes Bay** gives it consent to acquire **340 hectares** for **$265,000** from **The Crown**. The property was formerly owned by a Mr S.R. Allen but was forfeited to the Crown under the provisions of the Proceeds of Crime Act 1991. It is surprising this was not put in a land bank for settlement of Maori land claims.

These purchases follow a pattern of buying blocks of land in the North Island begun in June this year.

Other rural land sales

In other rural land:
- **Telecom Mobile Communications Ltd**, a subsidiary of **Telecom Corporation of New Zealand Ltd**, of the **U.S.A.**, has consent to acquire another piece of land for a cell phone site. This one is **400 square metres** at **Te Puke, Bay of Plenty**, being acquired from the **Redall Corporation Ltd** for an undisclosed sum.
- Consent has been given for a company which owns 43 **hectares** of freehold land on the **northern side of Lake Rotorua** and leases an adjacent 36 **hectares** from the **Department of Conservation** to become **100% owned** by a **Taiwanese** for a peppercorn price. **Hamurana Gardens Ltd** was 24% owned by **Dr Huang Ming-Liang**; he has consent to acquire the remaining 76% for $76. "The applicant states that it is proposed that the property will be developed into a tourist complex which will include a hotel, residential cottages, a golf course and other associated tourist facilities ... the development will be undertaken so that the natural beauty of the property is preserved."
- **Ernslaw One Ltd**, the forestry company belonging to the **Tiong family** of **Malaysia**, has consent to acquire a further block of land for forestry development: 5,407 **hectares** near **Gisborne**, for **$6,460,000**. "Ernslaw propose to establish a forest principally comprising pinus radiata in the Gisborne region. It is intended that the land purchased will generally be agricultural land that has reverted to scrub or has been seriously scarred by erosion and that any areas of good agricultural land will be subdivided out and onsold for continued pastoral purposes."
- **Juken Nissho Ltd** which is 85% owned by **Juken Sangyo Company Ltd** of **Japan** and **15%** by **Nissho Iwai Corporation** of **Japan** is acquiring 394 **hectares** of land in the **Masterton District, Wairarapa** for **$700,000**. Juken Nissho "requires more land for afforestation to provide security of wood supply to its Mill at Masterton" (presumably the Waingawa timber mill). The land adjoins the **Ngaumu Crown Forest** which is owned by **Juken Nissho.** It is "marginal for agricultural purposes and is better suited to afforestation" because of its contour.
- The shareholding in **Ryton Station Partnership** and **Ryton Station Ltd** is being rearranged. Both entities are **30%** owned by a New Zealander who is resident in the **U.S.A.** "due to business commitments". He has consent to acquire a further **5%** of each for **$37,486** and **$62,514** respectively. "Ryton Station Partnership carries on business sheep farming on land leased from Ryton Station Ltd". The land is **14,146.2238 hectares** of pastoral lease and **443.2734 hectares** of freehold in **Canterbury**.
- **Telecom Mobile Communications Ltd**, a subsidiary of **Telecom Corporation of New Zealand Ltd**, of the **U.S.A.**, has consent to acquire a further piece of land for a cell phone site. This one is **2,500 square metres** at **Hillside, Te Anau, Otago**.
- **Retrospective consent** is given to a purchase of a part share in two blocks of land in **Southland**. **Pacific Tristar (NZ) Ltd** has acquired a half share in **51 hectares** and a one quarter share in **39 hectares** for **$260,000**. Pacific Tristar is owned 33.3% by an **Australian** couple and the balance by two New Zealand couples. It bought the shares from previous owners who wished to retire. The remaining owners are personal friends of the shareholders of Pacific Tristar. The land is used for dairying and is overseen by a farm manager and operated by sharemilkers. The acquisition was made in September 1993.

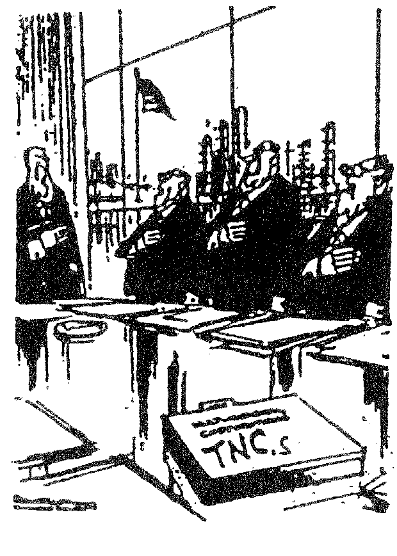
Internal restructurings

- **Aetna International Inc**, a subsidiary of **Aetna Life and Casualty Company of the U.S.A.** is taking over another Aetna subsidiary, **health insurer**, **Aetna International (NZ) Ltd** for an undisclosed amount. Aetna is 50% owner (with Brierley Investments Ltd) of **Aetna Health (NZ) Ltd**, which owns Medic Aid and is the second largest health insurer in Aotearoa. The story of the change in ownership was anything but healthy – see April and December 1994.

- **Comalco** is rearranging some of its subsidiaries. **Comalco Pacific New Zealand Ltd** has set up **Comalco New Zealand Investments Ltd** for **$17,450,000** which has acquired **Comalco Extrusions Ltd** for the same sum. Comalco is owned by **CRA Ltd** which the OIC describes as being **Australian** but is in fact ultimately **U.K.** controlled and has since merged with its majority shareholder, RTZ.
- **Milburn New Zealand Ltd**, which is "approximately" 72.5% owned by **Holderbank Financiers Glaris Ltd** of **Switzerland**, is amalgamating with its subsidiaries: **Fraser Shingle Ltd, Guardian Environmental Ltd, Ready Mixed Concrete Ltd, Scott Quarries Ltd, Taylors Lime Company Ltd, Western Coal Mining Ltd**, and **Specialised Paving Ltd**.
- **Tasman Properties Ltd** is rearranging the ownership of properties it owns in Aotearoa:
  - in **Auckland** it is selling **New Zealand Guardian Trust Building** at **101-107 Queen St** to a subsidiary, **Tasman Properties (107 Queen Street) Ltd** for **$17,424,000**;
  - in **Wellington** it is selling the following subsidiaries to another subsidiary, **Tasman Properties Equities Ltd** for **$38,851,914**:

    Tasman Properties (The Terrace) Ltd
    Tasman Properties (Jervois Quay) Ltd
    Tasman Properties (500 Victoria Street) Ltd
    Tasman Properties (Boulcott Street) Ltd
    Tasman Properties (Featherston Street) Ltd
    Tasman Properties (Garden Place) Ltd
    Tasman Properties (Hereford) Ltd;
  - in **Christchurch** it is selling **Forsyth Barr House** at **764 Colombo St** to **Tasman Properties (Colombo Street) Ltd** for **$26,730,000**.

  Tasman Properties Ltd is listed as being **28.57% owned** by **Grantham Mayo Van Otterloo and Company Ltd** and **5.6%** by **Franklin Resources Ltd**, both of the **U.S.A.** and hence a U.S. company. This is before the merger with SEABIL which will give it substantial Hong Kong ownership.



"I pledge allegiance to the flag of the country that gives me the best deal."

November 1995 decisions

EnviroWaste Services buys, leases Dunedin Landfill Site from itself

EnviroWaste Services Ltd which last month was formed by the Auckland Regional Services Trust and **Fulton Hogan Ltd** to become a major force in rubbish services in Auckland and the South Island, has reshuffled its control of the **Dunedin Landfill Site**. Former Fulton Hogan subsidiary **Tartan Industries Ltd** was given to EnviroWaste last month as part of the setup of the company.It has been sold the **79 hectare** Landfill for **$5,000** by EnviroWaste, which then leased it back for 20 years for **$20**.

EnviroWaste is **50%** owned by **Northern Disposal Systems Ltd** (an Auckland Regional Services Trust company) and **50%** by Fulton Hogan. Fulton Hogan itself is **36.94%** owned by **Shell New Zealand Holdings Ltd** of the **U.K.**

Auckland Regent Hotel sold to Indonesians

The **Regent Hotel** in **Auckland** has been sold to **Cogent Investments Ltd**, a subsidiary of **Perfect Match Investments Ltd** of Hong Kong, which in turn is owned by two (unnamed) **Indonesian** residents. The same interests "have substantial interests in the hotel industry including the **Centra Hotel** in Auckland". The Regent was owned by the "**Togen group**" which is ultimately owned by **Eastern Prime Line Ltd** (the Liu family) of **Hong Kong**. They say they have been actively seeking to sell the hotel, which "urgently" requires further development and maintenance, for some time. Perfect Match "is committed to providing expertise and future funds to enable the Regent Hotel to reach its potential". The price was suppressed.

Confusingly, press reports give the buyer as the Hai Sun Hup Group of Singapore, and the price $80 million. The hotel was built in 1985 for about $60 million. It has 332 rooms and is rated five-star. (*Press*, "Singaporean group buys Regent Hotel", 24/1/96, p.45.)

In February 1990, Perfect Match Investments Ltd was given consent to acquire the remaining 5% it didn't own in Winstone Pulp International Ltd which operates the Karioi Pulp Mill (in partnership with Samsung of South Korea) and owns the Waimarino Forest. It paid $12 million for cutting rights to Crown forests in 1990. In January 1991 Winstone Pulp received consent to acquire the Karioi Crown Forest cutting rights and assets (after having pulped it for some time). In August 1993, CHH sold the Tangiwai sawmill to Winstone Pulp.

In October 1991, the Queen City Centre complex on Albert and Elliott Streets in central Auckland was sold by Chase Securities Investments Ltd (under statutory management) to Colwall Enterprises Ltd, a subsidiary of Perfect Match Investments Ltd for a suppressed amount.

Togen are 45% shareholders of Wenita Holdings (NZ) Ltd, a major buyer of Crown forest licences and land for forestry particularly in Otago and Southland. Another 45% of Wenita is owned by a Chinese Government Corporation, China National Foreign Trade Transportation Corporation. 10% is held by Chen Wen Dong of Hong Kong.

Mainzeal trying to get full control of Mair Astley

Mainzeal Group Ltd, which is **50.95%** owned by **Richina Enterprise Holdings Ltd** of **China** is trying to wrest full control of its partly owned subsidiary **Mair Astley Holdings Ltd** (**50.27%** owned by Mainzeal subsidiary **Ipoh Holdings Ltd**). The OIC has given its consent for Mainzeal to buy 100% of Mair, for a price of **$36,957,904**. The ownership would be through **Eddystone Investments Ltd**, a wholly owned Mainzeal subsidiary.

The deal was not welcomed by minority shareholders and at time of writing (January 1996) had not been accepted. An Auckland lawyer, Peter Cockle, who owns 66,000 shares in Mair which he bought at $1.80 each, considered the offer of 72 cents a share undervalued the company. He suggested to the independent directors that Mainzeal and Richina were privy to in-depth reports, including forecast benefits from a proposed Shanghai tannery. However an independent director said that their advisors, C S First Boston, had access to all information available to Mainzeal and valued the shares between 80 and 95 cents.

Mainzeal has organised a joint venture tannery in Shanghai with Shanghai Leather Corporation. This has been held up by the dispute.

Mainzeal, primarily a construction and property development company, is rapidly developing as a minor conglomerate including trying for project management contracts for power generation and water supply in Indonesia, and the development of a $90 million 330-room hotel in central Auckland. Richina says its objective in investing Mainzeal was to build it and Mair Astley domestically so that they were "financially strong, world-class companies able to operate successfully in the international arena". (*Press*, "Confident Mainzeal hope to pay div", 15/11/95, p.33; "Mair rejects advice appeal", 5/1/96/ p.16.) The company has a **50%** interest in **39 hectares** of leased land in **Canterbury**.

We reported in April 1995 that Richina had taken control of Mainzeal. Reportedly Beijing-based, it is a Chinese/U.S. consortium which bought its controlling interest at 28 cents a share accompanied by concern from some observers who feared unethical tactics. Though bought in March, it did not receive OIC approval until after the event. The consortium at the time comprised "from time to time", Richina Enterprise Holdings Ltd, which is ultimately owned by Richina Equity Trust I of China, Anaconda Partners, L.P., which is ultimately owned by Junction Advisors Incorporated of the U.S.A., Chemical Asian Equity Associates L.P., which is a limited partnership of which Chemical Banking Corporation of the U.S.A. is a partner, a number of U.S. individuals and investment partnerships, and three locals. See our analyses of April 1995 and December 1994 decisions for details.

