

NEW ZEALAND-CHINA RELATIONS: COMMON POINTS AND DIFFERENCES

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The 35th anniversary of New Zealand establishing diplomatic relations with the People's Republic of China (PRC) fell on 22 December 2007. This anniversary was marked by high-powered celebrations in both Beijing and Wellington. Yet, it should not be forgotten that New Zealand-China relations stretch much longer than the 35 years of formal relations with the PRC. There is a saying in Chinese, "when drinking water, think of its source" (*yin shui si yuan*), and in this paper I will survey some of the historical sources of New Zealand's current close interest in, and involvement with, China. New Zealand has long had an extensive and complex relationship with China. The diversity of these long-term connections has resulted in an unusually high level of awareness of China and its people in New Zealand, and a strong interest in expanding the relationship still further. Another saying is also useful as a framework for understanding New Zealand-China relations: "seek common points; face up to differences." China's rising dominance in the Asia-Pacific region in recent years has brought about a significant re-adjustment in New Zealand's foreign policy, one which the New Zealand population appears ill-prepared to adjust to and which poses a number of challenges for the future. In the second half of the paper, I will discuss some of the points New Zealand has in common with China, along with some of the differences.

Early Contacts

New Zealand-China trade began as early as 1792, when sealing gangs landed on New Zealand shores to harvest sealskins for consumers in China. Within

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20 years, these gangs virtually wiped out New Zealand's seal population; which could perhaps serve as a cautionary tale to those who currently extol the advantages that trading with the vast Chinese market could bring to the New Zealand economy. When the sealskin trade stopped, other trade continued, such as the export of jade, timber, and later gold, fungus and scrap iron. In time, trade became two-way, with New Zealand importing Chinese tea, spices, fabrics and oils.²

The discovery of gold in Otago in 1861 led to the beginning of Chinese migration to New Zealand, albeit extremely controlled. The debate over the Chinese presence in New Zealand after 1866 contributed to forging an emergent sense of national identity. As historian Nigel Murphy has argued, defining the early Chinese residents in New Zealand as "Other" led to a recognition of who exactly were "New Zealanders".³ It should be noted that, according to the research of many social scientists specialising in this area, the definition of the New Zealand Chinese as "Other" is not yet completely resolved in New Zealand's modern-day multicultural society.⁴

New Zealand is a society with a strong tradition of Christian missionary work. From 1898, the New Zealand Presbyterian Church set up the Canton Villages Mission in Guangdong, China. This mission built on existing links between New Zealand missionaries and Chinese gold miners from Guangdong Province. As well as proselytising, the mission did valuable work expanding health care services into rural Guangdong and providing educational opportunities to the poor.⁵ New Zealanders also contributed a considerable number of missionaries to the Chinese Inland Mission (CIM), the London-based organisation which promoted Protestantism in China. In 1934, a Guizhou-based, New Zealand CIM missionary, Arnolis Hayman, who lived in China from 1913-1945 and spoke fluent Mandarin and Miao dialect, was captured and held for ransom by the 6th Army Corps of the

² C. J. Elder and M. Green, "New Zealand and China, 1792-1972," in Ann Trotter, ed., *New Zealand and China: The Papers of the 21st Otago Foreign Policy School*, 1986; Report of the Foreign Affairs and Defence Committee, "Inquiry into the New Zealand-China Relationship," Second Session, Forty-first Parliament, 1986, p. 7; and Zhang Beihua, "Sino-New Zealand Relations 1792-1987," M.Phil thesis, University of Waikato, 1988.

³ Nigel Murphy, "Joe Lum v. Attorney General: The Politics of Exclusion," in Manying Ip, ed., *Unfolding History, Evolving Identity: The Chinese in New Zealand*, Auckland, Auckland University Press, 2003, pp. 48-67.

⁴ See David Pang, "Education, Politics and Chinese New Zealander Identities: The Case of the 1995 Epsom Normal Primary School's 'Residency Clause and English Test,'" Bevan Yee, "Coping with Insecurity: Everyday Experiences of Chinese New Zealanders;" and Gilbert Wong, "Is Saying Sorry Enough?," in Manying Ip, ed., *Unfolding History, Evolving Identity: The Chinese in New Zealand*, Auckland, Auckland University Press, 2003.

⁵ See "The Story of the Canton Villages Mission, 1901-1951," <http://www.archives.presbyterian.org.nz/missions/cvmhistory.htm>.

