

LETTERS

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Get real about state of the economy

RECENT news tells of continuing trade deficits, with the figure in June blowing out to \$692 million.

From a layman's perspective it seems fundamentally flawed financial management by yet another government clinging dogmatically to the free-market dogma introduced in 1984 by Roger Douglas.

From 1984-93 New Zealand's foreign debt quadrupled. Yet Douglas was knighted.

And it tore the solid social fabric of NZ to shreds, giving birth to an increasingly aggressive and arrogant society.

Economically it was a disaster, ramping up debt by borrowing to disguise the fiscal erosion.

My understanding is exports are a country's earnings and imports its expenditure.

The difference is either trade surplus or trade deficit.

Yet NZ constantly runs a trade deficit. No sensible farmer, business, or urban householder would operate at a continual loss, with increasing debt and increasing the likelihood of bankruptcy as the inevitable result.

NZ floods its retail business with cheap imports – frequently non-essential, unnecessary items and just wasteful extravagance – like there's no tomorrow.

It results in and gives life to rampant consumerism and a lack of saving by the public.

NZ manufacturing cannot compete with production from countries using "slave labour" wages.

Our exports are still in a time warp based around the commodity syndrome, ignoring the need for added value.

Adding value to commodities such as logs and wool would provide manufacturing and processing opportunities and employment.

Overall the free-market ethos is driving NZ further into debt.

Basically, under its free-market

mantra NZ operates by spending more than it earns (exports versus imports) and gambles forlornly that the dollar rate is favourable (Lotto syndrome), while government departments and local government spend crazily to use vote-allocation money to get the same or more next financial year.

To the public's confusion, "smoke and mirrors" spin is generated by politicians, as has and is being done by Prime Minister John Key and Finance Minister Bill English.

The "rock star economy" is a myth – a figment of their free-market indoctrination.

The reality is the National-led coalition Government has borrowed on average \$27m a day since taking office.

Thus debt has gone from \$10 billion to about \$60b.

The Treasury predicts net debt is forecast to increase every year until 2018, when it will be close to \$68b.

And yet the Government has signed a free-trade agreement with China and looming is the Trans-Pacific Partnership.

When will governments get real and honest about the true state of the economy?

When will they realise the financial futility and fallacy of the free-market dogma?

Tony Orman
Marlborough

"MARLBOROUGH EXPRESS"

17.9.14

LETTERS TO THE EDITOR

Economic plan

I see in the Greypower* paper John Key sets out points for his economic plan.

1. "We'll live within our means".

Methinks – Eh? This government has been borrowing at \$27 million a day? Living within our means? Yeah, right.

2. "We'll start paying off debt."

Methinks – But Key and English made the debt, borrowing \$27 million a day. So they'll switch from borrowing to paying off debt just like that, eh? Yeah, right.

Well I reckon National's TV ad of a rowing eight is pretty bang on. The rowers are facing the wrong way, not looking where they are going. One guy is telling them where to head for.

Sounds all "directionless" to me.

Yeah, and they could be rowing to China to sign up another free trade deal?

NEIL WILSON
Blenheim