



Molesworth & Featherston In The Loop

Lobby Edition, 14 April 2005

John Tamihere gets a reprieve for now, but we think he's more or less done as a Labour MP now. Treasury tells ministers the economy has peaked, but doesn't seem to have a care in the world about the current account monster in the closet. Our new aid agency gets an international tick of approval. Gerry Brownlee writes in Latin about the merits of choosing pleasure over pain...and a round up of media tongue wagging.

It's all in this week's complimentary Lobby Edition of Molesworth & Featherston.

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Stress, unleavened

The handling of the Tamihere saga continues to make mugs of Labour's supposed finely-tuned spin machine. Here is a man who has rubbished almost everything Labour has passed, elected or stands for and he is now, we are told, to be censured, sent off for three weeks to contemplate his navel – if not his “front-bum” – and then return a better and wiser man. That, only hours after Labour was huffing and puffing about getting him to go quietly and insisting he would not come to caucus – only to have him defy the Prime Minister and the party and turn up anyway.

Questions still remain over how Labour's women, unionists and gays can work with a man who holds the strong views he does. The short answer is they can't and Wairarapa MP Georgina Beyer's words as she went into Tuesday's caucus – that she does not trust “the man” - will continue to hang in the air despite any supposed reconciliation. Mr Tamihere may have won this round and muscled his way back into caucus to register his apology, but he must be dog tucker in the party long term.



Economy slows

New Zealand's account with the rest of the world may be in record deficit, but there is no tone of concern in Treasury's latest advice to Ministers.

In its monthly economic update it told Ministers the current account deficit – at a bone-rattling \$9.4 billion, or 6.4% of GDP – 'was mainly driven by profits of foreign owned firms in New Zealand being greater than profits of New Zealand owned firms offshore'. Well that's alright then.

Meanwhile Treasury says despite some evidence the economy bounced back a bit from slow growth at the end of last year, 'economic growth peaked in 2004 and while remaining positive is likely to slow over 2005.'

Many firms are experiencing higher costs for raw materials, transport and energy costs – though, suspiciously, there is no mention of higher labour costs, even though Treasury reports businesses say it's hard to find skilled or unskilled staff.

Aid review

The government's aid spending is likely to be criticised for being mean-spirited when a 'peer review' of New Zealand's aid efforts is released on Friday. Although New Zealand overseas aid increased by 8.2 percent last year, our spending on aid as a proportion of GDP is near the bottom of developed countries.

The emphasis on the Pacific for our aid is likely to get the thumbs up. Observers will watch to see whether further reductions in the number of countries we deal with are called for.

Not addressed in the review – but needing more thought – is whether government aid is the best tool for ending poverty. India and China have lifted tens of millions of very poor people out of poverty in recent years, and aid has had very little to do with it. Trade played the central role.

Globally, official aid last year increased to the highest ever level, US\$78.6 billion, up 4.6 percent in real terms from the year before. The sum amounted to 0.25 percent of donor countries' gross national income. New Zealand donates 0.23 percent.



Don's Diary

"Pleasant lunch at Micky The Spic's with Ian Wishart, a well-turned-out but strangely intense young man. Was prepared for an interview but he seemed happy just to chat."

More from this week's satirical look into a leader's diary is now online here:

<http://molesworthandfeatherston.info/satire/>

Media tattle

Is that revolution in the air? We hear that freelance journalists are gathering in corners to talk about establishing some bottom lines on rates and copyright issues. (We can hear our publishers muttering something about horsewhipping the blighters).

Hawke's Bay Today news editor Laura Franklin will take up the editorship of the Whangarei daily the Northern Advocate on May 11. Its APN stablemate, Rotorua's Daily Post, however, is still looking for an editor to replace Karyn Scherer, who leaves on April 22 to return to Auckland as deputy editor of the Herald on Sunday.

We hear that the Magazine Publishers Association's magazine of the year award has been renamed the "up yours Metro and North and South prize" by delighted Listener journos. Their new leader, editor Pamela Stirling, is said to have made a long and stirring acceptance speech.

The good folk at NZPA are waiting with bated breath to see what the restructuring of the organization on commercial lines will mean for their jobs – and just what CEO Lincoln Gould meant when he implied there would not be major (does that mean minor?) redundancies.

We hear the Herald on Sunday will need to re-stock its two-person gallery-based political team with some urgency if the election is, as expected, in September. Before then national affairs reporter Leah Haines is due for some maternity leave and political editor Jonathan Milne is heading away too.

We have not been so crass as to count the pages lately, but has anyone else noticed that the Independent business weekly is still perfectly formed but is rather small?

Ministry of Fisheries communications manager Alan Meek is reportedly leaving to return to the Emerald Isle. He was NZ Post communications supremo for many years.

Economics and politics intelligence



Latin lover...

“Which of us ever undertakes laborious physical exercise, except to obtain some advantage from it?” National MP Gerry Brownlee asked in a newsletter he sent out last week.

Good question, Gerry. Brave from you. He even wrote it in Latin.

According to a translation we read, his newsletter went on, “In a free hour, when our power of choice is untrammelled and when nothing prevents our being able to do what we like best, every pleasure is to be welcomed and every pain avoided. But in certain circumstances and owing to the claims of duty or the obligations of business it will frequently occur that pleasures have to be repudiated and annoyances accepted,”

Our expert kremlinologists are asking whether this is a veiled criticism of the leadership.

Fine Print

Molesworth & Featherston spills the dirt on MPs, colleagues and rivals every week.

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Every Tuesday the Governor’s Edition of Molesworth & Featherston brings to your email inbox fresh perspectives on political and economic developments inside the loop. Full results from the rolling average poll of polls, the Cabinet agenda and the week’s news diary, media tattle and more depth. You can read more in the Governor’s Edition.

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