Al Gore's New Zealand model: 'reinventing' corruption, genocide

by Allen Douglas

One of the "four poisons" which Vice President Al Gore is spreading, in his attempt to wipe modern civilization from the face of the Earth, is that of "reinventing government"—that is, eliminating national sovereignty, by slashing or privatizing government functions out of existence (see *Feature,* "To Defeat Impeachment, You Must Defeat the New Confederacy," by Lyndon LaRouche). Gore brags that his "National Partnership for Reinventing Government," a 50-person task force he has headed since 1993, has already eliminated 351,000 U.S. Federal government employees. Now, he is going global.

On Jan. 14-15, Gore and his task force will sponsor a conference, "Global Forum on Reinventing Government," at the U.S. State Department, with 45 countries participating. This will be followed by a related conference at the State Department in February for 65 countries, titled "The Vice President's Conference on Fighting Corruption."

Both conferences will feature, as the model for all governments, the package of "reforms" implemented by the Commonwealth nation of New Zealand (population 3.4 million) over the last 15 years. Gore's "Reinvention" task force crows on its website that it has developed a sweeping "corporate model" for privatizing most government functions, "based on the New Zealand experience for spinning off revenue-generating government agencies." As one of Gore's task force members recently gushed to a reporter: "If you know the New Zealand model, it is *truly awesome* what they have accomplished. They said, 'We have to reinvent *everything* about this place,' and they did. They . . . revamped the entire government from top to bottom, and it's humming like a top, and the country is succeeding economically, and it's *amazing!*"

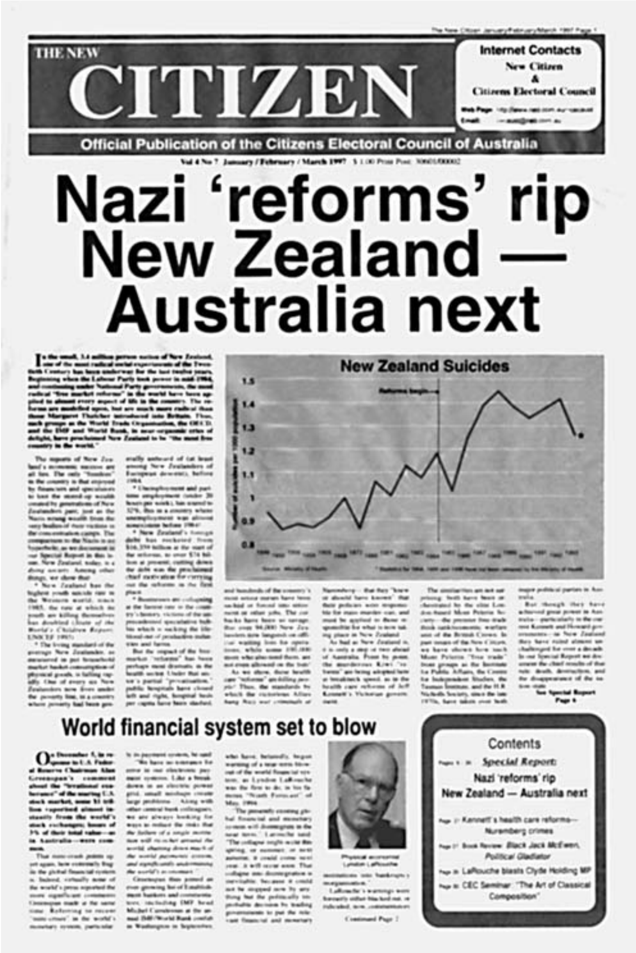
New Zealand is, indeed, a brilliant case study of what the Anglophile lackey Al Gore is doing to America, and to the world. While New Zealand's savage "free market" reforms far surpass even those of Margaret Thatcher and Tony Blair's Britain, and have left the country in ruins, the reforms have provided a small fortune for those who designed them—associates of the Mont Pelerin Society, the chief economic warfare unit of the British Crown. Gore's New Zealand model is also beloved of the International Monetary Fund (IMF) and World Bank, which have paid New Zealand politicians to fly all over the world to spread its free-market poison, including to Germany, Russia, Brazil, Argentina, Mexico, Pakistan, Canada, Peru, Vietnam, South Africa, Singapore, and Australia.

