

What We Know.
What We Say.
And What We Do.

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Quaker Lecture 2015

*In Memory Of My Parents
Joe and Anne Bruce*

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In the days before refrigerators my grandfather carried large blocks of ice on his back through the streets of Edinburgh. His job was to refill the iceboxes of the rich folks who could afford such luxuries. He met my grandmother, our family history has it, when she was selling fish door to door from a huge basket called a creel. Like my grandfather she also carried her living on her back, and everyday, except Sunday, she'd trudge the 5 kilometres uphill from the fishing port of New Haven to sell the morning's catch to the cooks who ran the kitchens of the wealthy.

More often than not her load was so heavy she needed her sister to place the thick leather strap, attached to the rim of the wicker creel, around her forehead so she could use her neck muscles to help balance the weight.

My other grandfather (my Dad's father) was a stoker. He shovelled coal into the furnaces of ships and steelworks - coal that was mined by men with picks and shovels from deep under the Scottish hills of Blantyre, where, one October morning, an explosion killed 207 of them, the youngest a boy of 11.

Granny Bruce (my father's mother) had 9 children of which my Dad was the youngest. She couldn't write her name, but she could add and subtract and he could cut the air with her tongue. No one got the better of Granny Bruce. Not the rent man who knocked on the door every Monday, or the Insurance man who called once a month to collect the shilling that would make sure that if anyone in the family died that week, they would get a decent burial.

When my father had just turned 14 his big sister Margaret arrived unexpectedly at his school one day. Granny Bruce had found him a job in a bakery and he was to start that afternoon.

My Dad never wanted to be a baker. My Mum never chose to be a waitress. If you had no education you worked at whatever you could get – especially during the dark and difficult days of the Great Depression.

My father was sent to North Africa as a cook during World War 2 and my mother became a tram conductress until she was given a job installing electrical wiring into submarines. You see my Mum, was an intelligent woman, but in those days being intelligent didn't get you very far if you were working class and female.

I was born in 1948; three years after the war ended, in the delivery room of the Western General Hospital in Leith - the first of our family line to arrive into the world in a place that was guaranteed to be hygienic. Everyone else had been born into their parents' beds where, in the days before washing machines, the sheets and blankets may or may not have been washed that month.

Leith is the area of Edinburgh that runs down to the city's docks and in those days it was a neighbourhood of damp, rat- infested slums riddled with the diseases of poverty. I never knew my grandfathers. They had both died before I was born from tuberculosis and pneumonia; diseases that had also claimed many of my uncles and aunts.

I made the painful discovery recently that many Maori and Pasifika babies born in in South Auckland *today* will experience my *past*.

They too will grow up not remembering what their grand parents looked and sounded like or the joy of being held by them, because *their* grandmas and granddads are also dying early from preventable illnesses such diabetes and heart disease.

If you live in Remuera today you can expect to live into your 80's. If you live in South Auckland you will be lucky to make it into your 70's. What we know is that inequality kills. What we say through our economic policy is – who cares? Competition is better than cooperation and tax breaks are better than welfare breaks. And so what we do is ignore the increasing gap between the health of the rich and the health poor and think that's OK. Well, it's not OK.

http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=10382814

And we certainly knew it wasn't OK in Britain back in 1948 when the free National Health Service was established by Clement Atlee's Labour Government. Prior to that if you couldn't pay for medical treatment for a serious illness you suffered at home where you either got better or you died.

My mother told me once of how she had looked after my father's Dad in the final months of his life because they couldn't afford to put him into a hospital.

"He was a tough man" she said " A hard man. But I'll never forget how he screamed with the pain of the cancer that killed him. For years I woke up in the night thinking he was crying out again."

I'm telling you this because we are very rapidly slipping back to the days when there was one standard of health care for the rich and another for the poor. I recently visited a Charity Hospital in Christchurch, which performs the operations people need but the Public Health system deem as "elective". Surgery to relieve the pain, say, of a hernia or to treat glaucoma. If you can afford private insurance you can have your pain taken away next week. If you are poor you suffer until your situation is chronic – or a compassionate surgeon in a Charity Hospital takes you on as a patient.

It's a morally unacceptable situation.

Clement Attlee's government knew it wasn't acceptable to have one standard of healthcare for the rich and another for the poor but not everyone agreed. His Labour Government had actually managed to get the Bill passed in 1946, but with doctors voting 10 to 1 against its implementation, it was a struggle to make free medical care for everyone a reality.

