

# Reviews

## BRUCE JESSON

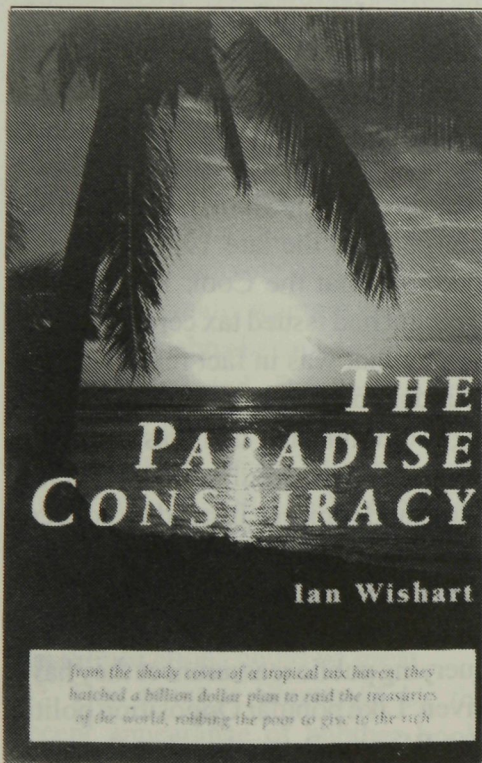
Co-editor of the *New Zealand Political Review* and author of several books giving a critique of the country's market economy policies.

## Opening the Cook Islands Pandora's box

*The Paradise Conspiracy*, by Ian Wishart. Auckland: Howling in the Moon Publications, 1995, 363 pp. K15. PO Box 16-233, Sandringham, Auckland, New Zealand. ISBN 0 473 03397 6. NZ\$39.95.

THE WINEBOX INQUIRY has been described as the Cook Islands and New Zealand's Watergate, but you wouldn't know it from the news media attention being paid it.

The inquiry has been taking place on the 9th floor of the National Mutual building in Shortland Street. Sir Ronald Davison, the commissioner, sits at a desk on a little stage at the front of the room. The witnesses are at a desk across to his left. In front are four rows of lawyers, sitting behind video screens, and behind them are the public. To the right of Sir Ronald is the press bench, but there are not usually



many press there. The business papers — the *National Business Review* and *The Independent* — cover it thoroughly. *The New Zealand Herald* runs routine reports most days, and *The Dominion* now has a reporter too. *The Listener* has carried a story. TVNZ has begun to take a belated interest.

But there are no teams of investigative journalists, no pack of reporters baying at the witnesses as they leave the room. Everything is rather sedate. It is as though the media would prefer it weren't happening. They are cer-



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tainly not making much of a job of explaining it to the public who are thoroughly bemused by it all.

Yet the issues involved are vast. It is about tax avoidance and/or evasion on a grand scale. According to television journalist Ian Wishart in his book *The Paradise Conspiracy*, Treasury has estimated that the New Zealand taxpayer was losing a billion dollars a year through the Cook Islands tax haven deals in the late 1980s. He cites evidence that the Cook Islands government had issued tax certificates for money that was in fact refunded by a roundabout route. And he quotes a legal opinion that this was fraud, although he is careful not to say that it was fraud himself. Instead he concentrates his fire on Inland Revenue and the Serious Fraud Office, challenging their handling of these matters and querying public reassurances they have given. Like popular Opposition politician Winston Peters, he raises the spectre of political interference.

This is the same ground that the Winebox is covering, except that Wishart has laid it out in advance and can be far more blunt about things than the Winebox lawyers. In fact, Wishart was partly responsible for the inquiry being held. It was through a *Frontline* program of his that much of this became public.

Wishart's book is about stories he covered as a television journalist, and so there is more in it than the Winebox. He writes about the death of Paul White — the computer dealer who

found confidential Citibank files on second-hand disks. He writes about film and bloodstock tax dodges; and about alleged political interference with the investigations of them. He writes about Fay Richwhite and Capital Markets and the Bank of NZ. And about Winston Peters and the attempt by his National Party colleagues to shut him up.

He also writes about his *Frontline* program being fiddled with by people in the hierarchy of TVNZ. It's a messy book. Wishart is not a print journalist, and he is often hard to follow. Nevertheless it is sensational stuff and hard to fault. Wishart is a professional. He cites his sources, makes it clear when he is unsure of something and treats his material critically.

It is the most controversial New Zealand book that I can remember — and like the Winebox Inquiry it has been pretty much ignored. It got a good run on talkback radio shows — and in the business papers, *The Independent* and the *NBR*, which Wishart describes as 'staunch to the bitter end'. Reviews have usually been favourable. But they are only reviews, not the follow-ups and the stories that were needed.

There have been no interviews with Wishart or the people he writes about. No follow-ups on some of the allegations made about Inland Revenue and the Serious Fraud Office. No background articles saying what it was all about. Wishart hasn't even had the honour of being called a con-



spiracy theorist, which is the usual put-down for someone who takes on the business and political establishment.

