

New Zealand prime minister visits China amid tensions over South China Sea

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New Zealand Prime Minister John Key began a week-long visit to Beijing last Sunday, as the confrontation between the US and China continues to mount over Chinese activities in the South China Sea. His itinerary has included meetings with Chinese President Xi Jinping and Premier Li Keqiang.

Key sought to focus his sixth visit to Beijing as prime minister on talks to “upgrade” New Zealand’s eight-year-old free trade agreement with China. However, he received a blunt warning from China’s state news outlets not to raise the issue of the South China Sea.

The trip immediately follows a high-profile visit to Beijing by Australian Prime Minister Malcolm Turnbull the previous week, accompanied by a 1,000-strong contingent of business representatives. Chinese media reportedly aired suspicions that the two visits were timed so that the Australian and New Zealand leaders could deliver a common message.

Key said the matter of the South China Sea would “almost certainly” be raised, particularly given the forthcoming judgment in the case lodged by the Philippines at the Permanent Court of Arbitration in The Hague over China’s land reclamation activities. The decision will undoubtedly be used by Washington to step up its condemnations of Chinese “expansionism” and “militarisation” of the South China Sea.

China’s news agency Xinhua and the state-owned *Global Times* both warned Key that any mention of the issue could jeopardise the trade talks. A Xinhua editorial bluntly declared that “New Zealand is an absolute outsider” in the South China Sea dispute and “not a concerned party.” Any attempt by Wellington to break its promise not to take sides would “risk complicating the flourishing trade ties between China and New Zealand.”

Xinhua noted that New Zealand had earlier implicitly criticised China and said it should take an independent stance rather than be “hijacked by the ambitions of its military allies.”

Earlier this year, Foreign Affairs Minister Murray McCully delivered a speech to the Lee Kuan Yew School of Public Policy in Singapore, stating that New Zealand had “no position” on the various territorial claims in the region. However, he pointedly added: “We do have a stake in how these disputes are managed.” McCully did not name China, but his remarks were clearly aimed at Beijing’s land reclamation.

While seeking to preserve cordial relations with China, its second largest trading partner, the New Zealand political establishment, including the National government and opposition parties, is committed to the US anti-China “pivot” and US preparations for war.

While Key is in Beijing this week, New Zealand’s air force is taking part in the Bersama Shield exercise in the South China Sea, involving Australia, Malaysia, Singapore and Britain. In March, New Zealand joined the major annual joint US-South Korean exercises in South Korea.

Xinhua questioned why New Zealand was taking part in the Bersama Shield exercise during Key’s visit. The host nation, Malaysia, is one of several South East Asian nations involved in the territorial disputes in the South China Sea. Bersama Shield simulates a scenario in which Malaysia and Singapore are under threat by an “unnamed force.”

Aware of the deep-seated opposition to war in the New Zealand population, the Key government has downplayed its involvement with US military preparations. For public consumption, National has consistently declared that New Zealand is not “taking

sides” in the maritime disputes. Key told reporters the South China Sea was important for New Zealand as a trade route but New Zealand’s approach was “a little bit less aggressive” than some other countries.

Behind the scenes, successive governments have strengthened the integration of the country’s military into Washington’s “pivot,” to ensure US support for New Zealand’s own neo-colonial interests in the South Pacific. The Key government is currently finalising a defence White Paper, in close consultation with Australia and the US. According to Defence Minister Gerry Brownlee, it will reflect “shared values and security perspectives, including the importance of interoperability between our defence forces.”

In February, New Zealand hosted the signing of the Trans Pacific Partnership (TPP) agreement, which will create a US-dominated economic bloc of 12 countries to dictate terms of investment and trade throughout the Asia-Pacific region. The deal is the economic front of Washington’s “pivot” and is aimed at rolling back China’s economic influence.

As Washington increases the pressure on its allies to confront China, New Zealand is faced with an increasingly fraught dilemma. In the *New Zealand Herald* on April 18, Chinese ambassador Wang Lutong noted that New Zealand was the first Western country to join China’s Asian Infrastructure Investment Bank, thereby “seizing the opportunity” to position itself as “a leader amongst Western nations in the development of bilateral relations with China.” Besides New Zealand’s critical dairy and meat exports to Asia, China is the country’s largest source of lucrative foreign students and the second largest source of overseas tourists.

Key downplayed the Chinese media’s South China Sea warnings, saying New Zealand’s position had not changed and he took such messages with “a grain of salt.” Asked by TVNZ if Key should broach the issue, Finance Minister Bill English said it was up to the prime minister to “make that judgment” but the “priority” for the visit is to upgrade the free trade agreement.

Like Turnbull the previous week, Key skirted the South China Sea issue in his official statements. He emerged from a meeting with Premier Li echoing Chinese concerns. “They would argue they have the most skin the game ... that they want to see some peace

and stability in the region—and it’s hugely important for their economic development,” Key said.

Key’s downbeat response attracted media criticism. Falsely declaring that China was seeking to extend its maritime territory “far beyond reasonable international limits,” the *New Zealand Herald* said Key dealt with the issue “too easily.” New Zealand’s position “should be much stronger,” the editorial insisted. The *Dominion Post* similarly turned reality on its head, depicting China’s actions as “aggressive and domineering.” It abruptly dismissed Key’s mild “complaint” to the Chinese leadership over the South China Sea as simply too “rote.”

The opposition parties have remained silent about the sharpening tensions and their significance. They aim to prevent any public discussion of the prospect of the country being dragged into a catastrophic war between nuclear-armed powers. At the same time, the parties have embraced New Zealand’s alignment with the US against China. Labour and NZ First have been pressuring the government to more emphatically engage with the US “pivot.”

As for the trade agreement, at a lunch hosted in Beijing by a group of China’s top businessmen and women, Key reassured them that New Zealand remained “open for investment,” despite his government’s decision last year to block a \$71 million bid by a Chinese firm to buy a major farm. He signalled his intention to streamline the process for foreign purchases of land. The comments were designed to allay concerns in Chinese business and political circles over the increasingly strident and xenophobic positions of the Labour Party, Greens and the right-wing populist NZ First, opposing land sales and Chinese immigration.



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