But I'm very glad they did because without the NHS and access to hospital medical care, I probably wouldn't be alive to give this talk to you this evening. Before the age of two I had contracted measles, mumps and whooping cough in quick succession and while I don't remember being in hospital, I do remember the daily tablespoons of cod liver oil my mother forced me to take – a folk remedy she believed cured everything from baldness to arthritis. I *can't* tell you if that vile extract was really responsible for my survival or not. What I *can* tell you is that, to this day, I *hate* the taste of fish!

I remember quite a lot about my early years growing up in Leith. I remember the two-roomed flat we lived in. It was on the top floor of a 7-storey tenement building, constructed around the middle of the 18th Century, that looked out over the grimy docklands

I remember I slept in the kitchen- cum- dining- cum- living room in a bed that came out of a small wardrobe. I remember being washed in a tin bath in front of the coal range because we didn't have a bathroom - or hot running water so the bath water had to be boiled in pots on the coal fired range. The tin bath was also where our clothes got washed while the sheets and blankets got taken in my pram to huge communal laundry a couple of kilometres away in Leith Walk.

I played on a patch of ground we called the " back green" with the other kids from the tenements. Except it wasn't green and the stone walls of the buildings that surrounded us were black with the soot of a hundred constantly smoking chimneys.

I remember a lot my mates had bad, hacking coughs. I was reminded of it when I heard the kids coughing in a surgery in East Porirua when we were filming there a couple of years ago for one of my documentaries. That same lung-wrenching cough caused by the bugs that multiply in damp houses with too many people living in them.

Why do we know these things but do so little about them?

But, when you're a kid, and your parents love you, and you don't know any life that's different to the one you've been handed, you become pretty resilient.

We even had our own version of "The Hunger Games."

We'd shout up to our mothers in the tenements above us to "Throw down a piece!" And we would keep up the chant "Throw down a piece! Throw down a piece!" until, somewhere high up in one of the surrounding building a sash window would suddenly be thrust up and a mother's voice would call out "There you go!" and a couple of sandwiches, (pieces of bread) wrapt in newspaper and tied up with string, would be tossed out of the open window to land at our feet.

I am here to tell you – that you haven't lived until you've tasted a bread and dripping sandwich thrown out of a 7-storey window.

Shortly after my sixth birthday my father was offered a job in a Christchurch bakery by an old school friend of his who had emigrated to New Zealand shortly after the war. Within 2 weeks my Dad was on a cargo boat bound for the South Pacific in pursuit of a better life for his family.

I was sent to live with my Aunt Aggie in Granton (an even tougher area than Leith) while my mother worked two jobs to save the money for us to join my Dad. Aunt Aggie was 60 something at the time and every bit as tough as her name must sound to you. "Aggie" - short for "Agnes" but I called her Aunt Angry under my breath. If we'd had anti-smacking laws back then I 'm sure my Aunt Aggie would have got 20 years to life.

A year later my mother and I boarded *The Captain Hobson* a former hospital ship converted after the war to carry assisted migrants to New Zealand. It took us 8 weeks to get here. We had one stop at the end of the Panama Canal to take on fuel, the ship broke down twice in the tropics and nearly all the kids got chickenpox – except me. Unfortunately my mother took this as positive proof of the power of cod liver oil, which she was still dosed me with twice a week on Wednesdays and Sundays.

We arrived in Christchurch on a sun drenched morning in April of 1956 to a flat in St Albans with the marvel of hot running water, two bedrooms a separate bathroom with a real bath and inside toilet, a lounge, dining room and a separate kitchen with an agitator washing machine in the corner.

We had very little furniture. Just two beds and a Formica dining table and chairs for most of the first year until a second hand sofa and two chairs (with the kind of generous arms you could rest your cup of tea on) turned up on the back of a delivery truck a couple of days before Christmas.

Joe, my Dad, was a lovely man with his easy outgoing manner. My Mum, Anne, was the brains of the family. Shortly after we arrived she bought a tin moneybox, which had a divided tray that lifted out of it, and every week my Mum and Dad would come home from work with their small brown pay packets - which had real cash in them in those days- and my mother would divide up their weekly earnings. So much for the rent. So much for food... so much for electricity.. So much for clothes.. So much... for savings.

Savings! For the first time in their lives, my parents could actually save something from their hard work. And what my mother began saving for was a place of our own.

Incredibly within 5 years of landing penniless in New Zealand my working class Mum and Dad managed to save the deposit to build a brand new 3-bedroom house in Spreydon.

