



Molesworth & Featherston In The Loop

Lobby Edition 17 February 2005

A new satirical feature begins this week, peering into the personal diary of one of our leaders. Australian Ministers arrive for annual talks on integration of the Trans-Tasman economies and we have a look at the agenda. The Greens adopt an election year strategy while annoyance with the government appears on the radar screen over manufacturing and the China trade talks. All that and a current affairs presenter with military pretensions in the free Lobby edition of Molesworth & Featherston, an abridged version of our full Governor's edition.

Open all hours

The prospect of open Trans-Tasman investment will be on the agenda when the Australian and New Zealand finance ministers meet on Thursday.

Since 2003 senior Ministers have met every year to discuss a single Australasian economic market.

This week Australia's Peter Costello and our Dr Michael Cullen are likely to give officials the go-ahead to start work on a proposal for a free investment regime.

With very few impediments to Australian investment in New Zealand now, the removal of remaining restrictions would touch sensitive issues — such as what to do with sensitive land.

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Greens go slightly Red

The Greens firmed up their election year plans at a campaign conference in Otago over the weekend. The main themes:

- The party is aware that fighting with Labour in 2002 cost them votes and the chance of being in Government. So they will express clear support for a Labour-led Government.
- There are votes to be had on the left now that the Alliance has all but disappeared and the Progressives have shrunk away. So expect a very firm pitch to the working poor, beneficiaries and students.
- Those votes will come from the left of Labour and beyond, so there needs to be a strategy to attack and attract those votes without getting too offside with the
- Government and Helen Clark. Labour's other potential options were dismissed as 'backward looking, prejudiced and divisive'. The remainder was unadulterated Labour lashing. But the reaction from PM Helen Clark – slight annoyance but tolerant and dismissive – shows she understands the name of the game.

Unions not civil on China FTA

Growing impatience with the government's handling of manufacturing is emerging, with fears rising over the effects of a China free trade deal.

The EPMU wants a manufacturing summit – something they have been promised by the government but are yet to see any prospect of.

Officials object to the prospect of a summit – why one for manufacturing it has argued, and not other important sectors? Why treat manufacturing as a single sector, when in reality it is diverse with many sunset components and varying export potential? Unions are already very irritated they have been locked out of the negotiating front-line in the

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China FTA. Influential manufacturing businesses (and some high value intellectual property-owning businesses) are increasingly sharing their worries.

The Leaders' log

SATIRE! (in case you needed to be told).

This week we begin a new irregular feature peering into the nooks and crannies of a certain leader's diary.

Have decided to keep a diary. I might not have time when I'm PM and it will be handy when I come to write my memoirs.

Feb 6 10.30pm

Why did I go to Waitangi? What was I hoping to achieve by going on to that marae? Why did nobody tell me it was fancy dress. Felt a right fool in my ordinary suit sitting between Tony Soprano and Che Guevara. Turned out to be Brian Tamaki and Tame Iti. Tamaki uncommunicative. Wouldn't tell me where he hired his suit. Iti much more friendly. Invited me to visit him and do some shooting.

Feb 7 9pm

*To bed early with cocoa and *From Third World to First: the Singapore Story from 1965 to 2000* and *Lee Kuan Yew: Favourite Recipes and Cocktails*. Woken at 9.12pm by Gerry (Brownlee - deputy leader). Katherine Rich missing. Had rung police but made it a 111 call so it won't get out for days.*

Feb 8 3.30pm

Katherine turned up. Has decided to go with Bill (English - former leader). But will not make announcement until after election. Hair appointment: trim sides and back, nothing off the top.

Feb 9 9.45pm

To doctor for six-monthly check. Again, nothing to worry about, keep taking the pills etc Hate having my blood pressure taken. Never forget the routine blood pressure check I had at the bank and they found I didn't have any.

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Eventually traced to a hydraulic fault in gauge but not before mad panic in case it should get out and unsettle the markets.

Feb 11 1.00am

Can't sleep. Tried counting sheep in quarter percentage points. What I am I going to put in this bloody speech? Then remembered I'd already made it. Honestly, when you talk to as many Rotary clubs as I do every week you're bound to lose track.