Utilicorp gets approval to own 49% of WEL Energy

Utilicorp United Inc, from the **U.S.A.**, which already owns **33.3%** of **Waikato's** electric power supply company **WEL Energy Group Ltd**, has consent to acquire a further **15.7%** "by standing in the market or private purchases from time to time". According to the OIC, it granted consent to WEL issuing shares to Utilicorp equating to 49% of its issued share capital, in August 1992. That decision was never been released to us: the only relevant August 1992 releases were approvals given to WEL Energy Ltd, a subsidiary of the Waikato Electricity Authority firstly to issue 960 $1 ordinary shares at a premium of $77,749 to Utilicorp United Inc or its subsidiaries and then a revision, to issue shares up to 33.33% of WEL to Utilicorp. We queried this discrepancy with the OIC who replied:

> "... the Commission originally gave consent for Utilicorp to acquire a 49% interest in WEL. However, subsequently the parties sought an amendment to that consent. As it was an amendment it was appropriate for the Commission to amend the existing decision sheet rather than prepare a new one as this would have resulted in the investment proposal being included twice in the Commission's statistics."

Which doesn't make a great deal more sense, and puts in doubt the accuracy of the information the Commission releases.

Further land sales to Taiwanese investors

Sales organised by **Deborah Miller** of Brookfields, Auckland this month include two more for forestry development at **Paparangi, Wanganui**, two more near **Palmerston, Otago**, and one in **Waiuku** for "lifestyle" purposes, all to **Taiwanese**:

- Two people have consent to acquire **59 hectares** of land for **$224,250** at Paparangi through the holding company, **Chun Mei Company Ltd**;
- Two others have consent to acquire **24 hectares** of land for **$93,600** at Paparangi through **K.H. Hu's Company Ltd**;
- Four others, through **Crumber Properties Ltd**, have consent to acquire **eight hectares** of land at Palmerston for **$31,175**;
- Four others, via **Hibrook Properties Ltd**, have consent to acquire **11 hectares** of land at Palmerston for **$42,528**;
- And a Taiwan resident "who has applied for New Zealand permanent residency" has consent to acquire **four hectares** of land in **Glenbrook Road, Waiuku, South Auckland** for **$330,000** through the holding company **Morden Properties Ltd**, and plans to reside on the property, establish a homestay and "further develop the avocado crop and walnut trees currently on the property utilising New Zealand expertise".

Wharekauhau Lodge sold to U.S. interests

Wharekauhau Lodge and Farm in the **Wairarapa** is being sold to four residents of the **U.S.A.** in order to "create one of the best and most exclusive lodges in the world". The lodge includes **931 hectares** of land. The current owners, **W. and A. Shaw**, are retaining a **10%** interest in the property and will "have an ongoing involvement in the development and management of the property".

The new owners are **Wharekauhau Holdings Ltd (WHL)** which is owned **24.9%** by **J. Davidson**, **24.9%** by **A. Miller**, 24.9% by **M. Maybak**, **15.3%** by **J. Sevo** (all of the **U.S.A.**) and 10% by the Shaws. They are paying **$4,800,000** for the property through the company **Wharekauhau Station Ltd.**

> "The Commission is advised that the Wharekauhau lodge is one New Zealand's leading lodges but currently has limited accommodation facilities.
>
> The Commission is advised that WHL propose to implement a development plan that will create one of the best and most exclusive lodges in the world, while also enhancing the current scenic splendour of Wharekauhau. The Commission also is advised that the development plan envisages building new villas and estate homes and extending or replacing the existing lodge house.
>
> It is also intended that the farm business will be maintained as a Romney sheep stud. This will be developed into a model farm with some hill facings being planted in trees and fencing and fertility being improved."

Christchurch Coutts Island golf course development changes ownership

A controversial golf course development proposed by **Japanese** interests for the Groynes, **Coutts Island**, outside **Christchurch** has run into "some financing difficulties" and its financiers are taking over the company, **New Zealand Plan International Ltd.** The company was owned **50%** by **the Hirai family** of **Japan**, and **50%** by **M. Ishizuk** of **Aotearoa**. However "initial purchase and subsequent development costs were financed by" **T. and Y. Souma** of **Japan**. The Soumas are willing to put more capital into the venture as long as their "existing interests as lender have been converted to equity." They have lent "in excess of **$3 million**". The proposal included a "destination golf course resort and associated facilities including tourist accommodation" on **113 hectares** of freehold land and **40 hectares** of leasehold land which was a "fine wool farm" purchased in September 1992 for $895,000.

At that stage, a New Zealander, Roger B. Sandford, also had a 0.1% holding and acted as spokesman for the company. The company told the OIC in 1992 that "the total estimated expenditure on the project will be approximately $96 million over a ten year period." Sandford told the *Press* (10/11/92), that

> "the development would be for the use of the local community, visitors and tourists... Its main attraction would be an 18-hole golf course of international standard, suitable for professional tournaments... The course would be developed as New Zealand's only lagoons-style course, thanks to the good water supply in the area... The proximity of the site to Christchurch Airport was ideal for helping to attract tourists... To expand the resort theme, a riding school, stables and equestrian facilities, a working farm, jet-boating trips, tennis and squash courts, swimming pools, horse trekking, cycling and walking paths, a spa and gymnasium could be included."

In the meantime it has run into local opposition for environmental reasons. It required a zoning change by the Christchurch City Council, and Canterbury Regional Council concerns that it lay in the Waimakariri River flood plain and required its consent led to appeals to the High Court. The Regional Council consents were granted in March 1995, but City Council rezoning proposals were still opposed by locals and the Airport company. Support for the project came from the golf course designer, Bob Charles, real estate developers ("research had shown that one of the main reasons Japanese enjoyed New Zealand was because it was relatively easy and cheap to play golf" (!)) and the Christchurch Casino. Two hundred submissions were made to City Council hearings in 1993, a third of which opposed the plan, many neighbours worried at the precedent set for "nibbling away" at the green belt. The proposal then was for a four storey 200 bedroom hotel and 30 fairway villas. This was a revision to the original plan which included 40 resort villas, 200 fairway villas and an 80 room three-storey hotel. The 30 fairway villas were each capable of being subdivided and sold with freehold title as permanent residential accommodation, thus raising the possibility of permanent residential accommodation within the green belt. (Ref: *Press*, "Groynes resort submissions pour in", 28/9/93; "Charles backs planned golf resort for Chch", 1/12/93; "Approval for golf resort 'necessary for tourism'", 2/12/93; "Belfast residents upset by Groynes 'precedent'", 8/3/94; "Granting of consents brings Groynes golf resort closer", 27/3/95, p.4.)

However the public story regarding the financing of the developments was quite different from what the OIC has approved. According to Justin Prain, a spokesman for a consortium of local investors, Canterbury Golf International Ltd, they were going to take over the now "$120 million" development. They had "offered to form a joint venture with the Japanese developers but the Japanese decided last month to sell their interests in the project." The details of the project would be unchanged. "While Japanese tourists would be the target market, the company planned to attract local people as well." The arguments for local body consents were still continuing. (*Press*, "Chch takes over resort plan", 23/12/95, p.2.)

Other rural land sales

- A resident of the **United Arab Emirates** has consent to acquire **98 hectares** of land at **Rawene, Northland** for **$292,500** from **Radiata Holdings Ltd** which will "manage the planting programme and ongoing forestry management programme".
- Three **Australians** have approval to buy **four hectares** of land at **Maungatapere, Northland** to farm ostriches. The ownership is via a company, **Ocean View Ostrich Farms (NZ) Ltd** and **$285,000** is being paid for the land. "The Commission is advised that the applicants who all have extensive experience in ostrich farming propose to establish an ostrich rearing operation on the property ... **J. E. Hearn** intends to move to New Zealand to oversee the operation." The other two individuals are **M. M. Hearn** and **P. J. Rogerson**.
- **Maltese Cat Ltd**, which is owned by **I. and L. McLean** from **Singapore (25%)**, **C. MacLean** from **Singapore (25%)** and **C. McLean and C. McLeod** from Aotearoa

(50%), is buying **4.42 hectares** of land at **Clevedon, Auckland** for **$109,000** to add to **15.6585 hectares** they bought in 1993 to raise polo ponies for export. The four hectares adjoin the original land and they entered into an option to buy the extra land at the time of purchase. The OIC asserts that Maltese Cat received consent to acquire the land in May 1993. However, that is not quite accurate: the consent was for Mr I.A. and Mrs L.M. McLean, described as U.K. citizens resident in Singapore, to buy a 40 per cent share of two companies owning two pieces of rural land in Clevedon. The first, Colmere Investments Ltd, owned 15.6585 hectares of land in Tourist Road, Clevedon; 40 per cent was being sold for $430,000. The second, Bardsleigh Properties Ltd, owned 4.049 hectares of land on McNicol Road, Clevedon; the 40 per cent there was sold for $325,000.

- **Carter Holt Harvey Ltd, 51%** owned by **International Paper Products** of the **U.S.A.**, is buying further land at **Owhango** in the **King Country (Wellington)**. This time it is **370 hectares** for **$620,000**. It is also buying **427 hectares** at an unnamed locality in the **King Country** for **$770,000**.
- **Wattie Frozen Foods Ltd**, subsidiary of **H.J. Heinz** of the **U.S.A.**, is buying **23 hectares** of land at **Feilding** from the **Manawatu District Council** to enable it to expand its food processing plant. The price is "to be advised".
- A **German** couple, **M. and A. Brueck**, have consent to acquire "approximately" **27 hectares** of land on the **Coromandel Peninsula** for **$200,000**, of which **seven hectares** is covered in regenerating bush and protected by a **QEII covenant** (a legal protection entered into with the Queen Elizabeth II National Trust). "The Brueck's propose to undertake an eco-sensitive development of the property which will complement" the QEII covenant-protected land. "In this regard it is proposed to plant the area surrounding the covenanted area with native trees. The Commission is also advised that in the longer term a eco-tourism operation may be established on the property."
- **CDL** has **retrospective** consent to acquire **16 hectares** of land belonging to **Oteki Farms Ltd** at **Welcome Bay, Tauranga, Bay of Plenty** for **$775,000** for "immediate subdivision into residential lots". The subdivision will occur over four years and "will provide residential sections in areas where currently sections are at a premium". "The need for retrospective consent is required [sic] as the Commission's consent was overlooked at the time of acquisition. The consent of both the Ministers of Land and Finance under the LSP Act was previously obtained prior to the purchase." It is not stated when the unapproved purchase took place. The company carrying out the purchase is **CDL Land New Zealand Ltd**, a wholly owned subsidiary of **CDL Investments Ltd**, which is **57.36%** owned by **CDL Hotels New Zealand Ltd**. In turn, CDL Hotels New Zealand is owned **69%** by **CDL Hotels International Ltd** which is **51%** controlled by the **Hong Leong Group** of **Singapore**.
- The **Snoxell Family Trust** is selling their **162 hectare Kerikeri, Bay of Plenty**, farm to the **McLeod Family Trust** for **$2,100,000**. The beneficiaries of the McLeod Family Trust are residents of Aotearoa but the trustee of the trust is currently resident in Australia "but will take up New Zealand residency on the property and manage it".
- **Carter Holt Harvey**, **51%** owned by **International Paper Products** of the **U.S.A.**, is also buying further land for forestry in **Hawkes Bay**, this time **67 hectares** at **Waipatiki** for **$112,320**.
- Two **Australians** who are taking up permanent residency have consent to acquire **five hectares** of land at **Napier, Hawkes Bay** for "lifestyle" purposes.
- Two **Hong Kong** residents who "will be taking up New Zealand residency in the near future" have consent to acquire **Big Impact Ltd** which owns **four hectares** of land at **Motueka, Nelson**. The price is **$330,000** for the land. They propose residing on the property and to establish a marketing and consultancy business from it.
- A **Hong Kong** resident, **Mr H. Barkell-Schmitz**, has consent to acquire **30 hectares** of land in **North Canterbury** for **$65,000** via the holding company **Lichfield Nominees No. 49 Ltd**. He is seeking permanent residency and

  > "wishes to acquire the property to erect a residence for his own use and to develop a tourist lodge on the property. It is also proposed to plant forestry on about half the land. The Commission is further advised that the lodge would cater for approximately 30 guests and that Mr Barkell-Schmitz intends to target South East Asia tourists utilising his existing business contacts in the region. The Commission is also advised that the land is part of a larger former farming property which has been progressively subdivided for development into rural residential blocks."