How? Because the government allowed them to capitalise a welfare allowance called *The Family Benefit* and lent them the rest of the money at 3% for 40 years. It was a rent- to- buy scheme which provided me , as a child, with a warm dry place to live and my health never looked back. I have often argued that such a scheme would work as well today as it did back then, and something very similar was proposed by the Green Party at the last election . I hope they keep fighting for it.

The new housing subdivision where Mum and Dad built their dream home created the need for a new High School nestled at the foot of the Cashmere hills. It was ruled over by a stern Headmaster who I learned later in life has been the Minister of Education towards the end of the First Labour government – his name was Terry McCoombs.

I found him a terrifying, unapproachable man but even at the time I understood he ran his school with absolute fairness. I was never made to feel that because I wore a second hand uniform that I was somehow a second-class citizen. There was no zoning in those days so Cashmere High School drew its “ pupils “– as we were called back then - from a wide catchment of rich and poor homes. And so it was, that the kid from slums of Leith found himself in the same schoolroom as kids whose Dads were bankers and lawyers.

In short, I was plucked from poverty in Scotland and set down in a land of sunshine, free milk and free medical care, and given the gift of free education up to and including university; a land where the Prime Minister and his Cabinet felt like part of my extended family and were looking out for me. I wonder how many of our children today have the sense that our government is looking out for *them*?

By now I'm sure many of you will be thinking "Oh I know where this is going. He's going to tell us that his strong sense of social justice comes from being born into a poor working class family and given a chance in life by the Welfare State"

Well, yes and no.

The Prime Minister and I share at least a couple of things in common. We were both born into poor circumstances and we both grew up in Christchurch where he was also given the same hand up in life that I received from the Welfare State. Unlike me however, he holds the belief today that the government has no obligation to do what it once did for him.

When John was 7 his widowed mother, saddled by the debts of her former husband, was allocated a State house in the Burnside suburb of Christchurch with such stability of tenure that he and his two sisters were able to call it 'home'.

Like me John was given free medical and dental care, attended a local high school that gave him what he has said was a " world class education"; and also like me, went on to study at Canterbury University where his tuition fees were paid for by the State. So that when John finished his degree in 1981, he left university largely free from debt.

That in itself was a huge boost in life for both him and me.

Yet today, John Key leads a government that is selling State houses, has used the public purse to perpetuate a system of rich and poor schools, has voted down a bill that would have ensured that hungry children could be fed healthy lunches at school. A government that thinks of education as a commodity not a right and is happy to see young graduates emerge from our universities saddled with debt and few job prospects.

How can it be that John Key and I both experienced the compassion of a Welfare State that lifted us out of poverty and gave us the chance of a better life, and yet we now hold such polar opposite views about the obligations of the State towards the welfare of its young citizens?

How can we be so similar in what we know and yet so different in what we say and do?

It's a simple enough question, but like many simple questions the answer is far from straight forward

You could argue that part of the answer lies in the fact that John Key and I are simply two individuals with two quite different personalities, who differ in the degree to which we feel empathy for others. But that doesn't get us very far, because the Prime Minister *is* the Prime Minister because just over a million of us voted for his party and their policies – policies based on philosophy that

governments should not interfere with the marketplace. What I call the *Me* society rather than the *We* society John Key and I grew up in.

The mention of “ policies” of course immediately invokes the thorny issue of what shapes our attitudes and opinions, especially at election time. Do we cast our vote based on our own self-interest? Or with the interest of the greater public good in mind?

We know that money solves a lot of social issues but that requires raising taxes which is unpopular because it means giving up some of our hard earned cash. Some of us indeed resent it to the point where the Inland Revenue Department recovered over a billion dollars of tax unpaid tax last year and Victoria University tax crime expert Dr Lisa Marriott currently estimates the government loses around \$6 billion in revenue *each year* in tax evasion and fraud. Overwhelmingly committed by people in business.

So when you listen to the debates over social policy at election time what you hear are people giving voice to an ever present tension in our daily lives – the tension between the wants and desires of the individual, versus what we need to give up in order maintain the society we live in and nurtures us.

For my documentary MIND THE GAP I interviewed Professor Richard Wilkinson who, with his wife and fellow epidemiologist Kate Pickett, wrote the best selling book *The Spirit Level* . In it they produced correlation graph after correlation graph demonstrating that the smaller the gap between the rich and the poor the better it is for everybody. In more equal societies, it turns out, even rich people live longer, die less violent deaths, experience less crime, have children who have less drug issues, teenage pregnancies and delinquency problems.

But really, the graphs in *The Spirit Level* simply confirm what we have known for a very long time - that it is better for all of us if we treat each other with fairness. Perhaps more to the point fo this lecture - we have also known for a long time that empathy and the importance of sharing are things we can *learn*.

