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The 9th Floor

*Conversations with
five New Zealand
Prime Ministers*



5th

Guyon Espiner and Tim Watkin



that. Just won the biggest election victory in New Zealand's history. Allegedly the books were balanced. The country's economy was in great shape – that was the story the Mike Moore-led government had put out and his Finance Minister David Caygill, up and down the country. All fiction. All a lie. So the officials demanded – there's no other word – that I appear before them on Sunday afternoon, and I did. And quietly, and with a pale face, they said, 'You need to take over Mr Bolger, because the Bank of New Zealand has to report by Friday and if it's not given support by then, it will collapse.'

And what did you say?

I said, 'Not my problem, go and see the Prime Minister. He's Mr Moore, in case you don't know his name.' That's what I said to them. 'Don't bother me, you knew this last week.'

So they got a little paler. But they said, 'Prime Minister ...' I said, 'No, I'm not Prime Minister.'

This is constitutionally interesting, isn't it, because you aren't technically the Prime Minister at this point.

I'm still the opposition leader. I said, 'Go and talk to the Prime Minister, talk to Mr Moore.' Um, they, um, really were urging to take over the government as quickly as possible. In other words, get the government sworn in, changed, and then to deal with the bank. Well, of course what I had to do – I invited, I think, [Don] McKinnon, my deputy, Bill Birch and Ruth Richardson to come to Wellington that afternoon. I'm not sure they all got there that afternoon. And we started to work on a rescue package for the Bank of New Zealand. And Bank of New Zealand at that stage, I think had 40 per cent – or that's what officials told me – 40 per cent of the commercial paper in New Zealand. So if it collapsed, half of New Zealand's companies would have collapsed.

Q.

It was that big of a deal?

It was that big of a deal. It is hard from the outside and the distance