The New Zealand experiment

In the second half of 1996, the Citizens Electoral Council, the Australian associates of Lyndon LaRouche, conducted a study of the "New Zealand model," already then touted as the world's greatest success story of radical free trade. Based upon statistics supplied by New Zealand government departments (that is, what was left of them), amplified by visits to the country, and by hundreds of hours of discussions with New Zealanders at all levels of politics and government, LaRouche's associates published their findings in the January-March 1997 issue of their quarterly journal, the *New Citizen*. (These results were summarized in *EIR,* June 13, 1997.) Bearing in mind that things have gotten *much worse* in New Zealand since then, that study showed, among other things, that:

- New Zealand had the highest youth suicide rate in the Western world, a rate which had doubled since 1985. That rate has continued to climb, and, additionally, some 28,000 young people now flee the country each year.
- The living standard of the average New Zealander, as measured in per-household market-basket consumption of physical goods, had plummeted, and one of every six New Zealanders was living under the poverty line, in a country where poverty, at least among New Zealanders of European descent, was virtually unknown before 1984.
- Unemployment and part-time employment (under 20 hours a week) had soared to *32%,* in a country where unemployment was almost nonexistent before 1984.
- The country's foreign debt skyrocketted from NZ$16.359 billion in 1984 to more than NZ$74 billion, despite the fact that debt-cutting was *the chief proclaimed motivation for carrying out the reforms*.
- Businesses were failing at the fastest rate in the country's history, a rate which has since accelerated, now that New Zealand has *officially* plunged into recession.

The study also showed two other phenomena to be most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The New Citizen*, newspaper of the Citizens Electoral Council in Australia, was the first to blow the whistle on the fraud of the "New Zealand model."*

characteristic of the "reforms": a level of corruption which would make the proverbial "corrupt Third World dictator" blush, and savage cuts to health care, such that the New Zealand government has begun *systematically murdering its own citizens*—just as Nazi Germany did—by withholding urgent medical treatment.

The City of London's 'New Labor'

In the 1930s, New Zealand's first Labor government responded to the Great Depression by nationalizing its Reserve Bank, creating a comprehensive welfare system, and directing economic development for full employment. This dirigist tradition continued under both major parties, Labor and National, through the reign of National Party prime minister Robert Muldoon (1975-84), who responded to the impact of a weakening, post-1971 global economy upon his country, by instituting a series of what he called "Think Big" infrastructure projects.

Muldoon's dirigist defense of the New Zealand economy enraged a small cabal of free-market ideologues, who schemed to overthrow him. The cabal included key figures in the Reserve Bank and Treasury, and a handful of businessmen and politicians. The political vehicle for this group was the "new" Labor Party, a bunch of counterculture baby boomers who had taken over the traditional Labor Party, and who were infected with the anti-science, anti-industry, anti-nuclear cultural rot which spread globally, as part of the after-shock of the 1962 Cuban Missile Crisis.

The principals in this "reform" cabal numbered no more than 20 or so, and almost all were educated either directly by the Crown's Mont Pelerin Society, or by its sister institutions, the IMF and the World Bank. These included: Roger Douglas, the cabal's chief politician, who became the all-powerful Finance Minister after Muldoon's overthrow, and after whom the reforms became known as "Rogernomics"; Roderick Deane, the Deputy Governor of the Reserve Bank, who had been an Alternative Executive Director of the IMF from 1974-77; Roger Kerr, a member of the Mont Pelerin Society, and the chief architect of the Treasury's "Economics II" program, later known as "Rogernomics"; Doug Andrew, a member of Kerr's Treasury group and a former World Bank staffer who helped tutor Douglas in economics; Alan Gibbs, a member of the Mont Pelerin Society, and the éminence grise behind his close friend Douglas; Bob Jones, property speculator and political activist; and Ron Trotter, chief executive of Fletcher Challenge, the country's second largest corporation, and chairman of the all-powerful Mont Pelerin front, the New Zealand Business Roundtable.