In most of the world major religions, for example, you will find variations of what is often called The *Golden Rule*. In the Judeo- Christian tradition it is expressed as “ *Do unto others as you would have done unto you* “, an ethic of reciprocity that reaches back at least a thousand years before Jesus was born and he probably recited it as a child at his local synagogue, along with many other Jewish “rules- to- live- by before his bar mitzvah.

In fact equity is so important to the success of a society that it became common knowledge that if you were selfish and didn't treat others fairly then you would have to answer to God on the day of Judgment and your eternal outcome might hurt a bit.

But then, in April of 1961, the same year John Key was born and I was starting High School, the Russians put Cosmonaut Yuri Gagarin on top of a

rocket and blasted him through the stratosphere to become the first man in space.

Not to be outdone the Americans soon began docking manned spacecraft far above our planet and by the time our Prime Minister was spending his first day in primary school the Russians had successfully landed 2 unmanned vehicles on the moon, taken pictures of the surface and sent them back to Earth.

And because none of these spacemen had reported spotting the location of Heaven, or any Angels, let alone God Himself, theologians began reworking the traditional cosmology that for over 2000 years had placed all these things in the firmament above us. Indeed *Time* magazine was so concerned it asked the question "Is God Dead?" on the front cover of its April 6th issue of its magazine in 1966

For a lot of people who said yes the next question was – why bother being good?

So it's no accident, I think, that we see the rise of neoliberal economics and the politics of selfishness happening once God's position had been disestablished and Heaven deregulated.

This isn't a plug by the way for the return of an all-seeing and punishing God .. just an observation that 50 years on from the Death of God and the rise of self-centred neoliberalism as a result of which we live in a world where the poor are held accountable for their poverty but the rich are accountable to no one for their greed.

If we want to have a fairer society we need to bring back some morality back, through regulation, into the marketplace.

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The reason I made my documentary MIND THE GAP about the growing gap between the rich and the poor in our country, is that I wanted to know what had happened to the egalitarian New Zealand I had grown up in. How had it come to pass that today 10% of our population now owned 53% of the wealth and the bottom 20% owned nothing of real value at all.

So after I had pitched the programme to TV3 and NZ On Air and managed to get the funding in place, I embarked on the serious research phase, and my first port of call was the Auckland University library where I took down from the shelves a number of the heavier looking economics books.

To my absolute horror they were chock full of mathematical equations and I have always been pretty useless at maths.
So - what to do?

As luck would have it I dropped in at the University Bookshop on the way home and spotted the title "*23 Things They Don't Tell You About Capitalism*"

by Cambridge professor Ha Yoon Chang; and when I read it, joy of joys I understood every word of it. So I rang him up.

“G’day. I’m Bryan Bruce” I said “ I’m from New Zealand” and outlined my problem. I told him I had landed a documentary about economics and that his was the only book I had read so far that made any sense to me, and would he be willing to help me in my hour of need?

“Sure” he said.(Professor Chang’s a lovely approachable man) “Don’t worry. Do you remember when Catholic priests used to say the Mass in Latin Bryan?”

“Yes?”

“Well economists are a bit like that. We talk in a language, which makes it sound as if we have some special knowledge about how economies work – but really we don’t. It’s mostly guesswork. After all if we really knew what we were talking about then how come only one or two of us predicted the 2008 financial crash?”

And then he said something that really made me feel a lot more comfortable.

“And you know Bryan,” he said, “ In the end all economic decisions are moral decisions. If you decide to give tax breaks to the rich instead of welfare breaks to the poor, that’s a moral decision. It doesn’t matter how many mathematical equations you produce in an attempt to justify it”.

Economic theories, it turns out, are just ideologies wearing a mathematical disguise and one of the people who developed the so-called *Neo-liberal* economic ideology that so dominates our lives today was the Chicago School economist Milton Friedman.

When John Key was just 1 year old and learning to walk, and I was playing bass guitar in my first rock band, Milton Friedman was already promoting a new economic theory he called “monetarism”.

After the war the ideas of the British Economist John Maynard Keynes had come to dominate the economic direction of Western governments including our own. Keynes believed that governments should control the economy and create growth by creating jobs, typically through large public works schemes. In New Zealand this resulted building things like state highways and the hydroelectric power stations, and other projects that generated thousands of jobs for men whose pay packets provided for their wives and families. It was the economics of the common good and fitted very well with the dominant political ideology of the day, Socialism.

