



Gordon Campbell on Peter Thiel's bid for citizenship

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So we now we know how much it costs to buy New Zealand citizenship. On 27 February 2011, then-PM John Key announced the formation of the Christchurch Earthquake Appeal. By April 2011, the fund could already announce this:

Peter Thiel, an American backer of New Zealand companies Xero & Pacific Fiber donated \$1 million to the fund and said: "Now that we know the scope of the damage in Christchurch, it's time to start planning how to rebuild it. I hope that everyone who sees the potential for a renewed Canterbury will lend some time, talent, or resources to renewing the region and its economy, for the sake of all of New Zealand."

And for the sake of Peter Thiel. This week, we learned Thiel was granted New Zealand citizenship in June 2011. Since he's become one of us, citizenship means Thiel can buy tracts of sensitive land in New Zealand without the necessity of gaining prior approval from the Overseas Investment Office. In 2015, Thiel purchased a large chunk of prime lakefront property in Wanaka:

Controversial American billionaire, Trump donor and venture capitalist Peter Thiel has taken New Zealand citizenship and quietly acquired a Wanaka lakefront estate. Property records show that Thiel's New Zealand-registered company Second Star bought a 193ha Glendhu Bay farm in 2015 described as a vacant lifestyle block. Thiel, who lists San Francisco as his residence in Companies Office records, is Second Star's sole shareholder.

Famously, Thiel is an ultra-libertarian, with little time for what he has described as 'so-called social democracy.' Instead, Thiel has a lot of faith in the potential of the one Great Leader who may arise from its ashes:

In 2009, Thiel posted an essay, "The Education of a Libertarian," on the Cato Institute's Web site [in which] he wrote: "In our time, the great task for libertarians is to find an escape from politics in all its forms—from the totalitarian and fundamentalist catastrophes to the unthinking demos that guides so-called 'social democracy.' . . . We are in a deadly race between politics and technology. . . . The fate of our world may depend on the effort of a single

person who builds or propagates the machinery of freedom that makes the world safe for capitalism.”

Thiel is not merely - as you'd expect - hostile to the impact of taxation on his creative freedoms. He also seems to be pretty angsty about any form of government regulation. This would seem to include seat-belts :

Thiel... was driving with his seat belt off. “I oscillate on the seat-belt question,” he said. I asked what the poles of the oscillation were. “It’s uh—it’s the, uh—it’s the—it’s um—it’s probably, uh—it’s probably just that it’s not that—well, the pro-seat-belt argument is that it’s safer, and the anti-seat-belt argument is that if you know that it’s not as safe you’ll be a more careful driver.” He made a left turn and fastened his seat belt. “Empirically, it’s actually the safest if you wear a seat belt and are careful at the same time, so I’m not even going to try to debate this point.”

Wear a seat belt *and* drive carefully. Wowzah, truly a genius. In this world, you think it's easy being Peter Thiel? Clearly it's not. Each day bristles with moral and existential decisions of the seat-belt variety. Thank goodness, some things can be made easy. Given his speedy path to citizenship here – all he seems to have been required to do is open his wallet - one of the sayings of the libertarian guru Ayn Rand springs to mind : ““The question isn’t who is going to let me; it’s who is going to stop me.” Evidently, that potential stoppee wasn’t going to be former Immigration Minister Nathan Guy, who reportedly claims to be unable to recall anything at all about the Thiel application, or about its fast track to approval. In addition, Guy wasn’t willing to risk doing any interviews on the subject on RNZ this morning that might have jogged his memory.

This month, Thiel was touted as a possible contender next year for governor of California.

TPP, Adieu

Like most obituaries, the rash of recent death notices for the TPP concealed as much they revealed. Rather than speak ill of the dead, the usual suspects have issued the usual laments about what a great opportunity has been missed...for them, at least. For the rest of us, not so much. As the *Washington Post* pointed out this week the U.S. International Trade Commission has estimated that the TPP would have raised the inflation-adjusted incomes of Americans by 0.23 percent — *in total* — over the course of the next 15 years. Similarly, although New Zealand allegedly stood to be one of the big winners from the TPP, the TPP gains by 2030 were still within the margin of error, and could be eclipsed by only a few points shift either way, in the currency.

IMO, the most interesting comment among the TPP obituaries this week was a remark in its latest newsletter by Moody’s Investment Services:

We do not expect the reform measures that have been implemented in anticipation of TPP to be reversed.