Cabal member Bob Jones, a patron of the U.S.S.R.-New Zealand Friendship Society and an occasional visitor to KGB headquarters in Moscow, formed a new party, which, as intended, split the "conservative" vote, and drove Muldoon from power in mid-1984. Even before that, Douglas, as Labor's shadow Finance Minister, "accidentally" leaked a document which signalled his intent to devalue the New Zealand dollar, provoking a run which forced Muldoon to devalue it by 20%. The devaluation provided tens or hundreds of millions in profits to insiders who had speculated against their own currency—a pattern of looting which has characterized the "reforms" from then on.

As soon as the "new" Labor took office, it implemented the script written by Treasury official Roger Kerr, one of only four New Zealand members of the Mont Pelerin Society: the float of the New Zealand dollar, the abolition of interest rate and exchange controls, a massive tax reform for the rich, the abolition of tariffs and other protective measures for agriculture and industry, and the privatization of huge sectors of the state, including health care, airlines, railways, energy, and ports, among others.

The Crown's Mont Pelerin Society

As part of its New Zealand exposé, the *New Citizen* published an interview with Lord Ralph Harris of High

Cross, who was for many years the secretary of the Mont Pelerin Society, and the longtime head of its chief think-tank, the Institute for Economic Affairs in London. Asked about Mont Pelerin's input into the New Zealand reforms, Harris sketched the key role that its four New Zealand members had played, concluding: "You see, it is relatively small numbers of people. I say this rather nervously, because it sounds a bit conspiratorial. But it wasn't at all!" Harris also noted that Mont Pelerin and its institute designed Thatcher's economic program, for which Harris and several of his associates were knighted, including, most importantly, Mont Pelerin founder Friedrich von Hayek, whom Queen Elizabeth dubbed a "Companion of Honor," one of only 60 such Companions worldwide.

Mount Pelerin's history speaks for itself. In 1944, von Hayek authored a raving tract against sovereign nation-states, titled *The Road to Serfdom,* in which he lamented that the ongoing war had strengthened nation-states, which, he said, must be broken up into "smaller peoples," to be ruled by a one-world empire at the top: "An international authority which effectively limits the powers of the state over the individual will be one of the best safeguards of peace," he wrote. In 1947, von Hayek gathered a number of his associates, many of whom, like himself, were from the old European nobility (and some of whom had supported Hitler), on the slopes of Mont Pelerin, Switzerland, to found a new society. The society, he said, would implement the aims of his book through the "free-market" economics of Adam Smith, David Ricardo, Jeremy Bentham, and other British "liberal economists."

The new society soon moved to London, where, throughout the 1950s, the chief financier of its campaigns for free-market economics was City magnate Harley Drayton, *who managed the private fortune of the Queen*.[1]

This, then, was the political and financial muscle arrayed behind Mont Pelerin's mere four members in New Zealand: multimillionaire Alan Gibbs; Roger Kerr, the Treasury bureaucrat who wrote the reforms, and who later became executive director of Mont Pelerin's main New Zealand front group, the Business Roundtable; National Party MP Ruth Richardson, who replaced Douglas as Finance Minister when an enraged electorate drove Douglas and his Labor Party from power in 1990; and Simon Upton, who, as National Party Health Minister in 1990, initiated the savage health care reforms that are now decimating the population.

Corruption, Inc.: the Business Roundtable

Al Gore, through his work for Prince Philip's Transparency International, has been crusading against "corruption." Perhaps, then, he should examine the New Zealand model he is promoting, in particular the country's most powerful private lobby, the Business Roundtable, now run by Roger Kerr, which has been the chief lobbying force for the reforms since Douglas took power. The Roundtable is an awesome force in New Zealand. As the Nov. 12, 1986 *New Zealand Herald* observed of its board members: "Among them, these 32 men help to control 76% of the country's newspaper circulation, the bulk of the private radio stations, the biggest bank, the biggest exporters of meat and horticultural produce, the biggest rural servicing conglomerate, the three biggest forestry companies, the two biggest supermarket chains, both brewery companies, and a sizable chunk of the rest of the manufacturing, finance and other sectors."

Though it ceaselessly proclaimed its altruism in advocating the "reforms," the Roundtable's own members were the overwhelming beneficiaries of the destruction of the economy, which they so fiercely advocated: Firms associated with the Business Roundtable ended up with NZ$12.542 billion of the NZ$15.233 billion in former state assets, which had been dumped dirt-cheap. Meanwhile, Treasury and Reserve Bank "public servants," joined by numbers of pro-reform politicians, took up plum positions with the firms they had just privatized, sometimes at salaries of more than NZ$1 million a year.

