

# **Democrats**

## **for social credit**

*PO Box 18-907, New Brighton, Christchurch Phone/Fax: 0064 7 829 5157*

*Email: [nzdp.inc@xtra.co.nz](mailto:nzdp.inc@xtra.co.nz) Website: [www.democrats.org.nz](http://www.democrats.org.nz)*

### **Speech: 27 October 2008 (5 mins.)**

New Zealand needs a shake-up.

Some New Zealanders may feel as though they have had a shake up:

- Those investors of all ages who have been ravaged by the collapses of the Finance companies.
- The Global Credit Crunch has shaken us all and we are just starting to feel the turbulence spreading from America, England and the EU

I believe New Zealand still needs a real shake-up!

**New Zealand's total indebtedness, at the end of March 2008, was \$492.6 billion dollars. On average, that is a debt of \$115,937 per NZ man woman and child – an amount of money which should shake the foundations of any Kiwi's normal response of "she'll be right mate".**

If you multiply that by four and you find the average kiwi family share of the nation's debt is nearly \$500,000.

These figures come from websites of The Reserve Bank and Statistics New Zealand.

The \$492.6 billion is made up of:

- Corporate and Government overseas debt of \$219 billion;
- Housing debt of \$158 billion;
- Business debt of \$73 billion;
- The Governments internal debt of \$30 billion; and
- Consumer debt of \$13 billion

We are all servicing these debts!

We not only service our personal debts but we service our Government and local body debt as taxpayers and ratepayers. We service a huge amount of debt as consumers - The goods and services we buy are all priced to ensure that business and corporate debt...are paid by us.

If we just decided to do something about our domestic debt (\$279 billion in June 2008) – what could we do to improve the burden?

Keeping it simple, if all our primary financial credits (our loans) originated from our own Reserve Bank rather than sourcing them from private banks, the originating loans could be issued at a cost of administration only - less than 1%.

Making some of these credits available to our Government and Local Government would reduce pressures on infrastructure development and in particular our rates and taxes.

If we on-lent the balance of these credits to the private banks – ideally all NZ owned - to lend to their customers with a margin of 3% (currently on average the margin is 2.31%), then the average interest rate charged on loans would drop from the current 9.14% to 4.00%.

Wouldn't you just say love that?

Cutting current rates in half would see the average family saving \$11,500 a year or \$220 a week. Using current banking margins we would see even greater savings to the family budget – beats any parties tax cuts.

Another point...

Our debts are greater than the money supply - at the end of June 2008 we were \$74 billion dollars short of being able to liquidate our debt.

The compounding nature of debt is currently shaking the very financial foundations of the world – there is more shaking to come unless ...real steps of financial reform are taken – not just temporary band-aids which just adds more debt and perpetuates the debt system... and sees the taxpayer guarantee it.

The vision of a New Zealand financial melt-down... of the scale experienced elsewhere ... **should be enough of a shake-up** for New Zealand voters to look else where ... for real solutions.

*The Democrats for social credit* have remained staunch. If NZ is to have any chance of surviving this debt crisis our: beliefs; policies, our independent thought and approach to solving the issues that arise from the current debt money system, must be available for the next government of New Zealand to draw on.

New Zealanders must not be distracted by spin, or the issues which come out of the cupboard at election time.

***DSC has released a 7 point plan for financial reform ... a plan designed to establish the framework for a social credit economy in New Zealand.***

This plan will reform our unstable financial system by replacing the toxic... debt-based commercial bank credit ...with social credit – it will be issued in the public interest, to serve the common good.

Copies of DSC's 7 point plan is available ....

It is time ...this election to have courage to change your party vote and support a party that has for decades ...warned voters of a financial meltdown caused by an unsustainable compounding debt system.

It is time to support a party: that has policies to avoid financial meltdowns and in fact has policies to build a new financial system when this one completely collapses.

It is time to have courage to change.

**Contact:** John Pemberton, DSC Finance Spokesman,  
Ph. 021 716 895, E-mail [pemberj@slingshot.co.nz](mailto:pemberj@slingshot.co.nz),