Chinese Workers' and Peasants' Army (commonly known as the Red Army). This army was one of the forces engaged in what we now know as the Long March, the Chinese Communist Party's (CCP) trek from its southern bases to the northwest of China (1934-1936). Hayman nearly died from his experiences, and his unpublished memoirs give a fascinating and candid insight into some of the leading figures of the CCP and the extreme methods they used to further their goals. Hayman's capture by "Red bandits" was well-publicised in the papers of the day and added to New Zealand awareness of China's plight in the Republican era.⁶

New Zealand Catholics were also heavily involved in supporting Catholic missionary activity in China through the Franciscans and other such organisations. Much as the size of the Chinese economy was an object of desire for many exporters, so too did the Chinese market for souls attract much attention. China was believed to have a "great need" for salvation. New Zealand Christians, though in world terms relatively small in number, made a considerable contribution to this crusade. This contribution continued until 1951, when the PRC explicitly prohibited the work of foreign missions in China and cut off foreign aid.⁷ After this period, New Zealand missionaries and their supporters re-directed their attention to Hong Kong and Taiwan, while keeping a close eye on opportunities to further the church in the PRC.

There was another sort of New Zealander altogether who was attracted to China in the pre-1949 period: those whom I will call "adventurers". These were people who went to China not for political or religious reasons, but to seek adventure. Among such figures I would count: Rewi Alley, who first went to China in 1927 to join a war (he hoped to get a job as a foreign mercenary fighting against the Northern Expedition) and eventually ended up as a world-renowned figure—first for his involvement in implementing industrial safety standards in Shanghai, and then for his key role in relief efforts and the Chinese cooperative movement—⁸ Iris Wilkinson (who used the pen name Robin Hyde), the New Zealand journalist and novelist who went to China in 1938 and wrote vivid and moving accounts of the Japanese attack on Xuzhou;⁹ and James Bertram, a New Zealand Rhodes scholar who eventually became a propagandist for the CCP during the 1936 Xian Incident and whose interview with Mao is cited in *Quotations from Mao Zedong*

⁶ See Anne-Marie Brady, "Arnolis Hayman: A New Zealander on the Long March," Paper given at the Conference of the Chinese Studies Association of Australia, Brisbane, 27-29 June 2007.

⁷ See George Patterson, *Christianity in Communist China*, Waco, TX: Word Books, 1969.

⁸ See Anne-Marie Brady, *Friend of China—the Myth of Rewi Alley*, London: RoutledgeCurzon, 2002.

⁹ See Derek Challis and Gloria Rawlinson, *The Book of Iris—A Life of Robin Hyde*, Auckland: Auckland University Press, 2002.

(more commonly known as the Little Red Book).¹⁰ There are many others not so famous, but all contributed to New Zealanders' awareness, sympathy, and understanding of the problems China faced in the pre-1949 era.

Cold War Period

In late 1949, as a result of strong awareness of the problems China faced and sympathies with its needs, New Zealand diplomats advocated recognising the new PRC government.¹¹ However, while this was the New Zealand position (and throughout the Cold War period both the National and Labour parties supported this),¹² the decision was made to hold off on the immediate establishment of relations for some time, as the Chinese Civil War was by no means concluded. However, after China entered the Korean War in October 1950, the question as to the actual date of New Zealand's recognition of the PRC was put on hold. As a punishment for China's involvement in the war, the US vetoed any more of its close allies establishing diplomatic relations with the PRC (the United Kingdom had established diplomatic relations before the war broke out)¹³ and also ordered a trade blockade on China.¹⁴ Wellington complied with both policies, and publicly supported the US position, but other government policies such as on New Zealand citizens visiting China, the early resumption of New Zealand-China trade and the official attitude towards the Chinese in New Zealand show that there was considerable divergence between the New Zealand position on China and that of the United States during the Cold War era.

The New Zealand Ministry of Foreign Affairs file on the issue of the recognition of China is 38 folders thick and dates from 1949 to 1972. The recognition of China was a topic of considerable debate in New Zealand in the Cold War years, and many New Zealand politicians, diplomats, and ordinary New Zealanders were openly frustrated with lack of progress on the

¹⁰ See James Bertram, *Capes of China Slide Away: A Memoir of Peace and War, 1910-1980*, Auckland: Auckland University Press, 1993; and *Quotations from Chairman Mao Tse-tung*, Peking: Foreign Languages Press, 1966, p. 134.

¹¹ A. D. McIntosh, Notes for file, 10 November 1949, PM 264/3/14 part 1A, National Archives (hereafter NA).