- **Ernslaw One Ltd**, the forestry company owned by the **Tiong family** of **Malaysia**, has consent to acquire **15 hectares** of land at **Roxburgh, Otago** for **$240,000** which they intend to develop into a nursery for Douglas fir seedlings. They had commissioned the Forest Research Institute to find a suitable area for the nursery.
- The **J.T. Wasserburger Family Trust**, the sole trustee of which is **J. Wasserburger** of the **U.S.A.**, is taking a **50%** share in **Jagar Investments New Zealand Ltd** which owns **ten hectares** of land at **Wanaka, Otago**. The other 50% is owned by **J. T. and T. J. Fraser**, friends of J. Wasserburger but of unknown origin, and the share is being sold for **$275,000**. The trust lent money to Jagar to purchase the property.
- In a partially suppressed decision, an unrevealed person from the **U.S.A.** has consent to acquire **11.1 hectares** of land in Otago for "lifestyle" purposes. The holding company for the land is **Kordel Holdings Ltd**.

Internal restructurings

- The ownership of **Canterbury Meat Packers Ltd**, which is the company set up to take over the Seafield assets of the bankrupt Fortex meat processing and export company, is being reorganised. It will be directly owned **80%** by **Asian New Zealand Meat Company Ltd (ANZCO)** of **Japan**. Formerly it was **30%** owned by ANZCO and **50%** by a subsidiary, **Five Star Beef Holdings Ltd**. The latter 50% is being transferred to ANZCO for **$9,000,000**.

The other **20%** is owned by **Phoenix Meat Company Ltd**. Canterbury Meat Packers owns **594 hectares** of land in Canterbury.

Interestingly, this ownership is different from what the OIC last approved, which was 50/50 Phoenix/Five Star (see January 1995 and September 1994). We queried this with the OIC which replied that ANZCO acquired the further 30% from Phoenix in "early 1995".

> "Consent for this acquisition under the Overseas Investment Regulations 1985 was not required as ANZCO was exempted from the provisions of the regulations by the Overseas Investment Exemption Notice 1992 No. 1. This exemption related to Brierley Investments Ltd and all companies that were overseas persons but would not be if Brierley Investments Ltd was not an overseas person. One of these persons was ANZCO."

ANZCO is owned **13%** by **Itoham Food Inc of Japan**, **20.45%** by **Huttons Kiwi Ltd**, **10.09%** by various employees of ANZCO, and **56.46%** by **Janz Investments Ltd**. Janz is owned **53.25%** by Itoham Foods, **17.75%** by **Nippon Suisan Kaisha of Japan**, **17.75%** by **Romney No 19** of Aotearoa, and **11.25%** by various employees of ANZCO. For further details of these companies, see our analyses of the OIC's September 1994 and January 1995 decisions.

- **Bell Canada** is reallocating its shareholding in **Clear Communications Ltd**. Formerly **BCE Inc** (Bell Canada) held its **25%** shareholding through subsidiary **Bell Canada International (NZ) Ltd**. That is now going to be held through BCE subsidiary **3018105 Canada Inc**. The price is suppressed.
- Members of the **Mallinckrodt** group (U.S.A.) are being reorganised. **Mallinckrodt Veterinary Ltd** is issuing shares to **Mallinckrodt Veterinary Holdings Ltd** and **Mallinckrodt Veterinary International Inc** for **$76,390**.
- **SEABIL (NZ) Ltd**, which is "approximately" **60%** owned by **SEA Holdings Ltd** of **Hong Kong** (and is in the process of merging with Tasman Properties Ltd), is moving the ownership of a number of **Auckland** subsidiaries from SEABIL (NZ) to another subsidiary, **Trinidad Holdings Ltd** for **$21,359,376**. They are:

  Kenwigs Investments Ltd
  Dargai Properties Ltd
  Glaive Properties Ltd
  Gorget Properties Ltd
  Sallet Properties Ltd
  Thersites Properties Ltd

UDC Finance Ltd, a subsidiary of **ANZ Banking Group (New Zealand) Ltd**, is acquiring all the redeemable preference shares in **UDC Leasing Ltd**, another ANZ subsidiary, for **$18,280,966**.

SHIPS OF SHAME ON A SEA OF TROUBLES

Watchdog 77 detailed the squalid controversy surrounding the wages and conditions of foreign joint venture crews employed by New Zealand fishing companies. Fishing remains one of the last protected sectors of the New Zealand economy and foreigners can only get involved via joint ventures with New Zealanders. This was the cheapskate way to create an instant fishing industry - instead of building a genuine industry using local ships with local crews - the Big Boys, dominated by Sealord, Talleys, and Sanfords, simply used foreign ships and crews with New Zealand involvement confined to lowpaid and preferably non-unionised process workers. The story is even worse for the foreign fishermen. In 1994 there was a heated public debate within the New Zealand industry over whether the Russian or Ukrainian crews were paid $US4.50 or $US10 per day! Talleys, which has a particularly chequered history with regard to unions, led a campaign to get the other companies to use New Zealand boats and crews. Peter Talley described his company's campaign as being

> "the lone ranger out there...the big boys, using charter boats and foreign crews, hate me and try to shut me up" (*Independent*, 5/5/95; "Kidd called to account for Kiwi fish caught with coolie labour"; Bob Edlin).

Doug Kidd, the Minister of Fisheries (he has that piscine look about him) said that he would legislate to bring foreign fishermen working in New Zealand's 320 kms Exclusive Economic Zone under New Zealand law, including the minimum wage.

It took until the end of 1995, when the Fisheries Amendment Bill was introduced to Parliament. But that gives the industry until 2003 to directly employ all foreign crew working in New Zealand waters (as opposed to the current charter arrangements) and pay them the minimum wage. And this protection, such as it is, will not apply to crews that fish for less than one third of the year in New Zealand waters. Eric Roy, the National MP chairing the select committee, defended the delay.

> "He agreed that some foreign crew members could be paid as little as 75c a day, but it had yet to be decided whether it was appropriate to pay Third World crews First World pay rates. 'In standard terms it would make some people millionaires'" (*Press, 10/1/96)*. So much for National being the millionaires' party.

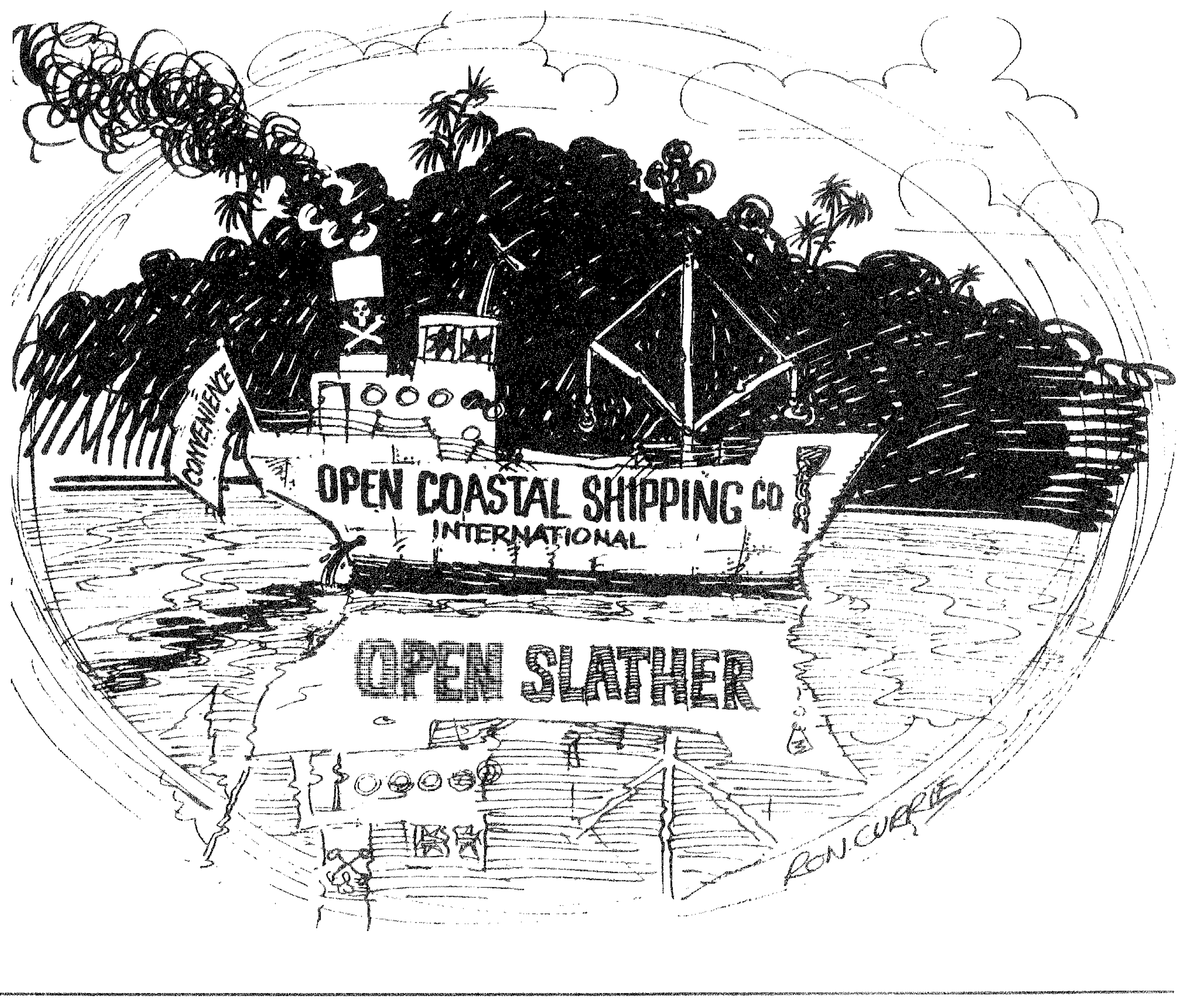
Labour, led by its fishing spokesperson Graham Kelly, announced that it would move an amendment to the Bill, requiring that foreign crews be paid the minimum wage as soon as possible, not 2003. Both the Alliance and United said they would vote for Labour's amendment, which means that it may pass when the Bill comes back into the House later in 1996. Meanwhile Doug Kidd has backed away from his earlier support for paying the minimum wage now, saying the Crown Law Office has advised him that it would be unenforceable. Some National MPs have indicated support for the amendment - Tasman's Nick Smith has consistently campaigned for the fishing industry to clean up its act with regard to foreign crews. "Squalid conditions and pay rates are a national disgrace and provide a strong disincentive to employing New Zealanders" (*Press*, 15/1/96).

Talleys has continued its campaign to New Zealandise the industry and, in October 1995, won a court ruling against Sealord, Sanfords, Independent Fisheries and United Fisheries, that the industry must make more effort to show no New Zealanders were available before hiring foreign crews. Practically, this means that the Immigration Service must obtain more information from fishing companies before granting work permits to foreigners. Michael Talley said: "The only problem our young have in this is that they will not work for $4.50 a day, and neither they should. To bring in foreign crews on wages of $4.50 a day is morally corrupt" (*NZ Herald*, 12/10/95). The industry has always retorted that there are too few New Zealanders ready, willing and able to work as deepsea fishing boat crews. Independent's Mike Dormer, who very vocally defended the slave labour wages during the 1994 controversy, described Labour's proposed amendment to the Fisheries Amendment Bill as "nonsensical stupidity" (*Press*, 20/12/95) but then promptly showed which way Independent thinks the argument will go by deciding to build its own $16 million trawler. Dormer said:

> "Some of these overseas crews are not paid much by our standards, but they get paid much better than in their home countries where there is often no work anyway...We need commercially minded people running this country. Regrettably, we have a bunch of schoolboys" (*Press*, 19/1/96). Labour's Graham Kelly, while welcoming Independent's decision, pointed out that the new trawler will be too small to replace the kind of charter vessels used to catch the range of fish that the company processes.

Maori Capitalism

Interestingly, some of the worst offenders in this whole sad story turn out to be the Maori capitalists now moving into deepsea fisheries in a big way. Takaroa Industries, a Christchurch company half owned by the Ngai Tahu Trust Board, created uproar in May 1995 when it specified that it wanted Indonesians to work on its chartered Japanese trawler, the *Anyo Maru*. Among the reasons it gave were that, as Asians, they would happily eat Asian food, whereas New Zealand crews wouldn't; they are small enough to work in



an Asian designed boat, whereas New Zealanders are too big; and they'll happily work 18 hour days, unlike their more picky Kiwi counterparts (all this stuff about bigger bunks having to be installed reminds us of the arguments employers used to keep women out of the workforce, usually revolving around being put to the expense of installing women's toilets). Others in the industry correctly labelled Takaroa's move as an attempt to secure cheap labour.