That’s fascinating. So we are likely to be stuck in perpetuity with the concessions we made to Big Pharma on the patent terms for biologic medicines and on how we agreed to expose

Pharmac to greater “transparency” over its funding decisions, up to and including legal challenges. Plus, we bowed to Hollywood wishes and agreed to extend the duration of copyright under New Zealand law. Plus, we agreed to let corporations sue us in private, offshore arbitration tribunals if we ever changed our laws in ways that affected their profit expectations...

Will such changes (and more) remain in place, even though the US team that demanded them has walked away from fulfilling its side of the bargain? It would seem so. Some TPP member countries – notably, Australia - seem to want to leave everything neatly in place in the hope that the US might one day change its mind, and be willing to rekindle the TPP romance. Faint hope. Its time to move on, and to take back the mementos of commitment.

Unless that is...New Zealand is quietly preparing to step into those Big Boy pants and use the ISDS (investor state dispute settlement) mechanisms against any poorer, less developed country (eg Vietnam) that may be foolish enough to sign up to Malcolm Turnbull’s plan for a “TPP 12 minus the US” re-formulation. Not very likely. Vietnam was angling for access to the vast US markets for its footwear/apparel etc industries, and Turnbull will be able to offer nothing that could compare. Already, the Japanese have politely rejected Turnbull’s overtures, as reported by the Japan Times:

So have the Canadians.

Foreign Affairs Minister Chrystia Freeland said Tuesday the TPP “cannot happen” without the United States. That strikes a different tone from that of Australia, another TPP member, which is calling for the pact to proceed without the United States. “This agreement was so constructed that it can only enter into force with the United States as a ratifying country. So the TPP as a deal cannot happen without the United States being a party to it,” Ms. Freeland told reporters in Calgary.

Chile has already walked out on the TPP.

The logic involved is simple. Canada’s negotiating concessions were premised on winning preferential access to US markets. Thanks to Trump, that access won’t now happen. And at the formal legal level, the TPP could only be triggered if six countries comprising 85% of the total GDP of all the member nations had signed on. Obviously, the US (60% of the total GDP involved) and Japan (17.7%) were key to getting the TPP across that particular line. So, if any multilateral trade thingy did emerge from the ashes, it won’t be the same creature that contained the concessions offered by New Zealand in return for winning, say, its North American dairy access. In sum, we have no reason to keep the TPP-related legislation on our books.

Japanese PM Shinzo Abe has stated the obvious: ie, that the US withdrawal has changed “the fundamental balance of interests” involved. Does Bill English agree with Abe on that point or is he still planning to leave the dinner table set, and the candles lit, for Trump? More to the point, will English proceed to nullify the TPP-related legislation we passed late last year in anticipation of the deal being passed? Well, don’t hold your breath on that, the Moodys analysts have concluded.

RIP with realism

One final point on the TPP obituaries. Interestingly, many of this week's mainstream evaluations have echoed without a qualm the same positions decried as ill-informed, impractical and anti-trade, when they were being voiced by TPP critics back in 2012. For example, take a look at the scathing assessment made in the *Wapo* story linked to above :

...[The] TPP wasn't really about reducing tariffs. Those are already quite low for the countries involved. It was more about making other countries follow our rules for patents and intellectual property, raising prices for Asian consumers and profits for American companies. That'd be better for our shareholders, but not necessarily for our workers. In all likelihood, it wouldn't change our jobs picture very much for good or ill.

Yep, the TPP wasn't about free trade (or job creation) as much as it was about enhancing US corporate profit and geo-political interests. Really, that would be par for the course. From Bretton Woods to NAFTA to the TPP, the *Washington Post* suggested, multilateral trade has always been about geopolitics as much as it has ever been about economics:

It [the TPP] was about keeping an economic foot firmly planted in China's backyard, and writing the trade rules so they couldn't. If this sounds like a less quantifiable benefit, well, that's because it is. At the same time, though, this kind of logic was a part of almost all our trade deals for the past 70 years. Initially, these were about setting a system to promote prosperity abroad so fragile post-war democracies could resist Communist pressure. But even after the Berlin Wall came down, they were still a way to not only open up markets, but also reward countries for reforming their economies like we wanted.