Well, what's new? The media in New Zealand has always been timid to the point of cowardice. And some of the companies involved in these matters — Fay Richwhite in particular — have been known to throw multi-million dollar writs around. Ask the editor of the *NBR*, Frances O'Sullivan.

Oddly enough, it is the business papers who are pursuing these matters vigorously, despite their dependence on business subscriptions and despite their aggressive New Right politics. Both papers had a hand in bringing the Winebox to public attention. Both had injunctions slapped on them to prevent them printing Winebox stories. Perhaps it is because they are so far to the right politically that they have done so well. Frances O'Sullivan of the *NBR* and Jenni McManus and Warren Berryman of *The Independent* are abrasive, pushy, hardbitten journalists. They are all individualists. They are not the establishment media.

The establishment media is not doing its job, but then it never has. Again, the reason is political. Again, it is New Right politics but in a different sense.

These people are conformists not individualists; if you doubt what I say, just read the stodgy prose of *The Herald* (which editorially opposed the Winebox Inquiry). Their impulse is not to attack but to defend. And the

person they wish to defend against is Winston Peters. He horrifies them. They loathe him, deeply and with a passion.

Winston attacks the New Right; and he attacks the National Party; and he attacks corruption in the business community wherever he may perceive it. Everything becomes mixed up. And the media becomes as mixed up as Winston — just as Winston's colleagues in the National Party did when they were drumming him out.

No-one really wants to know what is in the Winebox because who knows where it will end. Big names keep appearing, possibly innocently but it doesn't look good. Brierly, Fay Richwhite, Russell McVeagh, Peat Marwick, Carter Holt, the BNZ and on it goes. The Winebox is not just a commercial investigation. The political ramifications could be great.

This point is illustrated by the recent appearance of another book, *Winston First*, written by Martin Hames. Rarely can a book have been so badly timed. *Winston First* is a diatribe against Winston Peters. It attacks him as a populist and a McCarthyite because of his allegations about the Winebox and tax frauds in the film industry and so on. Hames believes that Peters' allegations are malicious and without substance. He must sincerely believe these things, otherwise he wouldn't have written a book about it at such an inopportune time. The book is sitting in the shops at the very moment that Peters is being



# Letting in the sun

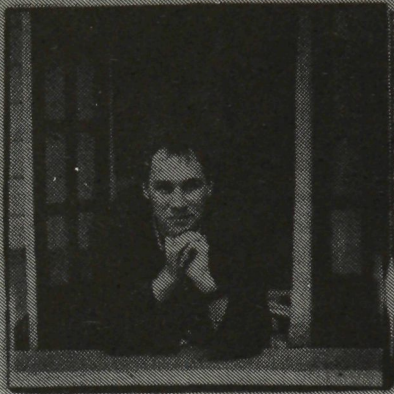
By Dave Smith

**THE PARADISE CONSPIRACY**, by Ian Wishart (Howling at the Moon, PO Box 16-233, Sandringham, Auckland, \$29.95).

Three weeks before the US presidential election in 1972, I read an essay in *Time* magazine about the issues surrounding the Watergate burglary. At a time when Richard Nixon was slotted to win the presidential election in a landslide, the piece in *Time* seemed a pathetic attempt to salvage the doomed McGovern campaign. Yet, reading it a few weeks after Nixon's resignation, I was

ck by how accurate it had been.

On first reading, I



IAN WISHART

White House. It is one that has allowed the new robber barons, guarded by legions of lawyers and accountants, to intimidate us to the point where the community can neither restrain nor call them to account.

This may sound extreme. As Wishart concedes, attempts to mount a coherent opposition to monopolisation of political thought and action have foundered badly through inept efforts such as TV1's *For the Public Good* and the erratic claims of Winston Peters. But here we have 350 pages of journalistic hard slog that calls for answers that it is, currently, not getting. Why have the likes of European

Pacific wriggled so hard to co-operate so little with Sir Ronald Davison's winebox inquiry? Why did Citibank settle so generously with antagonist Paul White just before his casually violent death? Why is there so much apparent vacillation in the IRD and the Serious

vindicated daily by the Winebox hearings.

Hames, as well as being a prat, is a former bank officer who has also worked for both Bolger and former Finance Minister Ruth Richardson. He now describes himself as a commentator and writes a column for *The Herald*, 'Hames on Saturday'. The column is as dreadful as the book. It is juvenile New Right stuff about studies that show that the rich have higher IQs than the underclass, and suchlike.

Who knows, the people that commissioned these columns might be giv-

ing a helping hand to an aspiring writer — although I haven't noticed this in *The Herald* before. Or they might have a liking for the childlike New Right tone of the columns. They might also share Hames' contempt for Winston Peters and believe that his allegations of Winebox frauds are just malicious nonsense.

I am not one to indulge in conspiracy theories, heaven forbid. But we might have a glimmering here as to why there are not teams of investigative journalists sitting in on the Winebox hearings. □