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An open letter to the

Prime Minister, Deputy Prime Minister and Minister of Finance

Dear Jacinda Ardern, Winston Peters and Grant Robertson

The dairy industry is New Zealand's largest exporter, bringing in our greatest amount of overseas exchange.

You must be aware the second largest processor of milk in the country is about to be sold to a Chinese conglomerate substantially owned by the government of China.

The farmer shareholders in Westland Milk have been left in a situation where they have little option but to sell their shares, to their long-term detriment through lost dividends, and to the detriment of the West Coast (as the new owner will undoubtedly install new technology and cut jobs).

Westland Milk is the largest employer on the West Coast. The potential for significant job losses should be a cause for concern.

What should be ringing alarm bells louder however, from New Zealand's economic and strategic perspective, is the potential for this to be a stepping stone to the control by the government of another country of our entire milk processing capability, giving them the power to dictate the price that New Zealand's milk producers will receive for their product.

This would ultimately lead to many New Zealand farmers selling their land to the overseas buyers, likely hailing substantially from mainland China, who are keen to acquire New Zealand farmland.

That would prove disastrous for New Zealand's economic future.

Strategically there is ample evidence that China is working hard to increase its influence in the Pacific. Australia is awake to that fact, and New Zealand has been warned by the likes of Ron Asher (The Jaws of the Dragon - How China is taking over New Zealand and Australia), Anne Marie Brady, and others.

To date New Zealand's governments, chasing the short-term economic benefits of relying on China as our biggest export market, have buried their collective heads in the sand.

The economic benefits of China as a major customer will disappear when they have vertical control of our biggest industry. Profits at every level will accrue to Chinese companies and worsen our balance of payments overseas.

As the three most powerful people in New Zealand's government you have the ability, and the responsibility, to ensure this takeover does not happen.

The Labour Party's first Prime Minister, Michael Joseph Savage, toured the country prior to the 1935 election promising that Labour's first priority was gaining control of the monetary system, and then using the Reserve Bank for the benefit of the people.

A coalition of Labour and the Douglas Credit (social credit) movement delivered Labour onto the treasury benches.

It did not sit on its hands, watching from the sidelines as you appear to be doing.

Amongst other banking reforms, it put in place a 1% overdraft facility at the Reserve Bank for the Dairy Board (in fact all the producer boards).

The Honourable Walter Nash, Minister of Finance, introducing the bill to parliament that implemented that facility, said -

"The object is the organisation of credit resources so as to ensure the maximum utilisation of our natural resources and the distribution of the product in a manner that will ensure the highest standard of living for all who render useful service. That is the objective of the Labour movement today".

The capacity, the power, to provide an overdraft facility to Westland Milk and to its dairy farmer shareholders remains available to this day.

The concept is supported by a host of international experts such as Lord Adair Turner, former chairman of Britain's Financial Services Authority, professor Richard Werner, European Commission-sponsored Marie Curie fellow at the Institute for economics and statistics at Oxford, the International Monetary Fund in a 2012 report, and leading economics commentators such as Martin Wolf and Anatole Kaletsky from the Financial Times and The Economist.

A growing number of New Zealand economists and commentators support it.

You have in your hands the ability to keep Westland Milk in the ownership of New Zealand and its West Coast farmer shareholders - at no cost to the government or New Zealand taxpayers.

New Zealand is under attack economically and strategically. Any general, who in a time of war did not use resources that were readily available to him, would be tried for treason.

Will history remember you as the coalition who sat on their hands watching New Zealand's dairy industry being taken over by China?

Or do you have the courage to step onto the world stage as leaders in the field of economic common sense, protecting New Zealand's sovereignty by using our own bank to the benefit of the country you govern, and the West Coast in particular.

New Zealand is waiting for you to act.



Chris Leitch
Leader