

New Zealand government boosts foreign aid for “Pacific Reset”

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New Zealand’s foreign service is to get a massive boost in funding, taking its total four-year allocation to nearly \$NZ1 billion, to implement the Labour Party-led government’s “Pacific Reset.” The strategy is designed to intensify New Zealand capitalism’s presence across the region and push back against growing Chinese influence.

The Ministry of Foreign Affairs and Trade (MFAT) will receive an operational expenditure increase of \$150.4 million for the period, and \$40.3 million in capital expenditure. Another \$714.2 million has been earmarked for the Official Development Assistance fund, or foreign aid, to be prioritised toward the Pacific. The diplomatic corps will be increased, with another 50 positions and the reopening of an embassy in Sweden, closed in 2012.

The real purpose of the “Pacific Reset” is to reassert the historical dominance of New Zealand and Australian imperialism in the southwest Pacific. In recent years, Samoa, Tonga and other Pacific countries have received hundreds of millions of dollars in aid, infrastructure investment and loans from Beijing, outstripping that provided by Australia and New Zealand.

China’s involvement in the South Pacific is bound up with its response to Washington’s aggressive military and strategic “pivot” to the Asia-Pacific to confront China, which began under Barack Obama and has intensified under Donald Trump.

Foreign Minister Winston Peters, leader of the right-wing populist NZ First Party, announced MFAT’s budget allocation at a special presentation on May 8, ahead of the full budget release on May 17.

Labour previously sought to dampen expectations over the budget. Prime Minister Ardern last month delivered what the *New Zealand Herald* described as “a

gloomy warning” over health and education expenditure. Finance Minister Grant Robertson reassured business that “budget responsibility” to pay down debt would be a priority.

Peters said the increase in the foreign affairs portfolio reflected the “critical role” MFAT plays in keeping the country “safe and prosperous” in “an increasingly turbulent global environment.” It would demonstrate that New Zealand is “serious in addressing global and regional challenges and helping people in need.”

The *Dominion Post* on May 10 endorsed Peters’ anti-China stance, citing his media comment that “if New Zealand is not there, some other influence will be there.” Noting a “dramatic underfunding” of foreign aid—falling from 0.3 percent of gross national income in 2008 to 0.25 percent in 2016—the editorial said “feel good sentiments” about the Pacific “have now been backed by what really matters, and that is money.”

In March, Peters delivered a speech at the Australian strategic think tank, the Lowy Institute, declaring that the Pacific is “an increasingly contested strategic space, no longer neglected by Great Power ambition, and so Pacific Island leaders have more options. This is creating strategic anxiety.” He called for New Zealand, Australia, the European Union and the US, to “better pool our energies and resources to maintain our relative influence” against “external actors and interests.”

Peters’ speech coincided with a furore in the Australian and New Zealand media designed to ratchet up an ongoing anti-China propaganda campaign. Citing unnamed “intelligence and security” sources, unsubstantiated allegations were aired that China was about to establish a naval base in the tiny island nation of Vanuatu.

The “Pacific Reset” dovetails with Washington’s militarisation of the Asia-Pacific, including threats of

war against North Korea, and trade war measures, aimed primarily at economically isolating China. New Zealand and its allies are preparing for a major war. Peters stated twice in his Lowy speech that “there has never been a time since 1945 when Australia and New Zealand need to work together more closely in the Pacific.”

The reopening of the Stockholm embassy signals a further alignment of New Zealand with the imperialist intervention in Syria and build-up by the US and European powers to isolate and prepare for war against Russia. Labour seeks the closest alliance with Australia, the US and European powers in order to ensure their support for the NZ ruling elite’s own neo-colonial operations in the Pacific.

Labour supported the previous National Party government’s commitment of \$20 billion to upgrade the NZ military over 15 years to make it “inter-operable” with the US and allied forces.

In April, Prime Minister Jacinda Ardern used a visit to Europe to promote increased military cooperation with France and Britain in the Pacific. She and French President Emmanuel Macron agreed to work together on “defence” in the region, where heavily-militarised French colonies are close neighbours to New Zealand. Macron accepted an invitation to visit New Zealand, which will make him the first French president to do so.

Washington’s strategic interest was underscored on May 7 by Hillary Clinton, the former US secretary of state and 2016 Democratic Party presidential candidate. Clinton, on a visit to promote her recent book, told an Auckland audience that China’s attempt to gain political power and influence in foreign countries, including New Zealand, is “a new global battle.”

Clinton claimed that Beijing was now much more active in the Pacific and intent on “dominating its part of the globe through soft power and the projection of its military capabilities.” Clinton cited the work of NATO-funded academic Anne-Marie Brady, who has called for New Zealand’s intelligence agencies to take action against Chinese “influence” in NZ politics and business.

In 2010, as secretary of state, Clinton was instrumental in intensifying the relations between New Zealand and the US as part of the Obama administration’s “pivot” to Asia to confront China. She signed the Wellington Declaration, paving the way for

the resumption of military exercises and training between New Zealand and the US after a decades-long freeze in response to New Zealand’s anti-nuclear legislation.

Wellington’s operations in the Pacific have always been shrouded in a bogus “humanitarian” guise. The local imperialist powers have ruthlessly exploited the Pacific for more than a century. New Zealand occupied Samoa from 1914 to 1962 and brutally oppressed the country’s inhabitants. It profited from the looting of phosphates from Nauru and Banaba, in Kiribati. The Cook Islands and Niue are effectively still New Zealand colonies, with limited independence, while Tonga and Samoa depend heavily on NZ and Australian aid.

During World War II, Pacific islands were turned into bloody battlefields where the US, Australia and New Zealand fought Japan for domination over the region. Amid intensifying preparations for war, the NZ Labour Party has abandoned any pacifist pretences and is fully collaborating with the US-led imperialist militarisation of the Asia-Pacific region.



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