It caused a split within the tribe. Te Wai Pounamu, a Ngai Tahu fishing group and part of the Federation of Maori Aquaculturalists and Fishermen, objected strongly. Its chairman, Bevan Wilkie, wrote to the Japan Fisheries Association, saying that any Maori fishing joint venture must have at least 50% New Zealand crew "from ship's officers down to the galley...In conclusion, sir, as one warrior race to another, be assured we jest not" (*Press*, 22/5/95). Wilkie had also said that his group couldn't guarantee the safety of the *Anyo Maru's* Japanese crew when they came ashore: "The 1951 wharfie stuff will come in" (ibid). Sir Tipene O'Regan, chairman of the Ngai Tahu Trust Board, defended the joint venture and said Bevan Wilkie's demands would shut Maori out of fishing. But he also announced that Ngai Tahu had no control over its other partner in the joint venture company and had asked it to buy out the Board's share, simply because of the bad publicity.

Appalling Life For Foreign Seamen

Life for foreign seamen generally is very unpleasant indeed.

> "Beatings by officers, rotten food, and pitiful wages. It sounds like Captain Bligh, but it's only too common on ships which visit Lyttelton" (*Christchurch Star*, 17/1/96; "Foreign seamen 'working in appalling conditions'").

Rob Ballantyne, the manager of the Lyttelton Seafarers Centre, described ships of shame infested by cockroaches; falling apart from rust; crewed by seamen subject to systematic physical violence and paid below the International Labour Organisation's recommended minimum wage.

> "Ships are so bad...People do not realise what we risk. It needs only one to break down off the Kaikoura coast, or a tanker in poor condition, and that would be the end of our tourism there for many months...I've noticed in the last six to nine months a lot of cases of seamen beaten up by their senior officers. We had one on Christmas Day where a Filipino seamen was beaten up by a Japanese officer on a container ship" (ibid). Violence has also been reported on Korean fishing boats, leading one crew to walk off in Wellington, in January 1996.

Not surprisingly, some foreign crews fight back. The Russian crew of the *Pyotr Ruban* fishing boat went on strike in Lyttelton, in January 1996, because they had not been paid for two months (not that the pay was anything flash, $US5 per day being the top rate). As has happened in several other cases, the New Zealand Seafarers Union was called upon to try to sort out the mess. Russian crews not only have to contend with being ripped off by their joint venture employers but by the chaos engendered by their country's caesarean birth as a capitalist economy, one dominated by gangsters and the worst sort of fly by nighters. Terry Stuart, South Island secretary of the Seafarers Union, said:

> "This sort of thing is not unusual. Russia is in such a state at the moment and there are a number of entrepreneurs trying their sea legs. This is the third crew I've dealt with recently where Russian owners have gone bankrupt, leaving their crew stranded high and dry...Our aim is to help them get to the stage where they can leave New Zealand with dignity. If they are going home, they should go with their wage entitlement" (*Press*, 11/1/96).

As for the ships of shame themselves, the Maritime Safety Authority announced a stepped up drive to identify and publicise them, hoping to embarrass their owners into action. In the first six months of 1995, it inspected 573 foreign-flagged ships - 194 had deficiencies; eight were detained for posing a threat to life or the environment.

New Zealand Shipping Under Threat

All indications are that more, not less, foreign ships and crews will be plying New Zealand waters. The Maritime Transport Act, deregulating coastal shipping, came into effect in 1995. This allows foreign ships to work the New Zealand coast. Federated Farmers was the most vocal proponent of this Act and within months of its passage was touting its advantages to farmers. For example, in April 1995, a Dutch-owned ship was chartered to transport grain from Timaru to Auckland, at a cheaper rate than local shippers (who have to pay New Zealand PAYE, GST and ACC). Foreign shippers are planning to break into the trans-Tasman market, one which has been confined to New Zealand and Australian crews since a Australasian maritime union accord dating back to 1931 (but which has no legislative status). The French-owned Australia-New Zealand Direct Line is the first to look likely to move into the Tasman; British-owned Blue Star Line and German-owned Columbus Line are not far behind. The NZ Seafarers Union, fearing job losses on the 17 New Zealand owned and operated ships dedicated to the trans-Tasman trade (out of a total of 21), promised a major campaign of pickets and stoppages.

This Tasman encroachment by the shipping TNCs has already created casualties in the New Zealand industry. South Pacific Shipping, the country's largest shipping line, withdrew a vessel from the trans-Tasman run in November 1995, saying it couldn't compete with low cost foreign ships. This cost 26 jobs and significant revenue for maritime industries, but the company was losing $300,000 a month on that service. Managing director, Captain Ross Fast, said:

> "New Zealand shipping is really reformed and really efficient. The Government must ask if New Zealand wants a shipping industry" (*Press*, 1/11/95). He reminded the deregulators of the lessons of history: "...once foreign lines dominated the Tasman, they would raise prices. History would repeat itself, as the

former Union Company, when owned by P & O, had made Tasman freight rates the highest in the world" (ibid).

Australia has decided that it does want a national shipping industry and has taken practical steps to help it. In its 1995 Budget the Labor Government announced that it would exempt Australian shipowners from PAYE on crew wages. New Zealand refuses to consider a similar tax break for local shippers. This move would save Australian companies up to $1 million per vessel per year and give them a distinct competitive edge over their New Zealand counterparts. The result? New Zealand shippers are seriously looking at relocating to Australia, to the further detriment of the New Zealand industry.

So while New Zealand's fishing industry continues to rely on foreign rustbuckets with crews being paid not much more than the proverbial bowl of rice, what is left of our own hardwon shipping industry is endangered by an unholy combination of homegrown ideological fanatics and shipping TNCs. The precariousness of an island nation having to rely on others to work our seas and provide our maritime links is obvious to all but those blinded by ideology and/or greed.

CAMPAIGN FOR PEOPLES SOVEREIGNTY

The Campaign for Peoples Sovereignty (CPS) is continuing, albeit in a lower key than before. After three years, enthusiasm ran out for monthly Saturday meetings and a smaller group is now meeting on a weekday. But there are no shortage of things to get our teeth into on the local scene.

Southpower And Our Foray Into Theatre

We're pleased to report that the 1995 Christchurch local body election has resulted in the proposal to institute charging for water to be dropped for the foreseeable future. But the City Council's primary cash cow, Southpower (which provided half of the Council's total revenue for the 1995 financial year) has announced a 4.9% price increase, effective from April. Remember, this is on top of the 1% per month increase between 1992 and 1994. There has been considerable public uproar. Coupled with renewed pressure from the Business Roundtable and the Building Owners and Managers Association (BOMA) for wholesale privatisation of Council-owned assets, this means Southpower will be a renewed focus for our attention.

One novel approach was "Power", a musical/play presented by the Free Theatre, in February 1996. Originally a 1937 American production about the ownership and control of electricity supply in that country, the Free Theatre added a substantial portion to look at the current Southpower situation in Christchurch. The company approached CPS and made excellent use of the voluminous material in our files on Southpower and electricity companies in general. By happy coincidence, the show coincided with the price rise controversy, so the script was changed daily to keep it topical. "Power" became a news story in itself, was extended by an extra week and was a hit. Apart from all that, it was a thoroughly entertaining, thought provoking show, one with which CPS is proud to have been associated.

In late 1995, the public was asked to give its opinion on whether the City Council should sell all or part of its minority 39% shareholding in the Selwyn Plantation Forest Board Ltd. The accompanying Council information was heavily slanted towards favouring selling.

These are excerpts from the CPS submission opposing the suggested sale. Our objections fall into two catergories.

Forestry

Exotic plantation forestry is currently a boom industry. But because of massive policy changes wrought by both Labour and National governments, the benefits of that boom are largely not benefiting the New Zealand people who financed such a great chunk of that industry for nearly 100 years. The benefits are now flowing to the new owners who bought the cutting rights to the State forests in the great selloff of the late 1980s and early 1990s.

Any shares sold by the Council will be snapped up by one of these major players. And the distinguishing characteristic of nearly all of them is that they are overseas owned and/or controlled companies. Carter Holt Harvey is now American; Fletcher Challenge is NZ controlled but has over 50% foreign shareholding; Rayonier is American; there are four major Asian companies; and any number of nationalities represented in the "Other" category. The Crown is currently planning to reduce further its share of the total by offering Forestcorp for sale.

So, if the Council sells, it will be directly contributing to the further alienation of a very important natural resource and a vital sector of the NZ economy. Given this Council's laudable commitment to local ownership and control of its own trading enterprises, it would be deeply ironic for it to hand over yet another public asset into the hands of overseas or local Big Business.

And the Selwyn Forest is profitable. We consider the Council information piece detailing reasons for and against the sale to be heavily slanted in favour of selling. Nowhere in it does it mention that the Selwyn Plantation Board made a net profit of over $500,000 in the six months ending September 1995, a threefold increase on the same period in 1994. Nowhere did the Council say that this was **167% over budget**; or that total income was up by 42% (10% over budget). These items were hidden in a small item in the *Press* (6/12/95). Why on Earth does the Council want to quit something that is so very profitable? Now is the time to stay in forestry, not to get out. And these figures indicate that the ratepayers, who own that 39% stake, are getting a very good return. Forestry is a very good investment for local bodies. The Dunedin City Council's forestry estate increased in value from $31 million in 1991 to $110 million in 1993 (source: letter to editor, *Listener*, 21/5/94, by former councillor who described it as a "unique forestry plantation asset"). **If the Council sells its shares, what will it invest in that will equal or better a profit 167% over budget?**

Privatisation: the thin end of the wedge

The Selwyn Plantation Board Ltd could truthfully be described as the Council's most obscure shareholding. Maybe that's why the water is being tested first with it. Southpower, the Airport Company and the Port Company are all very high profile and the Christchurch public has made it very clear that it doesn't want them wholly or partly privatised.

Since the 1995 local body election (but not during it) the Business Roundtable and BOMA have resumed their noisy agitation for the Council to privatise all its trading enterprises. This has been correctly rebuffed by the Mayor and a number of councillors. We congratulate you for your resolve.

But if the Council decides to quit the forest, it will send all the wrong signals to the Roger Kerrs (Business Roundtable) and Hugh Pavletichs (BOMA) of this world. They will say (with some justification): If you can quit that, why not the rest? Why not indeed? It would set a precedent and an ominous one at that. It would be the thin end of the wedge.

For these reasons, we urge the Council not to sell all or any of its 39% stake in the Selwyn Plantation Board Ltd.

At his appearance before the Council sub committee hearing submissions, CPS spokesperson Murray Horton added that there is a strong case for more, not less, City Council involvement in forestry. Warmth is an essential service in a Christchurch winter, and the firewood market perfectly illustrates all the pitfalls of the "free market". If the Council can own and supply electricity, why not fuel for heating?

COMALCO

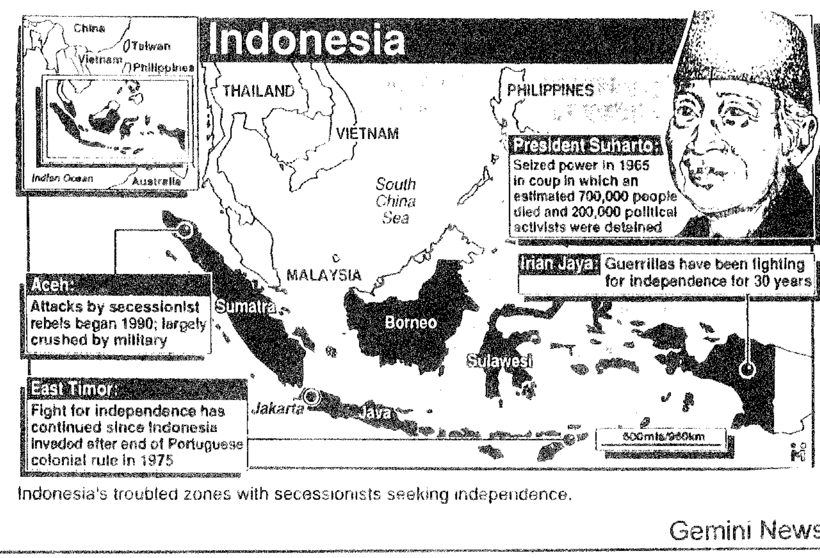
The World

Nothing much to report on the domestic front this issue but there have been absolutely momentous developments globally and regionally. The most important has been the merger between Comalco's parents - Rio Tinto Zinc (RTZ) and Conzinc Rio Tinto Australia (CRA), creating the world's biggest mining company, with a combined worth of $US27 billion. RTZ already owned 49% of CRA - as part of a deal with the Australian government to secure its approval of the merger, the transnational corporation (TNC) agreed to progressively reduce RTZ's ownership of CRA to as low as 20%, over a long period of time. RTZ and CRA will retain their separate listings in Australia and the UK but the two will have the same board. RTZ was a behemoth before the merger.