Feb 12 9am

Eventually drifted off and dreamed I had gone to heaven, which I must say, looked identical to Singapore. Spotless streets and No Spitting in the lifts.

Come on Murray, tell us your secret

If National strategist (and close adviser to the leader) Murray McCully is on something, we want to know if we can get some too. In his latest newsletter he cited the suggestions of cynics (name them and shame them Muzza!) that the Health Department's "Hubba Hubba" advertisements promoting condom use – including one showing a couple of cartoon blokes kissing - sent a subliminal message that homosexuality "is officially endorsed by the Government of the land". Then Mr McCully called the extremely serious political-watcher and columnist for the NZ Herald Colin James a leftist commentator. What? You mean James of the Hugo Group? James the friend of free trade? James the lover of the Economist? Surely some mistake.

General Mayhem

Paul Holmes told Steve Braunias, in an interview he may regret, he enjoys history. "History is what I read. I've developed from that a good sense of not being panicked by the moment, and understanding long campaigns, and long hauls. I'm particularly interested in aspects of the American civil war. I do sometimes think of strategies in a military way. I'm very interested in General Robert E Lee."

The insight is uncanny. Consider the spooky parallels:

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- As a cavalry officer in the American Revolution, General Lee earned the nickname 'Light Horse Harry.' As an interviewer on radio and TV, Paul Holmes has earned the nickname 'Light Horse Harry.'
- General Lee was a waka-jumper who declined the offer of commanding the United States Forces during the American civil war and instead took command of rebel forces. Paul Holmes is a waka jumper who declined the offer of another year in command of the most powerful current affairs army in New Zealand and went over to a rebel channel.
- General Lee fought for the rights of racist slave owners. Paul Holmes thinks the Secretary General of the United Nations is a cheekie darkie.
- General Lee's army was always outnumbered, out gunned, and often in a poor position to attack or defend. Prime Television is...let's say it's not in a prime position to attack or defend.
- General Lee was seen by many as a traitor who should have been imprisoned and hanged. Paul Holmes... oh this is too easy.
- General Lee finally surrendered to a superior general, Ulysses Grant, in April 1865. John Campbell's TV3 programme begins in April 2005.

Comments, corrections and complaints

Daryl Hall of the Industry Training Federation responded to our commentary last week on the prospect of government-established education-savings funds.

"You said "New Zealand is not facing an explosion in tertiary numbers", but that is precisely one of the key issues. We've gone from 296,204 students at public and private providers in 1999 to 428,068 in 2003 - a 45% increase. And that doesn't count industry training where we've also seen very large increases."

We accept the point, although the comment about savings funds addressed future growth, which will not be anything like this rate.

We also received a copy of the Act Party Letter, telling readers to have a look at our site even though 'Molesworth & Featherston doesn't break many stories.' We would like to welcome the several dozen new subscribers.

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Mentioned in this week's Governor's Edition...

Peter Costello, Dr Michael Cullen, Pete Hodgson, Jim Anderton, Helen Clark, Norm Kirk, Phil Goff, John Howard, Alasdair Thompson, Rodney Hide, Murray McCully, Colin James, Dita De Boni, Ali Ikram, David Lomas, Fran Tyler, Alan Walley, Russel Norman, Paul Goldsmith, Andrew Shaw, Paul Holmes, Irene Chapple, Steve Braunias and General Robert E Lee.

There is more on the stories in the Lobby Edition. Contact Energy keeps the pressure on Transpower and the government over new transmission lines and keeps other potential investors wondering whether to build new capacity with its announcement of a hundred megawatts of new generation capacity. National is closing on Labour at a snails pace in the exclusive rolling poll of polls. Cabinet this week approved a number of Budget decisions and gave the nod to changes to the benefit system as well as a list of discussion papers. We look at the quality of advocacy from business and ask if it shouldn't be better. Plus there's media tittle tattle from TVNZ, NZPA, the Dominion Post, The Greens, the National Party and Prime TV.

All available only to Governor's Edition subscribers...

Fine Print

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