¹² In 1953, the National government's Minister for External Affairs, T. Clifton Webb, met with the US ambassador to New Zealand to urge the US not to delay the recognition of the People's Republic of China. Following the meeting, a foreign ministry memo reported that the "US government earnestly hopes that the question of Chinese representation in UN bodies will not be raised by countries outside the Soviet bloc." 15 June 1953, Meeting between Ambassador Scott and Minister of External Affairs, T. Clifton Webb, PM 264/3/14, NA.

¹³ Extract from New Zealand record of discussions on the Pacific Pact, 6 August 1952, PM 264/4/2, NA.

¹⁴ See 111/31/6 part 1, NA.

matter. In 1956, a Prime Minister's Department memo commented that the New Zealand public seemed ready to recognise China "at any time the government wishes to accord it."¹⁵ Nonetheless, despite public pressure, the advice of New Zealand diplomats prevailed. They argued that, on this question, the attitude of the US was the most important factor. New Zealand could not recognise the PRC until its most important ally did so; otherwise it risked jeopardising the hard-won ties established between New Zealand and the US since WWII.¹⁶

One way in which the New Zealand government could indicate its opposition to the US policies on the PRC was in matters such as trade and immigration. In 1956, New Zealand was one of the first Western countries to lift its economic embargo on China. In 1958, a New Zealand Ministry of Industry and Commerce official paid a secret visit to China to try to boost Sino-New Zealand trade.¹⁷ From the late 1950s on, New Zealand traders developed a substantial (for New Zealand) trade in wool, tallow, and skins, and imported an equivalent amount of Chinese goods.

Unlike its Western allies, New Zealand did not prohibit its citizens from travelling to the PRC,¹⁸ and they also allowed PRC citizens, including some senior CCP officials, to visit New Zealand. Rewi Alley, who had chosen to stay on in the PRC after 1949 and was an open advocate for the policies of the new government, soon began to attract negative attention from the US government for his views and activities.¹⁹ New Zealand was under pressure to "control" him in some way, but ignored these demands and facilitated the renewal of Alley's New Zealand travel documents and invited him to give (secret) briefings on China to diplomats and politicians when he visited New Zealand in 1960, 1971, and 1972. Most of Rewi Alley's more than sixty books promoting "New China" were published by the Caxton Press, a leading New Zealand publisher. Alley was also instrumental in founding the New Zealand-China Friendship Society, which helped to build

¹⁵ "Communist China," 18 July 1956, PM 264/3/14/1/11, New Zealand Ministry of Foreign Affairs and Trade Archives (hereafter MFAT).

¹⁶ Memo, New Zealand Embassy, Washington, to Ministry of Foreign Affairs, Wellington, 10 November 1966, PM 264/3/14, NA.

¹⁷ 7 October 1958, report of visit, 58/11/4 part 1, NA.

¹⁸ SEATO (South-East Asian Security Organization) Security and Anti-Subversion Measures, Travel to Communist Countries, Agenda Item 4, 23 September-27 October 1960, PM 120/7/18 part 1, NA.

¹⁹ "The Germ Warfare Campaign in New Zealand," confidential report, Publicity and Information Division, Department of Tourism and Publicity, 30 April 1952, Marshall papers, 22/1, Alexander Turnbull Library; Alfred Kohlberg to L.K. Munro, New Zealand Ambassador, Washington, 19 January 1953, 104/264/9, MFAT. Kohlberg was a former China trader and close associate of US Senator Joe McCarthy.

support and awareness of the PRC in New Zealand, organised “prominent persons” delegations to China and encouraged cultural exchange activities.²⁰

Another factor in the surprisingly close links between New Zealand and the PRC in the Cold War era was the Communist Party of New Zealand (CPNZ). The CPNZ was the only Western communist party to follow the CCP line during the Sino-Soviet split. The CPNZ’s decision to support the CCP was influenced by a number of factors, including the views of Rewi Alley. Alley only joined the CPNZ in 1960, but he was in contact with the party well before then and his pro-PRC, anti-US statements featured prominently in the party’s paper, the *People’s Voice*. In 1963, the CPNZ officially announced its support for China’s viewpoint in the ideological conflict with the Soviet Union. This led to a dramatic increase in contacts between the two parties, including the CCP effectively subsidising the CPNZ for the next 15 years through subscribing to large quantities of the party newspaper and paying more than the going rate for the copies it bought. CPNZ officials and their families were also invited on ‘all expenses paid’ trips to China and given free medical care and other services in return for their support. CPNZ leader Victor Wilcox’s pro-CCP speeches were translated into Chinese and widely promoted in China. In the 1960s and 1970s he was one of the most well known foreigners in the PRC, and he met regularly with Mao Zedong and other senior leaders on his visits there.