Friedman was diametrically opposed in his economic and social philosophy to Keynes. He was against bureaucracy and government control, which he believed stifled individuality and enterprise. Governments, he was convinced should take their hands off the economy, lower taxes and de-regulate the marketplace so that entrepreneurial business people could create new jobs,

growth and wealth. A “free” market in which competition would ensure that people could achieve their business potential unrestricted by the red tape of government.

In 1979 Friedman’s theories caught the attention British Prime Minister Margaret Thatcher who rose to power on a tide of individualism. As people had become more affluent (ironically because through the social welfare state improving access to education) so they turned away from the idea of government being the primary driver of the social good. So much so, that after eight years at the helm of her Conservative Government Mrs Thatcher told a journalist for a popular British magazine that people should not expect to lean on the government when they had problems in their lives. There is “no such thing” as society she said.

“ There are individual men and women, and there are families. And no government can do anything except through people, and people must look to themselves first.”

(Women's Own magazine, October 31 1987)

Sound familiar?

Friedman then went on to become an advisor to President Ronald Reagan who defeated the incumbent Jimmy Carter with snappy catch phrases like:

“Government is not the solution to our problem; Government is the problem”
(Inaugural Speech) and

“Government's view of the economy could be summed up in a few short phrases: If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidize it.”

Boy he had a good speechwriter! And the loveable B- grade actor delivered his lines with such easy going humour that people forgot what the great American Jurist Oliver Wendell Holmes had once said about income tax - that it’s “ the price we pay for civilisation”

Reagan’s well crafted phrases struck a chord with an American public who, in a time of recession, clearly felt over unionised and over taxed and responded by handing Reagan a landslide victory.

Three years later in 1984 Neoliberal economics and the politics of individualism reached New Zealand, but it instead of being ushered in by the Right as it had been in the Britain and the USA it sneaked in through a back door opened by a Left wing parliament when David Lange’s Labour Party ousted Robert Muldoon’s National Party from power.

Muldoon had not only been the Prime Minister but the Minister of Finance and very much a hands on Keynesian who even tried to control wages and prices at one stage by freezing them. These were also the days when the out- going

government wasn't obliged to reveal the state of the nation's accounts to an in-coming government until the transfer of power. So when Labour's Finance Minister Roger Douglas finally got to examine the nation's books he discovered the country was heavily in debt.

How could this be? Hadn't Muldoon told the New Zealand public, only a week before during the elections, that although times were tough people ought not to worry because he understood the New Zealand economy "better than any other living soul" and everything was under control? So had Muldoon lied to the New Zealand Public during his 1984 election campaign?

Muldoon certainly knew the nation's accounts were in big trouble. The uncharitable view of his non-disclosure of that fact to the New Zealand public is that he was egotistical and wanted to cling to power. There is certainly plenty of evidence to support this view. Not only did Muldoon believe in government control of the economy he had shrunk the decision making process in cabinet down to the point where New Zealand was being run by executive power – an executive of one.

Muldoon had achieved this concentration of power by over regulation even within parliament itself, to the point where he could determine what kind of furniture members of parliament were allowed to have in their offices. Geoffrey Palmer records such an incident in his book about his parliamentary years when Muldoon ordered he could not have couch in his office. So when neoliberalists like Roger Douglas began talking about deregulation it was to politicians who knew only too well what stifling regulation felt like.

A more charitable view is that as he was not legally obliged to disclose that information until the transfer of power so he did nothing wrong. Indeed, in our criminal law courts at that time the Prosecution did not have to disclose everything it knew about an investigation to the Defence. Full disclosure is actually a relatively recent addition to our legal system and we still haven't yet reached the point in our country where the Defence is *also* required disclose what counter evidence it will present at trial.

Another charitable view of Muldoon's reticence to reveal the accounts is that he may have diminished the size of the financial problem in his own mind while over estimating his own ability to deal with it. Perhaps he said to himself "With a bit more time I'm sure I can get the economy right again." Certainly his political ideology, nor his personality would not allow him to accept the neoliberal deregulatory solutions Treasury had been trying to get him to adopt.

So a couple of ways of dealing with an uncomfortable ethical decision is to equate your moral responsibility with your legal responsibility or simply deny there *is* an immediate problem in order to buy some extra time in the hope you will come up with a solution.

Whatever Muldoon was thinking of course is now of little consequence. National were voted out and on July 26th 1984 and Treasury officials

immediately met with the new Finance Minister, Roger Douglas to tell him the bad news that the country was in financial trouble. Treasury, as I say, had tried on a number of occasions to persuade Muldoon to adopt neo-liberal solutions to New Zealand's rising debt problem, but he would have none of it. Why? Because at heart Muldoon was a socialist, as indeed most New Zealanders were at that time.