> "Now controlling companies with operations as far afield as Namibia, Papua New Guinea and Chile, RTZ remains the world's largest producer of titanium and borax, second largest copper and lead producer, third largest producer of iron ore and molybdenum, fifth biggest producer of bauxite, gold and silver, and the world's seventh largest tin producer" (*Mining Journal*, 2/6/95).

The merger was formally approved in December 1995, by 98.8% of shareholders at an Extraordinary General Meeting in London but not before a vigorous last ditch campaign against it was waged by our long time partner, London-based People Against Rio Tinto Zinc and Subsidiaries (PARTIZANS). It circulated an Open Letter emphasising the danger posed to indigenous peoples and their environment by this merged company and pointed out the dismal track record of RTZ and CRA - it specified West Papua, the US, Scandinavia, Papua New Guinea, Bougainville, Australia, and the Philippines.

> "We call upon shareholders in both companies to
>
> * Oppose the proposed RTZ/CRA merger
>
> * Demand that all RTZ and CRA operations which impact in any way on Indigenous Peoples should be halted, until these communities have been guaranteed the following:



Indonesia's troubled zones with secessionists seeking independence.

Gemini News

1/ Full legal rights to negotiate entry to their territory, and the terms on which mining and exploration can take place;

2/ Full compensation for loss of land and water, and any degradation of air, soil, water and land cover quality;

3/ Full access to all the companies' mining or exploration data, with an explicit veto to halt such operations when considered by the community to be socially, spiritually or environmentally damaging".

A number of New Zealand groups signed the Open Letter - Murray Horton did so on behalf of both CAFCA and the Philippines Solidarity Network of Aotearoa (PSNA).

West Papua

Among the worst affected of the indigenous peoples are those of West Papua, or Irian Jaya as it is called by its Indonesian occupiers. RTZ's depredations are well documented over the border in Papua New Guinea, most spectacularly on Bougainville and more recently on Lihir Island. Less well known is the fact that it holds an 11.8% stake in the huge Freeport copper and gold mine, the world's biggest, in West Papua (the majority owner is Freeport-McMoran, of the US). This is the single biggest investment in Indonesia, domestic or foreign; the absolute lynchpin of Indonesia's brutal occupation of West Papua; and a focal point in the more than 30 years of national liberation war waged by the Organisasi Papua Merdeka (Free Papua Organisation - OPM). The Indonesian invasion, in the early 1960s, was commanded by the then General Suharto; as President, he sees West Papua as a personal test of his credibility. The Indonesian occupation has lasted longer and been every bit as brutal as its more infamous annexation of East Timor - the war only captures world attention when the OPM takes foreign hostages, as happened in January 1996. The PARTIZANS Open Letter stated:

"(The mine has) resulted in forced 'relocation' of Amungme, Komoro, Dani and other Papuan peoples. Indonesian Army atrocities, using mine company facilities, have been confirmed by two recent independent investigations. The US government's Overseas Private Investment Corporation (OPIC) condemns the West Papuan operations for their huge damage to the environment, specifically rivers and rainforest. RTZ is the key financier for expansion and exploration on 2.6 million hectares of Indigenous land".

When the OPM seized the foreign hostages, it made a number of environmental demands, focusing on the mine which dumps 100,000 tonnes of pulverised rock per day into local rivers (a similar scenario over the PNG border at BHP's Ok Tedi mine has led to a $A4 billion damages claim being filed against the company by landowners. Indonesia's reign of terror guarantees that mining TNCs face no such irritants in their half of the island). PT Freeport Indonesia is shamelessly unapologetic. Paul Murphy, executive vice president, said:

"What's going on (the hostage situation) has nothing to do with Freeport. It in no way affects us or our operations. If anything, it just shows the true colours of the OPM. Anyone who thinks they're romantic freedom fighters needs to take a hard look at their tactics here" (*Time*, 29/1/96).

The company has worked hand in glove with the Indonesians and has an awful lot of blood on its hands, either directly (such as aiding the military in killing civilians protesting the mine's expansion) or indirectly, such as the one third of relocated Amungme who died of malaria after being forced from their mountain homes down into the lowlands.

Rebels Of The Forgotten World is an excellent video on the West Papuan national liberation struggle. It is available for hire, from CORSO, Box 1905, Christchurch, for $10 (including postage). A comprehensive information kit is available from the Australia-West Papua Association, Box 65, Millers Point, NSW 2088, Australia, for $A8 (including postage).

Australia

But it's in Australia that Comalco has really been in the news. Not this time for its business activities - although it has announced that it will be building a $A1 billion alumina refinery in Queensland (in addition to its Gladstone alumina refinery, the world's largest, also in that State). No, it was for its attempts to smash the unions at its Weipa bauxite mine on north Queensland's Cape York Peninsula (Weipa is the source of the Bluff smelter's raw material). Since 1993 Comalco has tried to impose a New Zealand Employment Contracts Act scenario, offering Weipa workers up to an extra $A15,000 each per year if they left the union and went onto individual contracts (parent company CRA has systematically campaigned to rid all its Australian mine sites of unions and awards, using extremely heavyhanded tactics. For example, at CRA's Hamersley Iron operation in Western Australia's Pilbara region, it claims that 97% of workers are now on individual contracts). By this insidious method, Weipa union numbers fell from 450 to 75. Union members on the award rate were working next to workmates doing the same job for $A15,000 more.

In November 1995 the remaining unionised workers decided enough was enough and struck to bring the matter to a head. Not merely struck but picketed the mine site so effectively that it was forced to a grinding halt. As is the way with industrial disputes, it escalated, with coal miners and waterside workers joining in. All Australia's ports were closed down. Now there is a lot to criticise about the Australian Council of Trade Unions (ACTU) but unlike its New Zealand counterpart, (the CTU, which rolled over and has most convincingly played dead ever since the Employment Contracts Act was first mooted by National in 1990) it has fought back as employers have tried to inject the New Zealand Disease into Australian industrial relations.

The ACTU backed the Weipa workers (unlike the earlier struggle at Hamersley Iron) and even arranged for them to be represented before the Industrial Relations Commission by none other than Bob Hawke, former Labor Prime Minister and ACTU President (it's hard to imagine, say, Sir Geoffrey Palmer performing a similar task here). Hawke was succinct in his summation of Comalco's case: "The guts of this case is the elimination of the trade unions from the work place" (*Press*, 21/11/95). The Commission accepted the ACTU's case. It ruled that Comalco's workforce policies were inconsistent with the Industrial Relations Act and that Weipa's award-covered workers were entitled to retain collective bargaining. So, no Employment Contracts Act nightmare for Aussie workers. Yet. Not that the Weipa workers actually got what they wanted. They won an 8% pay rise and reluctantly returned to work on the promise of equal pay and conditions with their non-unionised workmates. That has yet to be implemented by Comalco.

New Zealand

New Zealand, of course, has had several years of the Employment Contracts Act. Comalco NZ was one of the first to take advantage of it and totally deunionised its Tiwai Point smelter production workforce, getting them out of the Engineers Union and onto individual contracts. Other employers have lauded it as an example. There are still unionised workers at the smelter - all the cleaners, for example. But the Act gives employers an enormous advantage and Comalco continues to exploit it to the fullest. New Zealand bricklayers working on the smelter expansion are paid $38,000 per year - Aussie brickies working next to them are on $68,000. They are all on individual contracts and paying different workers hugely different amounts for doing the same job is perfectly legal under the Act.

Both Labour and the Alliance have promised to repeal the Act should they win the 1996 election. Which is why Kerry McDonald, Comalco NZ's managing director, was waxing gloomy at the 1995 annual meeting of the Japan/New Zealand Business Council. He is worried that an MMP election will deliver a government that favours what McDonald labels "short term social and green objectives rather than the more difficult policies which are more likely to deliver sustainable living standard increases" (*Press*, 30/10/95). Comalco wants more of the same.

Globally, things are looking bright for Comalco's big brothers in the aluminium industry. Blithely ignoring their own twaddle about market forces, the aluminium TNCs got their respective home country governments to sign a Memorandum of Understanding on Aluminium in March 1994. This imposed global production cutbacks to handle the "crisis" caused by Russia flooding world markets with cheap aluminium (capitalism did not welcome this particular bit of the post-Cold War "Peace Dividend"). Russia was the hardest hit. But the Memorandum's two years are up, and in that time, the global aluminium cartel's actions have ensured that prices have skyrocketed. So now the TNCs are resuming full production, led by smelters in Europe and North America. Back to unrestricted production and profiteering, having put those annoying Russians in their place.

Capitalism is just the ticket - as long as it involves cosy private clubs and no competition. And workers that don't cost too much and don't belong to unions. And, if available, an obliging military to permanently eliminate anybody else that might get in the way. How come none of that is in Comalco's folksy TV ads?

THE PARADISE CONSPIRACY

by Ian Wishart. Howling At The Moon Productions. 363 pp. Illustrated. $29.95.

- Wolfgang Rosenberg

This book is a MUST for any New Zealander who falsely believes that "Democracy" in this country (or any other capitalist country, for that matter) means government based on people's power. The book's author, Ian Wishart, a truly "investigative" journalist (another word for "high class criminal detective"), summarises his findings correctly as follows:

> "As borders shrink and multinational corporations increasingly take control of the world's economic destiny, it becomes easier for those in business to impose their wishes on Government whilst bypassing the ballot box " (p327).

"The Paradise Conspiracy" is a description of some of the extra-legal activities of the thin top layer of the New Zealand business class who were liberated by Roger Douglas to assume transnational activity: Fay Richwhite, Brierleys, Carter Holt Harvey, Bank of New Zealand, Citibank. For good measure Wishart throws in suspicions about the death of the discoverer of the "Winebox" papers, Paul White, by foul play in the Chicago tradition. It is indeed astounding that the discoverer of the papers should have died a sudden death after trying to make use of them by putting pressure on some of their originators to pay ...or else.

The "Winebox" papers, collected by a dissatisfied partner of the European Pacific business activities in the Cook Islands, finally handed to Winston Peters MP and also to Ian Wishart, are a unique historical record. They describe in detail how powerful financial tycoons not only circumvent legislation but in some instances have sufficient power to write and have passed legislation with a view to lining their own bottomless pockets and those of their anonymous shareholders.

Not only does Wishart thus have the chance of describing capitalists' business from the inside without using any speculation, but in preparing a TVNZ *Frontline* documentary on the subject, he had also the opportunity of watching the relationship between this capitalist ruling clique, "public opinion" (the media circus) and "democratic" government. Nothing could better confirm the Marxian theory that government under capitalist conditions is the legal basis of organising the exploitation of one part of society by the ruling exploiting class.

> "The Paradise Conspiracy has international ramifications. It goes to the heart of the struggle between democracy - government of the people, by the people, for the people - and plutocracy: government by the rich and powerful. A weapon in that struggle is the court system, more often than not used to greatest effect by the plutocracy. An example is the series of injunctions taken out by European Pacific to prevent these matters being exposed" (p326).

There can be no question that "national" capitalists have the same ideology of irresponsibility when it comes to avoiding taxes by all means, fair or foul, as transnational capitalists. The movement to cheat governments and the State of income required for the health, education and welfare of the nation is truly international. In this fascinating volume, the Japanese government and people, Australia and other countries have been betrayed by their own capitalists as badly as New Zealand. But "internationalisation" of economies, in other words foreign control, has been the means by which these anti-national transactions were carried out. Let no one believe that "globalism" is a good thing for the peoples of the world. It is the antithesis of democracy. What appears at first sight a lot of empty rhetoric then has, by the accident of the discovery of the wineboxes with their original documents of Big Business treachery, become a provable fact.

We have to thank people like Ian Wishart and Winston Peters for publicising this story which, without their self sacrificing work, would have remained a State secret.

