

Biden visits New Zealand to strengthen military ties

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21 July 2016

Following the Permanent Court of Arbitration ruling in The Hague on July 12 negating China's longstanding claims in the South China Sea, Washington has begun ramping up pressure on its allies to collaborate in its military provocations against Beijing as it seeks to subordinate the entire region to its interests.

US Vice President Joe Biden is visiting New Zealand today after four days in Australia. In Sydney yesterday, Biden delivered a menacing speech stressing the importance of the US-Australia military alliance, boasting of America's "unparalleled" military strength and declaring "we want to ensure the sea lanes are secure and the skies remain open."

At his reception dinner in New Zealand last night, Biden paid special tribute to US Army Captain Matthew Ferrara, a dual citizen of the US and NZ, who was killed in Afghanistan in 2008. To stress the shared involvement of the two countries in war, Biden is to lay a wreath at the Auckland Cenotaph.

New Zealand Foreign Minister Murray McCully last week gave what the *Dominion Post* described as a "nuanced" response to The Hague ruling. He emphasised that the UN Convention on the Law of the Sea should be "respected" by all parties. Ostensibly leaving the door open for discussions and limited concessions to China, he said the ruling provided a "platform" for resolving the "longstanding and complex issues in the South China Sea."

New Zealand has endeavoured to maintain a fraught and increasingly unsustainable balancing act between China, its second most important trading partner after Australia, and its strategic and military alliance with the US. In Beijing last September, Defence Minister Gerry Brownlee said: "We do not see our defence relationships with the United States and China as

mutually exclusive."

Biden's visit is aimed at ensuring Wellington's unequivocal commitment to US preparations for war against China. The NZ Defence White Paper, issued last month, endorsed the Obama administration's strategic "rebalance" or "pivot" to Asia and marked another step in NZ's integration into US war plans. Brownlee stated that \$NZ11 billion in pending upgrades to all the defence forces will make them "interoperable ... with our close partners."

The paper also noted that New Zealand already "makes an important contribution to international efforts towards freedom of navigation," including "maritime surveillance activities in the South Pacific and South East Asia." Equipping Orion surveillance aircraft with new submarine detection technology will "offer a highly valued capability to international coalition operations."

The opposition Labour Party, the Greens, anti-immigrant NZ First, the Mana Party and pseudo-left groups have all taken a more openly anti-Chinese position. In addition to denouncing Chinese claims in the South China Sea, they have sought to whip up xenophobia by blaming Chinese immigrants for New Zealand's housing crisis and unemployment.

In May, during a state visit to China by Prime Minister John Key, the state news agency Xinhua bluntly warned that New Zealand should not allow itself to be "hijacked by the ambitions of its military allies." Any attempts by Wellington to break its promise not to take sides on the South China Sea would, Xinhua declared, "risk complicating the flourishing trade ties between China and New Zealand."

Just days before Biden's visit the *Sunday Star Times* (SST) reported on July 17 that China had threatened a

“trade war” against NZ, targeting its dairy, wool and kiwifruit exports. The move was in retaliation over high-level complaints about “substandard” Chinese steel imports “flooding” the local market for use in major infrastructure projects.

Pacific Steel, a subsidiary of Australia’s BlueScope Steel, lodged a provocative application under local and World Trade Organisation rules several months ago for an investigation into alleged Chinese “dumping” of steel. Lawyers for the Ministry of Business, Innovation and Employment are deciding whether the investigation should proceed, potentially resulting in punitive anti-dumping tariffs against China. New Zealand officials were reportedly surprised by China’s “combative” response, and scrambled to arrange urgent talks.

The SST noted that “the Chinese believe New Zealand is part of a US-led alliance to target Chinese national interests.” In fact, steel is the forefront of measures by both the US and Europe, amid continuing global stagnation, to shift the burden of the economic crisis onto China. Last month, the US Commerce Department announced separate tariffs of 450 percent and 522 percent on some Chinese steel imports. Facing growing threats of retaliation, the Chinese government has already cut 100 million tonnes of iron and steel production and announced plans to further slash capacity, axing some 500,000 jobs.

NZ First leader Winston Peters, along with commentators and bloggers, including the trade union-funded *Daily Blog* and the E Tu union, promptly launched a nationalist tirade in defence of New Zealand’s “sovereignty.” Echoing the turn towards economic protectionism by ruling elites globally, they demanded urgent measures to defend “our own steel industry.”

From Indonesia where he was visiting, Key declared that following a meeting between the Chinese ambassador and officials from the Ministry of Foreign Affairs and Trade, an “absolute assurance” had been given that no reprisals or actions would be taken in the event of any investigation.

Business commentator for the *New Zealand Herald*, Fran O’Sullivan, wrote yesterday that the SST story was planted by high-level New Zealand government officials in order to put the Chinese embassy on the “back foot” and force a “robust investigation” into the steel issue so as to “ensure the integrity of our trading

system.”

The rise of trade war and protectionist measures, led above all by the United States, echoes the “beggar thy neighbour” policies of the 1930s that heightened the geopolitical antagonisms and rivalries that were to erupt in the Second World War.



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