But in Roger Douglas, Treasury officials found a minister eager to dump the Keynesian idea that our government should control the economy. Instead of trying to work around our debt mountain Douglas wanted to attack it head on using market forces to lead the charge. Yes it would be tough and yes there would be casualties but to achieve the goal of a debt free economy, Douglas believed, the risk was worth it. So with the support of his Prime Minister David Lange he told first Cabinet and then the nation as a whole "we have no alternative".

It wasn't true of course. There were several viable alternatives. Like China we could have simply improved the business practice of our State-owned enterprises and made them more efficient, productive and profitable. Or like Sweden we could have ring-fenced our children, our elderly and our vulnerable before "reforming" our previously cooperative society into a highly competitive one, where it's everyone for themselves and the devil takes the hindmost.

But we didn't take either of those alternative paths. Why? Again, another easy question that delivers a difficult tangle of answers. Much of it no doubt has to do with what Lange called Douglas' "dogged" personality. He had started in parliament as a Keynesian economist but by 1984 had become a convert to flat tax, deregulation, user pays, and trickle down and like many new believers in a faith he had become an evangelist. The "free market" was the way and the truth and the economic light and he would not be satisfied until every New Zealander found the same redemption.

However I also think Douglas managed to get a way with a lot in that first term of the 4th Labour Government because most New Zealanders (myself included and I suspect even many of those at the 1984 Labour Cabinet table) had no idea what living in a neoliberal economy would be like.

We knew we were in debt and that was a bad thing. (Although later we would be persuaded debt on the right terms was a good thing). We knew they already had this new kind of economics in the UK and the States and they were obviously bigger and smarter than we were. We knew that things had got into a mess with Muldoon. We were tired of him and his abrasive personality. Roger Douglas seemed to know what he was doing and so while the large and witty David Lange kept us entertained and reassured that all would be well, Roger Douglas went about what he described as "having a bit of garage sale" of State Assets.

What we didn't know is that he and successive National and Labour neoliberal ministers of finance would eventually end up selling off the family silver, and that 30 years down the track we would end up far deeper in debt than we ever were in 1984.

And so it was that the spoiled generation of "baby boomers" who had already, been given so much by their self-sacrificing parents who had wanted to build a better life for their kids after the war, accepted the new gold rush as a matter of right. If you had a few clues the way was now open to you to make a lot of money on the stock market or from doing up houses and selling them free from capital gains tax and death duties. Who cared what this was doing to others less fortunate. Who cared what it would mean for our own children. Greed was good. Debt was good and all the old rules of commercial decency were turned on their head. If we knew this was wrong few of us said so and those who did, were dismissed as "idealists" and "dreamers" who wanted to cling to the past or didn't understand how the world worked these days.

Then of course, once Kiwis began to see the effects of deregulation and enjoy the wide variety of consumer goods denied to them for so long by the import regulations of previous austere governments, it gave Labour a longer honeymoon period than was usual for an incoming government.

In the end however the mismatch in ideology between the selfish belief of neoliberal economics (that there is no such thing as society and we should not rely on government for support) and the foundation belief of the Labour Party (that the purpose of government was to make sure everyone in life was given a fair go) tore the Labour party apart. First Douglas resigned, then staged a coup forcing Lange to quit as Prime Minister.

In retrospect it took a long time for David Lange to realise that things like our financial regulations had been there for a good reason – to curtail the greed of the few so that the many can have their fair share. He did eventually recognise the moral problems associated with neoliberalism, but far too late to do anything about it. The damage was done.

"For people who don't want government in their lives" Lange wrote in 1996 - 12 years after he had helped ushered in neoliberalism "Rogernomics has been a bonanza but for people who are disabled, limited, resourceless, uneducated it has been a tragedy."

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After the Labour Government imploded National took office again in 1990 and promptly put neoliberalism on steroids. In 1991 Finance Minister Ruth Richardson delivered her "Mother of all Budgets " which slashed all the benefits - as a result of which, all the diseases which affect poor children the most went up.

The mid 90's was also the period which saw the gap between the rich and the poor widened dramatically, and although we knew this information and we

knew our society was no longer fair and equal we continued to behave as if it did not matter. We voted the Bolger government back in for a second term and indeed we have voted for successive Labour and National neoliberal driven governments ever since. As a result the health and well being of our children has suffered to a shameful degree.

After my documentary INSIDE CHLD POVERTY went to air just before the election in 2011 the National government (and the former Minister for Social Development Bennett in particular) denied Child Poverty was a serious problem. And if there was a problem then you couldn't measure it.