Even if the Winebox Affair serves as your personal cure for insomnia, you should read the first 100+ pages of "The Paradise Conspiracy", because, in reality, it is two books. Wishart plunges into the murky world of covert intelligence (remember how the 1986 "Maori Loans Affair" was traced back to the Honolulu office of the CIA via the Cook Islands? That "Affair" also featured Winston Peters waving documents in Parliament). Wishart also unearths gems on both the SIS and the SAS (including that the latter have secretly fought in wars such as Northern Ireland and the Gulf, which is definitely news to the nuclear free New Zealand public). Watchdog no longer focuses on military or intelligence stories (we leave that to our sister publication, Peace Researcher) but we used to do a lot of it. For example, throughout the first half of the 1980s we ran story after story about the alarming offshore activities of the SAS. We proved that two of them were killed in a US military plane crash on an international Special Warfare Exercise inside the former US base at Subic Bay in Ferdinand Marcos' Philippines, and we pursued that story to the extent of getting the (heavily censored) US Air Force report on the crash under the US Freedom of Information Act.

"The Paradise Conspiracy" simply confirms what we were warning about a decade and a half ago - the New Zealand people are deliberately kept in the dark about the spooks and legalised killers whose wages we pay but whose loyalties are definitely to their Big Brothers overseas. Even if you don't read one word in the book about the "Winebox Affair", the intelligence subplot is fascinating. And remember, you heard about it in Watchdog ages ago. Ed.

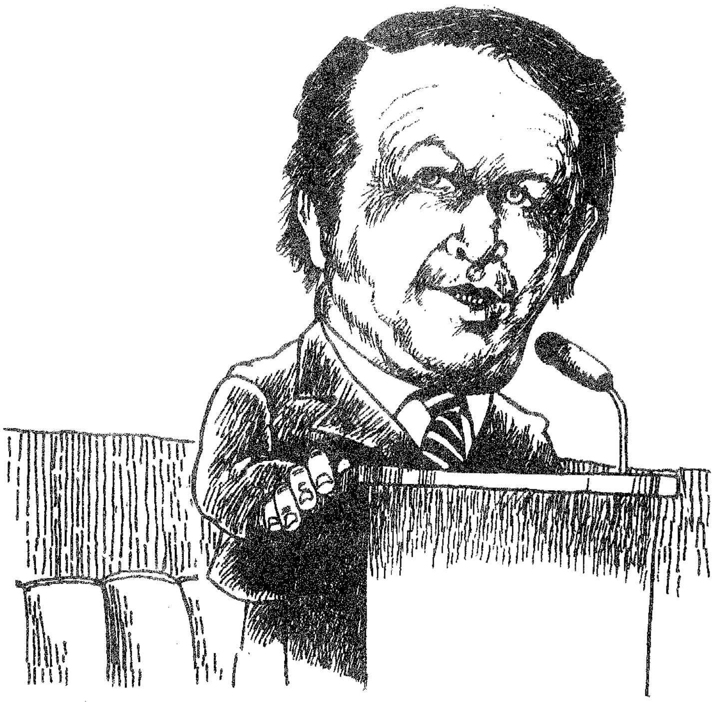
OBITUARY
BILL ROWLING

- Murray Horton

The walls of Jim Anderton's electorate office are lined with cartoons (of Jim) and photos of past Labour prime ministers. They end with Bill Rowling - none of Lange, Palmer or Moore. There's certainly no sign of Sir Roger (although I can't vouch for the toilet). This is appropriate because the New Labour Party, which Anderton heads, is in reality the Old Labour Party and Bill Rowling, who died in late 1995, was the last leader of the Old Labour Party. He was a genuine social democrat, unlike his successors who were neither social nor democrats. I never met him, so can't say anything about him personally. The fact that he preferred to be called Bill rather than his given name of Wallace indicates that he'd rather be known as a Willy than a Wally.

This is not the place to examine Rowling's overall political career nor the very shortlived government that he headed between Norman Kirk's 1974 death in office and the Muldoonslide of 1975. The mainstream media have already done that, with Brian Easton's regular *Listener* column ("The formidable politician"; 9/12/95) being the most insightful. Rowling's death means that there are now no pre-1984 prime ministers still alive. But we should not fall into the trap of looking back on that 1972-75 Labour government (in which he was firstly Minister of Finance and then PM) through rosetinted glasses. I only have to read my own writings as 1974 editor of *Canta*, the Canterbury student newspaper, to refresh my memory of that government's faults. For example, it presided over the arrest and trial of Bill Sutch, the most outrageous of the various Cold War absurdities inflicted on this country. He was acquitted but was dead within months, which was doubtless the aim of the SIS and their CIA masters. This was the Labour government that came into office on a fearmongering "law and order" campaign, and which cancelled the 1973 Springbok tour, not on moral grounds, but because law and order could not be guaranteed. It encouraged Gideon Tait, the megalomaniac Christchurch police commander, to attack the 1973 demonstration at the US military base at Harewood with a huge force of cops and military personnel.

Out of office, it was Rowling's fate to be Leader of the Opposition during the most vicious years of Piggy's reign (re-



member the Moyle Affair? The regular lists of alleged Communists and KGB agents? Not to mention the 1981 Tour). Muldoon described being attacked by him as similar to "being gored by a white mouse". The vagaries of First Past the Post meant that Labour got more votes than National in both 1978 and 1981, yet lost both elections (I'll never forget the stunned look on Rowling's face on election night 1981, not helped by his supporters having prematurely lifted him shoulder high, bashing his head on the ceiling and rendering him semi-conscious). Labour's plotters and schemers judged him unlikely to defeat Muldoon (he never led Labour to victory), and overthrew him in favour of David Lange. The rest is history. As a booby prize, the new Labour government appointed him Ambassador to the US during the height of the ANZUS Row. As a longtime proponent of the nuclear free law, he acquitted himself well with the Reagan Administration that tried, and failed, to bully New Zealand back into line.

There are a number of reasons why Rowling deserves special attention from CAFCA. As Leader of the Opposition, he sacked Roger Douglas from his shadow Cabinet, for publishing an unauthorised alternative Budget. Would that David Lange had done the same a few years later. As Minister of Finance, he pushed through the 1973 Overseas Investment Act which founded our old mates, the Overseas Investment Commission (OIC). It was an attempt, but a bloody feeble one, to do something about the tide of foreign control that was to engulf this country in the following two decades. Public concern on that very subject led to the birth of this organisation while Rowling was PM.

It seems extraordinary, viewed from an age when politicians happily allow the likes of Tommy Klepto to buy great swathes of our rural land, that Bill Rowling, as Minister of Finance, actually put the kybosh on one very high profile foreign land purchase. It was such a cause celebre that it featured as one of the stops on the 1975 South Island Resistance Ride, our first major activity. Stockton Rush, an American, had bought land near Te Anau and built Takaro Lodge, an early precursor of Tommy's Lilybank Lodge. Rowling had opposed the original 1969 purchase, when he was in opposition, and once in office he was after it. Takaro Lodge was mothballed and closed in 1973 because the Labour government refused permission for it to raise additional overseas finance to build a golf course (this was in the days when you needed official permission to purchase overseas funds). Rowling stated that permission was refused because Rush planned to finance it by selling out to a new Japanese partner. Rush took Rowling to the Supreme Court and won, the first time ever that a Ministerial decision had been successfully challenged in court. Appeals and a $1 million damages claim against the Crown dragged on well into the 1980s. But Rowling had the last laugh - while the court process dragged on, Rush had to auction everything at Takaro Lodge, right down to the gold taps.

On the debit side, Rowling disgraced himself as Leader of the Opposition when Muldoon, in his first term, confronted Japan (unsuccessfully) with his "fish for beef" demand over improved trade access; and when he (more successfully) forced up Comalco's laughable power price for the Bluff smelter. In each case Rowling ran around gutlessly wringing his hands about how this was no way to treat a major trade partner and a major investor. In each case we found ourselves on Piggy's side.

Out of politics, Rowling spoke out against Rogernomics and Labour's sale of public assets. He criticised aspects of the foreign takeover. When Sumitomo of Japan bought out 100% of Nelson Pine Industries and its processing plant in 1992, Rowling attacked it, in his capacity as former longtime MP for Tasman, a major forestry region.

> "We are making ourselves the hewers of wood and drawers of water for other nations...You alienate what is a renewable resource. I don't know how we will ever get that back. When I was Minister of Finance we introduced legislation where you could not alienate more than 24.9% of any company without the approval of the OIC. That Commission looked at the overall effect on New Zealand (sic). This deal sounds like we will be earning for another country. True, some money will be reinvested but ultimately the company is responsible to its investors in Japan, not New Zealand...Canada had to take steps to stop too much ownership from the US. What we are seeing here is a deal with short term financial gain with potential for long term harm".

Forestry was one subject that vexed Bill Rowling greatly in his final years. He tried, unsuccessfully, to get through to his Labour successors in 1990, the year of the big State forest selloff.

> "...Rowling visited the traps to point out the stupidity of selling off the forests.`I started with the Minister of Forests. That seemed to be the logical place to start. It was then Tapsell. He threw up his hands in horror and

said 'I've got nothing to do with it. It's out of my hands'. So he went to Prime Minister Geoffrey Palmer who sent him to then SOE Minister Stan Rodger. 'They sent me away feeling depressed because I felt there was a tremendous lack of knowledge in Government about the implications of doing this. I didn't really have any confidence that the matter had been thought through'...

"Rowling's present interest is in guaranteeing a timber supply for small time manufacturers in his home town of Nelson. 'Surely the Government of New Zealand has an obligation to the people of New Zealand. They talk about jobs, for God's sake. These are the people who provide the jobs in Nelson'..." (*Dominion*, 8/6/90: "Labour takes a chainsaw to forest economics", Alastair Morrison).

One of his last public posts was the chairmanship of the New Zealand-Owned Sawmillers Group, during the unprocessed log export crisis in the early 1990s. Rowling claimed that if logs were processed in New Zealand before export, this would have added $1 billion to earnings and generated 20,000 new jobs. He said New Zealand was turning its back on this:

"for the sake of an ideological purity which has been debunked and, indeed, discarded by every one of our major trading partners...Never before in our economic history has New Zealand been presented with such an immediate and magnificent opportunity...We are asking for Government to get together a coherent strategy for the future of the industry, including a regular planting schedule and control of where the logs go. Forest owners should have to give priority to New Zealand manufacturers" (*Whangarei Report*, 27/7/93; and *Press*, 11/8/93).

For his pains, Rowling drew the ultimate compliment - an editorial attack from the *Press* (25/2/93, "The wood for the trees"):

"Sir Wallace Rowling harks back to socialist roots in his latest call to diminish the right to property. He has been joined in his assault on private ownership of assets by - of all people - a National Party MP, Mr Nick Smith. Coincidentally Mr Smith represents the Tasman electorate and Tasman was once Sir Wallace's bailiwick, so perhaps it is something in the water."

Yes, it was something in the water - common sense. Rowling was fundamentally an honest and decent man, defined within the narrow limits of a conventional politician and old style social democrat. Maybe our recent political history would have been different if he had won an election - maybe Rogernomics and all its pustulent effects would have been strangled at birth. But that's wishful thinking. It would take more than halfhearted principle and an eye on the opinion polls to reverse the course prescribed for us by the ideological fundamentalists. The best we can do is to damn him with faint praise - he meant well but, basically, he wasn't up to it.

OBITUARY
DOUG LAKE

- Murray Horton

Doug Lake, who died in 1995, aged 76, had a very interesting life (to put it mildly). Born and educated in Christchurch, he was one of six sons - one was killed in WW11; the eldest, Harry Lake, became Minister of Finance in the 1960s Holyoake National government (it was his death in office that propelled Piggy into the job). Doug started a lifelong involvement with journalism as a cadet at the *Christchurch Star-Sun*. A BA graduate of Canterbury University College of the then University of New Zealand, he volunteered for the Army when WW11 erupted. He served in the Middle East, spending several years as General Freyberg's personal assistant and working on the *NZEF Times*, the forces' newspaper.

His return to civilian life brought a fateful career move into diplomacy and a posting to NZ's newly opened Legation in Moscow. He spent five years in Stalin's Soviet Union, and travelled extensively in Eastern Europe. He believed Stalin was a great Marxist who made great mistakes. Whilst in Moscow he met and married Ruth Macky, who was the Legation's archivist. Back in Cold War New Zealand in 1949, they continued working for the External Affairs Department but they were being closely watched.

"They left External Affairs when Mrs Lake published an article on life in the Soviet Union, which offended prevailing anti-communist attitudes. The couple were also part of a network set up during the 1951 waterfront dispute to help waterside workers when it was illegal to do so" (*Dominion*, 27/6/95).