The CPNZ already had a special relationship with the CCP in any case, due to its location in China’s designated area of regional influence, the Asia-Pacific. In a 1949 meeting in Moscow, the CCP was assigned the task of giving support to communist parties, trade unionists, and peace activists in the Asia-Pacific region.²¹ From this date, and until 1978 when China changed its foreign policy, New Zealand was within China’s zone of responsibility for fostering world revolution. This connection, and the special relationship between the CCP and the CPNZ, is demonstrated by a “Revolutionary Map of the World,” published in *People’s Daily* on 22 May 1971, which shows New Zealand as a centre of “revolutionary mass movements.”²² From the early 1950s, a number of CPNZ activists travelled to China for training in a secret international guerrilla school in Beijing, where they learned how to conduct guerrilla warfare and deepened their theoretical knowledge.²³ From

²⁰ See Anne-Marie Brady, *Friend of China—the Myth of Rewi Alley*, London: RoutledgeCurzon, 2002.

²¹ This was proposed during Liu Shaoqi’s meetings with Stalin in the summer of 1949. See Ivan Kovalev, “The Stalin-Mao Dialogue,” *Far Eastern Affairs*, No. 2 (1992), p. 97.

²² The map is reproduced in Franz Schurmann, David Milton ed., *The China Reader*, vol. 4, New York: Random House, 1974, p. 474.

²³ Eric Aarons, *What’s Left? Memoirs of an Australian Communist*, Sydney: Penguin Books Australia, 1993, p. 92. Eric Aarons, phone interview, 9 January 2002. I have been able to identify a number of New Zealand participants in the schools, but for privacy

my research into the archives, it appears that the governments of the day were unaware of this particular activity.

The CPNZ was never important politically in New Zealand, though leading figures had prominent roles in both the trade unions and front organisations, such as the New Zealand-China Friendship Society and the peace movement. Membership of the CPNZ peaked at 1,500 in 1943; in 1952 the number of members was between 800 and 1,000. There was a considerable annual turnover of members and a core membership of a mere 50 individuals. Through the use of informants, agents and other surveillance activities, the New Zealand government was aware of how slight a risk it posed to New Zealand's security. New Zealand was required by its membership of the Southeast Asian Treaty Organisation to report back annually on communist subversion in New Zealand, but in 1960 Wellington asked for the section on New Zealand to be removed; in their estimation there was no such threat.²⁴

Of potentially more cause for concern to the government than the CPNZ was the potential for the local Chinese population to become a pro-PRC fifth column. Yet, like the requirement to provide information on the communist threat in New Zealand, this reflected the fears of New Zealand's neighbours and allies rather than the realities of the New Zealand situation. Prompted by such concerns, New Zealand security officials kept a watchful eye on the political activities of the local Chinese community, but saw little cause for worry. With only a few exceptions, the Chinese community in New Zealand was neither pro-CCP nor pro-PRC in the Cold War period, even if they were not necessarily pro-Guomindang or pro-Republic of China.²⁵

“Watching the China Watchers”: New Zealand, the US, and China

US government policy on China in the Cold War era had a profound impact on New Zealand's policies towards the PRC. Indeed, one of New Zealand's earliest China-specialist diplomats, Bryce Harland, actually described his main task as “watching the China watchers,” that is, keeping a close eye on the views of US-China specialists in the State Department and academia.²⁶ US-China relations were “a subject of direct interest to New Zealand,”²⁷

reasons I will not name them. Most are dead now; one whom I was able to contact refused to discuss his time at the school and appeared shocked that his secret had been revealed.

²⁴ “Agenda Item 2(a): the Subversion and Insurgent Threat to the Treaty Area,” 25 November 1960, PM 120/7/14, NA.

²⁵ US-Communist China Relations, Department of Police to Department of External Affairs, 6 November 1956, PM 264/2/2 part 7, NA.

²⁶ Bryce Harland, interview, 19 April 2002.

²⁷ Memo, 4 September 1956, PM 264/2/2, part 7, NA.

since they were such an integral element of US foreign policy in the Cold War era. New Zealand's closest allies after 1952, Australia and the US, continually emphasised China's threat to the security of the Asia-Pacific region. Australia and the US saw China, in association with the Soviet Union, as the main existing security concern in Asia. In contrast, New Zealand's security analysts believed that the only potential challenge to New Zealand's security was from the Soviet Union.²⁸ Even then, the likelihood that New Zealand would be a direct victim of Soviet aggression was believed to be extremely remote; the threat was perceived in terms of a potential attack on New Zealand's allies.