So Dr Russell Wills the Commissioner for Children did a brave thing. He organised a group of public health experts and other notable academics led by Prof Jonathan Boston to produce a report on Child Poverty, which they duly delivered in December of 2012. It is entitled *Solutions to Child Poverty in New Zealand: Evidence for Action*

(<http://www.occ.org.nz/assets/Uploads/EAG/Final-report/Final-report-Solutions-to-child-poverty-evidence-for-action.pdf>)

And thanks to that report and others like it - including one from a parliamentary subcommittee - we now know that around 285,000 children (about the population of the cities of Wellington, Nelson and Upper Hutt combined) live in homes that have incomes below the poverty line.
http://www.stats.govt.nz/browse_for_stats/population/census_counts/2013CensusUsuallyResidentPopulationCounts_HOTP2013Census/Commentary.aspx#orderofcities

We know that some 35,000 of our children are admitted to hospital every year with chest infections caused by damp housing and over crowding.

We know that Rheumatic Fever is a third world disease that shouldn't be here. That one pakeha child in 10,000 will get it but one Maori child in 70 in Opotiki will be struck down with this disease that can attack their hearts and shorten their lives.

And while we also know that we could get rid of *all* the totally preventable diseases plaguing our children by making sure that every child had a warm dry place to live, the National government never – the -less voted down a bill this year that would have brought in Warrants of Fitness for all rental properties

We know that from a recent survey run by school principals in Northland that 22% of kids in the 41 schools surveyed had turned up at school without lunch that week.

http://www.nzherald.co.nz/northernadvocate/news/article.cfm?c_id=1503450&objectid=11428311

That's almost 1100 kids in Northland alone coming to school without lunch (and often not having had breakfast) because their parents simply do not have enough money for food after paying their rent and electricity. That it's not about budgeting, it's about simply not earning enough to make ends meet.

And yet our government voted down a bill this year that would have seen these kids fed a healthy lunch at school. Why? Because of ideology. To admit that kids are going hungry because over 50% of people over the age of 15 in Northland are unemployed would be to put neoliberal economic policy under the microscope. And if you did that, you might find that the cost of rents and electricity and getting to work to earn minimum wage on a zero hour contract means you simply don't have enough money to pay for everything and so you cut back on food.

We know that today's school leavers really need to get NCEA Level 2 if they are to have any hope of getting a job or progressing on to further education. Yet we also know that only 57% of students leaving our lower socio economic decile 1 and 2 secondary schools today will leave with that qualification while 87% of students attend the wealthier level 9 and 10 decile schools will leave with NCEA Level 2. So we know that not every child who enters our public education system has the same chance of succeeding in it and we know that's not fair.

"Schools and Inequality" Cathy Wylie P142 Inequality in New Zealand Ed Max Rashbrooke Pub. Bridget Williams Books 2013

We know that children need stability in their lives and that one of the most important contributors to that sense of stability is a home. A place where Mum and Dad and the family can put down some roots so the kids can grow up in a neighbourhood that looks out for them. But we have done nothing to curb property speculation or introduce a government backed rent-to-own scheme such as the one my parents benefited from that would allow young families escape the tyranny of high rents. Nor have they increased the level of social housing that gave John Key a place to call home while he was growing up.

During the making of my documentary *Mind The Gap* in 2014 I spoke with one young couple with two young children under 4 who are typical of a lot of low-income families. The husband was the night manager at one of our largest retail outlets. He organises the stacking of the shelves for the next day's business.

90% of what he earns each week goes to pay the rent of a very shabby townhouse in West Auckland. So they are entitled to an accommodation supplement from the government that goes through their bank account

straight into the bank account of the their landlord. In my view that's just keeping rents artificially high.

\$1.2 Billion dollars a year of tax- payer money now funds private landlords. But I put it to you that if the neoliberal economy was working as the theorists say it should, then landlords would have to bring the rents down to what the market is willing to pay. Isn't that how a "free market " is supposed to work?

If the purpose of an economy is to create the greatest good for the greatest number of people over the longest time – then neoliberal economics is clearly an abject failure.

Wealth doesn't and hasn't trickled down as was predicted. Instead wealth has "trickled up" ! To remind you of what I said earlier - 10% of us now own 52% of the nations wealth and the bottom 20% own nothing of real value at all.

We know that deregulation of financial institutions has allowed greed to run rampant. We know that deregulation of the labour market has allowed Corporate bosses to cut the number of workers they employ and reduce salaries in order to earn themselves huge bonuses from shareholders delighted with higher profits and bigger dividends.