In 1954, External Affairs classified him as a "security risk", because of his views on the Soviet Union and his personal contacts there. It was the height of the McCarthyist witch hunt in the US and the Petrov spy case hysteria in Australia. That was the end of his career in the public service. Doug returned to journalism, working for the NZ Press Association as a Parliamentary correspondent, ending up as the night news editor.

In 1962 the Lakes and their three daughters moved to China, living and working there for six years. Doug was a "polisher" ie he brushed up English translations in Chinese magazines such as *China Reconstructs* and *Peking Review*. Ruth taught English; the three girls were all educated there. Doug travelled extensively throughout the country, including Tibet. On that subject he told me (I interviewed him for *Canta*, the Canterbury student paper, in the early 1970s): "Are people interested in one million serfs or a few hundred feudal land owners?" The family was there during the Sino-

Soviet split - he agreed with the Chinese assessment of the Soviet Union as "revisionist". Most fascinatingly, they lived there during the Cultural Revolution. Indeed all three daughters were Red Guards. Doug regarded the Red Guards as "people to be admired" and the Cultural Revolution as an event of breathtaking scope: "A whole nation purposely thrown into a state of political turmoil by its leaders". He wanted to stay there to see it through to its conclusion but his daughters wanted to grow up in New Zealand. The family returned to Wellington in 1968 (in later years, Doug spent two six month spells in China. He was there during the 1989 Tiananmen Square uprising).

This has to be placed in the context of the times. "Red China" was the devil incarnate, with absolutely no contact with the West. It was the enemy and believed to be behind the Vietnam War which was presented as "Communist expansionism which has to be fought there before we have to fight it here". New Zealanders who lived in China then, such as Rewi Alley, were automatically written off as "Commos" and by definition, to be shunned.

So the family got a hard time when they came home. "He was attacked by *Truth* and pilloried on Brian Edwards' first television programme" (*Dominion*, ibid). They weren't frightened off - indeed Sally, the oldest daughter, became an active member of the Wellington Progressive Youth Movement (PYM). But they got swept up in the infighting of the local Left, specifically the mass expulsion of the entire Wellington District from the Communist Party of New Zealand (now the Socialist Workers Party). In his interview with me, he described the Left's greatest problem as fragmentation and sectarianism.

For his first few years back home, Doug worked as a storeman, which he found an education in itself. He and Ruth wrote a 150,000 word manuscript on China - it was never published. Nixon's visit to China magically undemonised the place, so Doug was able to resume his journalism career. By the time of his 1985 retirement, he was deputy chief subeditor on the *Dominion*. Ruth died in 1991 - Doug was devastated. He moved to Nelson to live with Sally and her family.

He maintained an active interest in politics. He joined CAFCA just a few months before his death (he sought me out at a public meeting I addressed in Nelson). At the time of his death, he was in Wellington attending the Fintan Patrick Walsh historical trade union seminar. "Mr Lake was not a banner waver but a man of strong convictions. When the 1981 Springbok tour went ahead, he decided the Rugby Union would get no more of his money" (*Dominion*, ibid). He never attended another game. There was a certain appropriate irony in the fact that he actually died whilst watching the World Cup final on TV - any All Black fan knows how he felt.

Doug Lake's life reflected many of the twists and turns of twentieth century history, not only here but in that most fascinating of countries, China. He experienced both the humiliation of being hounded out of a career and the vindication of being accepted back into mainstream society without having to compromise his views. A very interesting life indeed.

OBITUARY

MAURICE COWAN

- Murray Horton

Waihi is a fascinating place, a town steeped in mining history and the site of NZ's only death in a strike (that of Frederick Evans, bashed to death by cops and scabs during the 1912 miners' strike). The miners are back - courtesy of the foreign-owned Martha Hill Mine, Waihi can truly claim to be the only town in the country to resemble a doughnut. It's got a great big hole in the middle. The mine arouses great passions among the residents and Waihi has a level of political awareness undreamed of by most other Kiwi communities, regardless of size.

It boasts a great local paper, the *Waihi Leader*, produced by mother and daughter team, Annette and Cyndy Bowater. This is the paper that has been the staunchest media backer of CAFCA for years (it might surprise you to learn that it's not owned by Rupert Murdoch). I've spoken there twice - once solo, the other as opening act for Roger Moody. Each time Waihi provided the biggest crowd of the tours and was the highlight.

Waihi, and its passionate battle against the mining transnationals that are intent on devouring it from within, has produced some larger than life characters. None more

so than Maurice Cowan, who died in late 1995, at the tragically early age of 47 (it was a massive heart attack). Maurice was the personification of the campaign against the mining transnational corporations (TNCs). To refresh my memory, I rewatched Vanguard Films' excellent 1989 documentary "Prospects". Maurice is the star and he got all the best lines

- "Welcome to Waihi, Cyanide City" and "It's like putting Dracula in charge of the blood bank" (referring to the mining company being the only authority to assess the effects of its own activities). He pulled all sorts of stunts to annoy the TNCS - my favourite was his "Honest Maurice's Mining Tours" venture. He prophetically urged others to learn from Waihi and stop a rash of mines spreading all over the Coromandel.

He was never a CAFCA member but he didn't need to be. We've had an active alliance with Coromandel Peninsula Watchdog and its Waihi offshoots since the early 1980s. I first met him in 1981, where he fully briefed us in the plumber's basement of his family home. In 1990 he arranged an overflight of Martha Hill for Roger Moody - unfortunately, as the mere road manager, there was no room for me. When I first met him he was deputy mayor. Over the years he was also a Waihi borough councillor, Hauraki district councillor and Waihi community board member. At the time of his death, he had retired from local politics. But he was far from your typical small town politician, and local body politics were only a part of his life.

His friend, Kevin Corney, delivered the most succinct tribute at the funeral:

> "Maurice, of course, was known widely in the community for his vocalness with the mining issue. He wasn't anti-mining, as he told us many times, he was pro- environment. Even more than this, he was anti-Big Brother. He didn't believe in having companies and organisations imposing themselves on people when those people had little chance to have much choice on these impacts to their lives. He felt the mining companies with all the financial resources and so called expert scientific opinion at their disposal were not giving many people in this town a fair deal and so he had done, and was continuing to do, something about it. Even though he was always humorous in his approach to life - even mining matters - we will never know how much this was eating away at him, even contributing to his untimely early death" (*Waihi Leader*, 14/11/95).

Maurice's credibility as a leading opponent of the TNCs was because he was a local born and bred, never having left Waihi for more than a few days. He wasn't an "outsider", a "hippie" or a "greenie", or any of the other epithets. He was a dinkum Kiwi bloke, a family man, a plumber who said of himself: "once I couldn't spell plummer, now I are one" (*Waihi Leader*, 7/11/95). He was a Rabelaisian character. "He always said there were only two things a plumber needed to know - that pay day was Wednesday and that shit doesn't flow up hill" (*Waihi Leader*, 14/11/95). He loved giving everybody a hard time and he drove around with AC/DC blaring on his plumber's van stereo. One tribute, entitled "The humoristic anarchist", included: "I'll miss him farting in my kitchen" (ibid).

Maurice was a whirlwind of voluntary activity, particularly involving the kids of Waihi. He was the driving force behind the local Sea Scouts (I missed him on my last visit there, in 1993, because he was sailing away); roller hockey; and regular discos (over which he presided in a police helmet topped with a flashing light). He was big hearted in every sense. One of the most touching tributes came from John Bokich, the environmental resources manager at the nearby Golden Cross Mine - because his son was in Maurice's Sea Scouts and they worked together on roller hockey. "I am honoured that that I was able to call Maurice 'Mate' and that he accepted me for what I am and did not shun me because I worked for a mine" (*Waihi Leader*, 7/11/95).

His death had a huge impact in Waihi - coverage of it filled most of two consecutive weekly issues of the *Waihi Leader*. A Pakeha, he was accorded the honour of lying in state on the local marae. The funeral itself was attended by over 1,000, which is an enormous number for a small town like Waihi. Kevin Corney's tribute concluded:

> "Yes, folks there are big boots to fill. In fact there will never be another like him. No longer will we hear that van pull up in the driveway, the stereo blaring AC/DC, and the cheery bit of cheek by way of a greeting. There is a new hole in this town, a proverbial hole that is bigger than the famous, or infamous, Black Hole up the road" (*Waihi Leader*, 14/11/95). He had the appropriate last word - commenting on Maurice's wish for his ashes to be scattered off a local reef, Corney said: "It will probably stuff up the the fishing there forever" (ibid).

So Waihi and the Coromandel have lost one of their most passionate defenders from the ravages of the mining transnationals. But if there was one lasting legacy of Maurice Cowan, it was was that he inspired others to get off their arses and get stuck in. His successors will be that much more determined to carry on the fight, because they'll be doing it for Maurice.

Prospects, which features Maurice Cowan, is an excellent 25 minute documentary on the struggle against mining in Waihi and throughout the Coromandel. The footage covers the 1986-89 period, when there were a number of mass direct actions pitting locals against large forces of police protecting drilling rigs. Despite being a decade old, it is still an excellent record of why the mining transnationals need to be kept out of this most beautiful part of the country. The struggle continues undiminished.

It can be hired from CAFCA for $10, including postage.

DEATHS IN THE FAMILY

CAFCA expresses our deepest sympathies to the following members who have suffered losses in their families recently.

To **Sue and Bill Bradford**, whose son Danny died in Auckland, aged 19.

To **Ken and Paul Corliss**, whose brother Geoff died in Auckland, aged 37.

A DAMMED DISASTER
The Golden Cross Mine

- **Mark Tugendhaft**

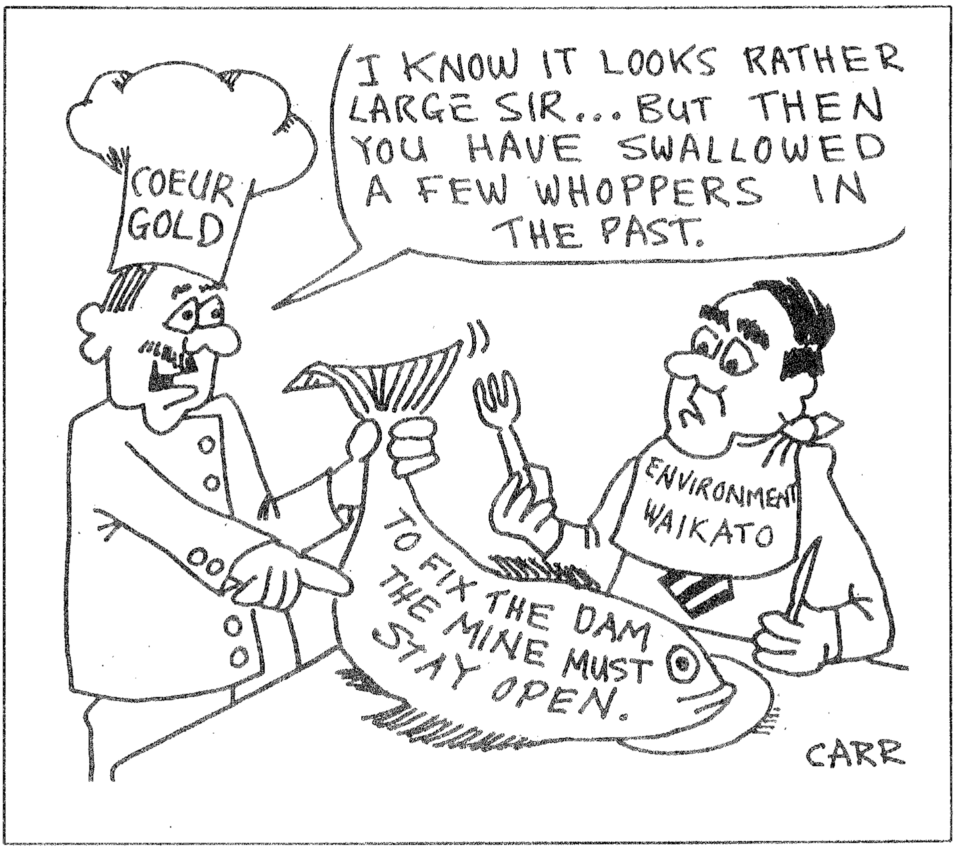
It would be easy to blame the failure of the Golden Cross tailings dam on the Resource Management Act and look there for a solution for future applications. However, the failure in the hills between Paeroa and Waihi is the culmination of the failures of the bureaucrats within the system. These failures are the result of Planning Tribunals and council officials who continue to accept evidence from paid industry witnesses at face value, motive ignored; regional councils made up of old boys with "developers' mindset" and "it's my land" farmers who lack any downstream philosophy.