In particular, Roundtable chairman Ron Trotter and his family made out like bandits. Trotter's son, W.R. "Bill" Trotter, was the managing director of the local branch of Crédit Suisse First Boston, known as First NZ Capital. First NZ Capital produced more free-market reports, performed more consultancies, and advised more privatizations in New Zealand over the 15 years of the reforms, than any other company, making tens of millions of dollars in the process. Mont Pelerin member Alan Gibbs made out quite well, also. Between 1984 and 1997, his personal wealth soared from NZ$46 million to NZ$200 million, making him the fourth richest person in the country.

Health care reforms: Nazi genocide

It is difficult to know what attracts money-loving Al Gore more to the New Zealand "model"—the billions looted through privatization and free trade, or, given Gore's Hitler-like commitment to "population reduction," New Zealand's Nazi-style health "reforms."

In 1938, New Zealand was internationally acknowledged to have the most comprehensive social security system in the world, which included free family doctor, hospital, and maternity services. This system remained largely intact until the late 1980s, when, at Roger Douglas's urging, it began to be decimated through privatization and savage budget cuts. Two recent examples perhaps best capture the Nazi outlook

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1. For documentation on Drayton's role in financing the 1950s Mont Perlin/IEA "free trade" lobby in London, see *Thinking the Unthinkable: Think-Tanks and the Economic Counter-Revolution* by Richard Cockett (New York: HarperCollins, 1994). Drayton, using the Queen's funds, also set up the multinational Lonrho, which, under the late Tiny Rowland, savagely looted Africa beginning in 1961. See *The Ugly Face of Neo-Colonialism in Africa,* by an EIR Investigative Team, (Washington, D.C.: EIR, 1993).

which destroyed it.

- On Oct. 12, 1997, sixty-one-year-old Rau Williams died, after his privatized "health provider," Northland Health, decided, based upon a "point system," that he no longer qualified for dialysis. As a horrified nation watched, his family fought heroically to get him treatment, but in vain. They appealed to Northland Health, which fought them in court; to New Zealand's Human Rights Commission, which spurned them; and to New Zealand's Court of Appeal, which, in an emergency session, rejected them. The family even brought in a doctor from Australia, and secured a dialysis machine from private sources, but Northland Health *refused to let the Australian doctor treat Williams*. Upon Williams's death, Associate Health Minister Tuariki Delamere observed that "health rationing" is now a "fact of life."
- On Dec. 23, 1998, forty-two-year-old Sean Collins was buried by his wife, Jill, and his three daughters. After tests at Wellington Hospital three months before had showed that five of Collins's main arteries were blocked—one totally, another 99%, and the rest betweeen 75% and 90%—he was put on one of New Zealand's infamous "waiting lists," classified as an "urgent priority" for a heart bypass operation. After suffering daily angina attacks for three months, and being told, continually, to "wait," Collins finally died two days before Christmas.

New Zealanders now regularly die while on waiting lists, where they often languish for two or three years. As of 1997, official surgical waiting lists had soared by 50% to 94,000, while the *real* waiting lists were more than 200,000—this in a nation of only 3.4 million people! And every aspect of these genocidal health reforms was *personally overseen* by Mont Pelerin personnel.

The process began in 1987, when Douglas's Labor government established a Taskforce on Hospital and Related Services chaired by his mentor, Alan Gibbs. Meeting fierce political resistance, the reforms were implemented only after a change in government, when Simon Upton, another Mont Pelerin member, became Health Minister in 1990. The apparatus set up to oversee the reforms was the National Interim Provider Board, chaired by Business Roundtable chairman Ron Trotter, with his son's company, CS First Boston, as consultants. A later Minister of Health, Mont Pelerin co-thinker Jenny Shipley, intensified the reforms, when she restricted the number of people eligible for heart surgery. She did this by insisting, based on "the money available," on a new point system, in which patients had to "score" 35 points to get surgery; doctors had urged a maximum of 25 points. Now Prime Minister, Shipley will be a featured speaker at Gore's Jan. 14-15 conference in Washington.