Many of us know in our hearts that these things are wrong. Many of us *say* they are wrong. And yet we are doing very little to make New Zealand a place where everyone gets a fair go.

At the last election around one million of us *didn't* vote. That's roughly the same number of people who voted the National Party back into power. Why?

Why do people who are struggling in life continue to vote in neoliberal governments?

Again it is a simple question that gives rise to a nest of complex answers. But to give a couple of obvious reasons, there is broad public perception that both National and Labour are neoliberal parties and there really isn't much to choose between them in terms of economic philosophy.

People also see disunity on the Left and no obvious charismatic leader there who has yet emerged to mount a unifying attack on neoliberalism. Someone who can match the Prime Minister in the presidential style races that have become a feature of our recent elections.

And then of course there are a host of smaller reasons people give for not registering to vote. Quite a lot of folk sent private messages to my Facebook page, for example, saying they dare not register because they owed money and they feared the debt collectors would find them using the electoral roll.

As they also say – " it's complicated"

So, returning to our elected government again – they now know there is a very real child poverty problem. Even The Prime Minister has begrudgingly admitted it is a serious issue and on his first day back in Parliament after the election said he'd make it a priority for the upcoming term.

So John Key knows the problem now and he has said he will do something about it

But what?

Well as part of that first day speech John Key said he had asked Treasury and the Department of the Prime Minister to start presenting some “new ideas” on how to solve the Child Poverty problem. And I thought “ why’?

He surely has all the information and solutions he needs to take action. Dr Russell Wills Expert Advisory Group report I mentioned earlier 78 separate recommendations for action.

In November 2013 *A Health Select Committee Report for improving Child Well-Being* listed 130 detailed recommendations for improving the health and well-being of our children.

http://www.parliament.nz/resource/enz/50DBSCH_SCR6007_1/3fe7522067fdab6c601fb31fe0fd24eb6befae4a

Now to be fair I wrote this lecture prior to the most recent budget and we have seen a few of those recommendations put in place .

There is now free medical care for the under 13's and compulsory insulation for all houses is to be put in place within a couple of years.

That's terrific and great thanks is due to groups like Child Poverty Action, the Tick For Kids campaign and a host of other people and organisations who have lobbied the government on behalf of our children

But to return to John Key's request to Treasury and his own department to look for “ new ideas” to solve the child poverty problem?

Why did he do that?

Well..the answer is I suspect, is that the Prime Minister is caught between a rock and a hard place. He knows now, officially, that a lot of children are suffering the diseases and deprivations associated with poverty. The trouble is, it is an inconvenient truth.

He doesn't want to hear that our child poverty problem has been caused by 3 decades of neo-liberal economic policies and the politics of selfishness, because that would be to admit that neoliberalism is deeply flawed .

And yet he knows it is only right that the government does something about the plight of our poorest children .

So what to do.. what to do? What to do without introducing progressive taxes on the rich which would be unthinkable! Or even worse introducing a financial transaction tax on the Banks as they are already doing in eleven European countries .. or a hefty Capital Gains tax on investment properties?

Well today we know what the new neoliberal ideas are that Treasury and the Prime Minister's own department came up with.

And their first ' new idea' to solve the problem of housing our poor is – get the Australians to look after them. Sell the state houses to the Aussies and it won't be our responsibility anymore.

Brilliant.

And the second big idea is let's issue social bonds so that companies like Serco can make a profit out of running things like Child services and the ANZ Bank can make a profit out of getting people with mental illnesses back to work.

In other words – cut expenses by getting anyone else we can think of to solve our social problems other than take responsibility for them ourselves ... and let's use the profit motive to try and make that happen.

Well Ladies and Gentlemen I don't know what you think it means to be a New Zealander but I have always believed that it means we belong to a nation where we look after each other and not abdicate the difficult bits like social housing to some other country.. and that we are a nation where we GIVE to the poor and vulnerable- not seek to make a profit out of them.

That is why I agreed to give this lecture. We have a situation in our country where the economic tail is wagging the moral dog. My hope is that now that you know that nothing less than the future wellbeing of our children is at stake, that come the next general election, you will use your two votes wisely and strategically to vote for policies that will assist children and their families and not parties or personalities.

A combination of parties that will set us back on the road to a more cooperative and caring New Zealand - like the one that gave me and John Key our start in life.

“Economic decisions, in the end are moral decisions. “

It's time to legislate some morality back into the marketplace so that what we know in our hearts to be right, matches with what we say and do in our everyday lives.