It began with Think Big and Bill Birch. The United States company **AMOCO** (as in *the AMOCO Cadiz*, of oil spill infamy) began an intensive drilling programme in the area called the "Golden Cross", where there had been several gold mines in the pick and shovel days last century. Coromandel Peninsula Watchdog tried to stop this company that was also making a mess on Great Barrier Island and in the bush near Whangamata. This was 1980, when prospectors had the automatic right to mine and District Court judges were brought up from the West Coast to hear and then reject any and all objections. Needless to say they found gold.

Then, for some reason, they sold their licence to another US company - **Cyprus**. Watchdog fought the new company at every stage. It was at that point, in the early 80s, that the information we gathered showed that the proposed tailings dam was to be built over a number of streams, including an active earthquake fault and sit on land with a geological history of massive ground movement. We failed to impress the council or the appeal judge. Everything we said about land instability, sulphide ore leachates, cyanide, was just blah blah blah from "hysterical" locals, compared to the soothing assurances of the overseas experts who were paid to impress. They got their licence and sold the mine to a third US company - **Coeur Gold**. The same judge who decided that the dam site was safe is now in the process of deciding how much costs to award against Watchdog for challenging this mine's application to use more cyanide and discharge more ammonia. How wrong can decisions be before the question is asked: what is wrong with the system of decision making?

If the expression "pissing in the wind" ever had an application, it is at the moment of objecting to one of these applications. When a "little person" wants to put in a septic tank or another room on a house, there is enough local expertise to deal with questions of water and site stability. However, when it comes to a massive mining operation, council expertise is not adequate. The result is that more than 90% of the information on the subject comes from the mining companies or experts who are totally committed to, and employed by, the mining industry. The remaining 10%, or less, is gathered by voluntary locals or conservation groups. It has no show of winning on the day and is usually seen as nuisance value by council officials.

To finish a long story, there are about four million tonnes of rock, dust and mud containing cyanide, arsenic, cadmium, copper and other metals sitting behind an earth wall unlined dam, perched in the hills and sitting on a 1.5 kilometre block of land that is sliding slowly but steadily downhill right now. There are cracks, seepages and leaks of various descriptions. Government has placed responsibility for the whole thing on the Waikato Regional Council (WRC). Historically, the WRC has been committed to this mine. The company now has a free hand to solve the problem, for as long as it takes, with no guarantee required. In the meantime they can continue mining, at full speed ahead. In fact, the Council is considering legal ways of letting the company discharge more



WHY NEW ZEALAND?

- High mineral prospectivity
- Large, publicly available geological and exploration information base
- Pleasant working and living environment
- Government support for foreign investment
- Low corporate tax rates
- Low royalties on production
- No payroll tax
- No stamp duty on share transactions
- Inexpensive electricity and gas
- A readily available skilled workforce
- Competitive wage cost
- Innovative labour market legislation enables site specific contracts to be negotiated
- Competitive port and shipping charges
- Efficient internal transport and communication system
- Good infrastructure & availability of services
- Currency stability and low rate of inflation
- Political stability
- No change to environmental legislation envisaged
- Good availability of geological and mining consultants and services

New Zealand Country Supplement to *Mining Journal*, London, 14/7/95.

water from the mine to speed the dewatering, while not requiring them to stop putting more into the dam at the same time.

The company says it will "stop the Earth from moving" rather than stop mining. They claim to have to keep mining because putting more tailings in the dam will help stabilise it. That plan just doesn't hold water. The dam is currently rated at a safety factor of .93, which is some 50% less than minimum engineering standards. If the "fix" takes five years to achieve, as is projected, there will be another four million tonnes in the dam. So, if the "fix" does not work, we'll have twice the problem, sort of double or nothing with our environment. In fact, whether it works or not, we will have a problem.

We are not facing just the scenario of a total dam collapse. Just as bad, and much more certain, is that the dam will pollute ground water for centuries after the mine is finished. The draining of all the water from the dam and the entire valley means that the tailings dam will now be a "dry" abandonment dam. This type of dam is recognised worldwide as an environmental time bomb that inevitably leads to ground and surface water pollution. So bad is the world experience with these dams that a bill has been introduced to the Wisconsin legislature, in the USA, which, if passed, will ban all sulphide ore metal mining:

> "until one mine in the United States or Canada can be run without surface and ground water pollution and one mine in the United States or Canada can be abandoned for ten years without surface or ground water pollution".

At a public meeting below the mine site, in February 1996, the tangata whenua and other locals opposed the continued operation of the mine and passed a resolution to close it. Needless to say, it has been ignored by the company and the council. Barring the unlikely move by licensing authorities that the mine be permanently shut down, the site should be closed immediately, drained and proven safe to the highest engineering standards by independent experts, and blessed by the locals before it is even considered safe to put another kilogram of mine crap into it.

Coromandel Watchdog of Hauraki (formerly Coromandel Peninsula Watchdog) can be contacted at Box 51, Coromandel. Ph/fax (07) 8668675

"CLEARCUT"

Price Cut For Last Few Copies

Murray Horton's 98 page booklet on forestry in New Zealand has sold well since its 1995 launch. There are only a few copies left, and as the material is now over a year old, we have cut the price. "Remaindered" is the correct book trade name.

Forestry continues to be a very big story, and one even more dominated by TNCs. Most recently, the Government has announced that it intends selling the Forestry Corporation, which includes Kaingaroa State Forest, the jewel in New Zealand's forestry crown. Likely bidders are headed by US behemoth Weyerhaeuser, one of the world's biggest forestry TNCs, and one which is anxious to get a foothold in this country's booming industry. Other forestry TNCs continue to embed themselves here - see elsewhere in this issue for stories on Wenita, et al.

Copies of "Clearcut" are available for $5 (CAFCA members and bookshops) or $10 (for the public). Send cheques and orders to CAFCA, Box 2258, Christchurch.

ALTERNATIVE FORUM ON FREE TRADE PLANNED FOR JULY

From The Big Picture, February 1996.

From July 14-16, the APEC (Asia Pacific Economic Cooperation) Trade Ministers Meeting will take place in Christchurch Town Hall. GATT Watchdog (GW) plans to organise a two day alternative forum enitled "Trading With Our Lives: The Human Cost Of Free Trade". Some of the areas the forum aims to look at will include: free trade and colonisation; indigenous rights; free trade, labour rights and standards; women and free trade; the role of transnationals and the erosion of economic sovereignty; market reforms - the New Zealand experience; links to the global picture.

Needless to say, it will cost money to organise and publicise. Given the enormous implications of the free trade agreements that the Government has entered into and the corresponding lack of space for concerned people to come together, talk and strategise on these issues, and because New Zealand will host the 1999 APEC Summit (in Auckland), we think it is vital to inject some momentum into opposing what is going on.

GW has already received expressions of interest in attending an alternative forum from overseas contacts, and hopes to raise enough money for three international airfares as well as all the other costs associated with the conference. The idea is not to engage APEC itself in discussion - many regional NGOs and other organisations have strongly voiced the view that APEC is anti-democratic, lacks political legitimacy and that we do not wish to be given some sort of "consultative status" within it. But our forum will be the one where the real issues get talked about - not just the statistics of economic growth and the rhetoric of economic cooperation. It will link into the hard work which many people throughout the Asia/Pacific region and indeed, the world, are doing to build fairer alternatives to the current free market madness which is so in vogue with politicians and big business. GW will be applying for funding from local and overseas agencies. But it would appreciate any support that you might be able to give.

CAFCA fully supports this alternative forum; we will put money into it; and will be actively involved in organising it. We urge our members to support it in any practical fashion, including attending it.

For more information or to make a donation, write to:
Alternative Forum Fund,
GATT Watchdog,
Box 1905, Christchurch, NZ.

TRADING AWAY THE ENVIRONMENT?

In Aotearoa/New Zealand, there is a yawning gap in the field of critical research studies on the negative implications of the General Agreement on Tariffs and Trade (GATT). However, one important study should certainly be read by those interested in the subject. This is a thesis written by Victoria Owen, a student at the Centre for Resource Management, Lincoln University. Titled "Trading Off The Environment?", this thesis might be an academic paper but it is still a very readable document. It is 96 pages in length, including appendices and references.

With the establishment of the World Trade Organisation (WTO) to succeed GATT, official rhetoric has sent a stream of smokescreens into the air to try and obscure any clear scrutiny of the meaning of GATT. But Victoria, writing in 1994, aptly observed:

"Findings suggest that GATT is already impacting on our options for environmental policy in New Zealand, with the Government reluctant to employ environmental measures that contravene GATT rules. This was highlighted when the Government declined to implement a ban on the import of refrigerators made with CFCs, citing GATT commitments as the reason for the decision. The Government has also withdrawn a ban on the import of potentially disease carrying bovine genetic material, on the basis of GATT obligations (p. 72)".

Victoria goes on to note that "it is important for all New Zealanders to recognise that trade agreements are no longer just about trade but they are significant determinants of domestic health and environmental policies (p. 73)"

"Trading Off The Environment" includes chapters on the background to the acceptance of GATT in Aotearoa/New Zealand; GATT's interactions with environmental policies; and the implications of GATT for national environmental policy. In the last-mentioned chapter, Victoria looks at, among other things, issues such as the "least trade restrictive criterion", scientific justification, risk assessment and harmonisation.

This very worthwhile paper can be obtained from the
Centre for Resource Management,
Box 56, Lincoln University,
Canterbury. Ph (03) 3253841.

GATT GONE

Watchdog's **No Longer A Small World: We Recommend** *The Big Picture*

Since 1991, every issue of *Watchdog* has featured a sizeable chunk on GATT and all related aspects of the free trade issue. In the last couple of years, we formalised the arrangement and gave it one third of the space in each issue. The writer has been **Dennis Small**.

Alas, no more. In 1996, Dennis is training to be a secondary teacher and has no time available to write for *Watchdog*. Being realistic, he's highly unlikely to have time either when he starts teaching. That leaves two regular *Watchdog* writers - Murray Horton and Bill Rosenberg. Neither have the expertise nor, most importantly, the time to replace Dennis' section. That doesn't mean that *Watchdog* will get any smaller, just that it will be full of other things.

What it does mean is, that for the foreseeable future, *Watchdog* will be publishing little or nothing on free trade. Dennis is not lost to CAFCA - he remains a committee member. Nor has he finished writing about GATT. His CAFCA project for the past couple of years has been researching and writing a book on trade and the environment (working title "Free Trade Attack"). This is a major publication - the manuscript is over 200 pages; it is finished and, all going well, we aim to launch it at the July alternative forum on free trade (see above for details).

But if you want to continue getting the goodies on GATT, we recommend that you subscribe to The Big Picture, the quarterly publication of GATT Watchdog. It costs $15 or $10 if you're unwaged.

Send cheques to: GATT Watchdog, Box 1905, Christchurch, NZ. Specify that it is payment for a sub to The Big Picture.

"A BEGINNER'S GUIDE TO FOREIGN CONTROL"

Murray Horton's Speech Available

For the past three years, Murray Horton has travelled extensively throughout the country delivering a speech entitled "A Beginner's Guide to Foreign Control". He makes sure that it is continously updated. But at nearly 30 pages it's far too long for us to consider publishing, even in such a longwinded volume as *Watchdog*.

That's why we have decided to make copies available to members who request them. It covers: the global context; foreign control in Aotearoa; myths about foreign control; future trends; GATT; and what we can do about it.

You can order it from CAFCA. Enclose $5 to cover copying and postage.

CHEQUES

Please Make Them Out Correctly

At the beginning of 1996, a new law came into effect tightening up the acceptability of cheques. If they are marked "not transferrable", then they can only go into the bank account of the person or group named on the cheque. They can not be signed over. If they are incorrect, we have to return them to sender, with a request that s/he start again.

We have received, and continue to receive, cheques intended for CAFCA but which are made out to *Watchdog* (no such bank account), or Murray Horton (thank you very much but no thank you). In the past they could be signed over to CAFCA. That is not possible now. Another organisation (not CAFCA) actually received a cheque made out to ASAP (the sub slip said: "Please send your cheque ASAP to...")! All in all it's a hassle and not one of our making.

Please ensure that your cheques, for subs, donations, purchases, etc, are made out to CAFCA, and nobody else. If you wish to make a donation towards Murray Horton's pay, then make your cheque out to the CAFCA/ABC Organiser Account (which is a totally separate account).