For our part, the TPP was always about us securing a few scraps from the table as reward for complying with US-led reform. In that respect, the *Wapo* piece also concluded with what TPP critics had been saying back in 2012, and since. Namely, that the TPP deal encroached undemocratically upon the kind of territory that should have been put to a public vote before the deal became a fait accompli. Instead, the deliberate secrecy surrounding the deal did the exact opposite - and that secrecy was always selectively pursued, in that corporates got the negotiating details that were systematically denied to the public. On process grounds alone, the TPP amounted to an unacceptable surrender of national sovereignty:

The simple story is that we've already pushed tariffs about as low as they can go, and all that's left is to negotiate over non-tariff trade barriers. But the problem is that those sorts of things — say, rules about intellectual property or government procurement — are what we used to think of as the sole province of domestic policy. Which is why they can feel like they're infringing on a country's sovereignty. The result is that these new trade deals are more difficult politically and less useful economically than previous ones.

And in case anyone thinks that's just the *Washington Post*, here's the influential mainstream economist Brad DeLong. This week, in [his long and eloquent defense of free trade](#) DeLong included this telling observation:

First, the TPP would have given US owners of intellectual property too much of a whip hand in their extraction of economic rents from people in poorer countries. It would have made them

pay through the nose for research and development that had already been done, and had already been paid for out of profits earned in the US. Second, it set in stone rules for judging whether governments were treating companies fairly. We do want a trading system in which companies exporting and investing have confidence that they will not be specifically discriminated against by governments, but the form such rules should take are very delicate. It's not wise to set them in stone before we see how they work.

Amen to all that, and good riddance to the TPP. If we do keep the TPP provisions on our books and try to use them as the terms of our engagement with China in the context of their own RCEP multilateral trade deal, we will be only, once again, acting as surrogates for the US. Not very dignified, or very smart. Looking ahead, the Netherlands has created this hilarious mock video on how a small country could go about ingratiating itself with Trump.

On a serious note, the Netherlands is also setting up an international fund to fill the gap in abortion counseling services that Trump and his cohorts have created this week. For decades – since the Helms amendment in the early 1970s – US aid has not been legally able to fund abortions overseas. This week, Trump re-instated the Reagan-era gag order forbidding the use of US aid for counseling and referrals on abortion. The Netherlands is defiantly stepping into the breach:

Lilianne Ploumen - a Dutch minister - said it would set up "a well-financed fund" to allow other governments, businesses and charities to donate. The Netherlands would do everything in its power to help women "remain in control of their own bodies", she said...

She said banning abortions would not result in fewer taking place, but rather it would lead to "more irresponsible practices in back rooms and more maternal deaths". "The Netherlands has been very active in promoting sexual and reproductive rights for women," she told the BBC.

"This executive order of President Trump makes it impossible for organisations not only to deliver the service of safe abortions, but also to give sexuality education, to promote contraceptives and make sure that people have access to contraceptives, so the impact is huge on the lives of women and children."

Will New Zealand donate to this international fund? This could become an interesting test of the ability of Prime Minister Bill English to set aside his conservative personal beliefs on abortion. It would also be worth asking Paula Bennett, the new Women's Affairs Minister, whether New Zealand will donate.

Kellyanne Conway, Explained

Suddenly, it all becomes clear as to why Trump's spinmeister acts as she does...

In the meantime, how hard is Trump making it for his band of apologists? Very. Hard to choose among this week's array of falsehoods, but Trump's lying over the release of his tax returns (with help from Kellyanne Conway) has been particularly galling.

On the campaign trail, Trump had promised on at least six occasions that he would release his tax info once the (totally irrelevant) IRS audit was over, but now that the audit is over, he won't.

He's also been chiding Angela Merkel for taking in refugees – even though it was the 2003 US invasion of Iraq (which Trump had supported at the time) and subsequent US policy that has generated much of the current unrest in the Middle East that has been causing people to flee for their lives. (History, shmistory. It's always a new day in America.)

For argument's sake though, let's take seriously the absurd Trump claim that three or four million fraudulent votes were cast in the November election by illegals voting for Clinton. (Supposedly, that's why Trump ended up with a minority of the popular vote.) Trump can't produce any evidence to back up these claims of widespread voter fraud – the Republicans have never been able to substantiate this 'widespread voter fraud' myth – but Trump is setting up an inquiry in two states to find them, regardless.

Meanwhile, we have the case of those 80 voting machines that just happen to have failed on Election Day in the Democratic leaning, minority voter-heavy part of Detroit.

Keep in mind that Trump won Michigan by only 10,504 votes.

Song for the TPP

Finally... here's "Barco Negro" by the great Portuguese fado singer Amalia Rodrigues. Among other things, it eloquently conveys the sense of abandonment felt by those would-be TPP members still pining for the United States trade team. Every day, they scan the horizon in the hope that Trump will one day sail back home to them. Sad!