In public, Wellington was always a loyal and outspoken supporter of US policies in Asia and even acted as Washington's proxy at the United Nations in raising resolutions criticising the PRC. But, behind closed doors, New Zealand politicians and officials argued that US policies towards the PRC were having a negative affect on relationships with other countries in Asia. New Zealand's concerns were frequently raised in inter-allies internal meetings and confidential reports within the New Zealand government.

The New Zealand perspective was that peace in the Asia-Pacific would only be achieved if a *modus vivendi* could be worked out with the PRC—one which would welcome the new nation into the international community, rather than excluding it. Nevertheless, the realities of the situation were such that New Zealand could only recognise the PRC if the US changed its position on the regime; to have done otherwise could have seriously damaged New Zealand's relations with the US and other Western allies. Under the circumstances, the best that successive New Zealand governments could do was to maintain a tolerant attitude to unofficial New Zealand-PRC activities and attempt to influence US-China policies from within the alliance system.

New Zealand Establishes Diplomatic Relations with the PRC

The Sino-US rapprochement in 1971 brought about the opportunity to change New Zealand's official relations with the PRC. The initial response of the then Holyoake government was to propose a "two Chinas" approach, whereby both the People's Republic of China and the Republic of China could be recognised internationally.²⁹ This approach was rejected by both the PRC and the ROC.³⁰ It took the election of a new Labour government in late 1972 to take the step of recognising the PRC and breaking off relations with

²⁸ "Threats to Security in New Zealand," Cabinet Advisory Committee on Security, 28 January 1952, PM 84/31/3/, part 1, NA.

²⁹ "New Zealand and China," *New Zealand Foreign Affairs Review*, May 1971, p. 3.

³⁰ John Scott, "Recognising China," in Malcolm McKinnon ed., *New Zealand in World Affairs*, Vol. 2, 1957-1972, Wellington: NZIIA, 1991, p. 240.

the ROC. Official relations between New Zealand and the PRC were established on 22 December 1972, in some haste. New Zealand did not want to be seen to be lagging behind the newly-elected Australian Labour administration, which had promised to make the recognition of the PRC the first act of its new government.³¹

The establishment of diplomatic relations with the PRC marked the beginning of a new phase both in New Zealand-China relations and in New Zealand foreign policy in general. In 1972, there was a common view among local academics and diplomats that New Zealand had followed US foreign policy on China too closely for the last twenty years. But these criticisms are somewhat unfair. In the Cold War era, as the foreign affairs archives now reveal, New Zealand was far from unquestioning of US foreign policy and constantly tried to represent its own point of view and approach to international affairs. It did so, however, in terms of working within the framework of its alliance system, rather than outside it.

1972-1984 “Political” Relationship

Despite the haste of the Kirk Labour government in establishing diplomatic relations with the PRC in 1972, the administration was cautious and slow in exploring how the relationship might develop beyond formal contacts.³² Similarly, China in 1972 was still in the grip of the Cultural Revolution and there was considerable internal disagreement on foreign policy issues.³³ In these early years, New Zealand and the PRC had little in common beyond a shared opposition towards the encroachment of Soviet power into the Asia-Pacific and the fact that both countries shared a tactical alliance with the United States. They had many differences in foreign policy terms but only two were stressed: New Zealand’s criticism of China’s foreign policy in Southeast Asia, and their opposition to China’s nuclear testing. Though these concerns were regularly raised in bilateral meetings in this period, the difference of views on the two issues did not have an impact on the

³¹ Scott, “Recognising China,” pp. 249-50.

³² John McKinnon discusses this period in some detail in “Breaking the Mould: New Zealand’s Relations with China,” in Bruce Brown ed., *New Zealand in World Affairs 1972-1990*, Wellington: Victoria University of Wellington Press, 1990, pp. 231-232.

³³ For more on the topic of Chinese foreign policy in the early 1970s see Fred Teiwes and Warren Sun, *The End of the Maoist Era: Chinese Politics During the Twilight of the Cultural Revolution, 1972-1976*, Armonk, New York: M. E. Sharpe, 2007; and Ma Jisen, *The Cultural Revolution in the Foreign Ministry of China*, Hong Kong: The Chinese University Press, 2004.

developing relationship.³⁴ The collective strategic goal of anti-Sovietism was the focus of a relationship which, from both the New Zealand and Chinese sides, was described as essentially “political”.³⁵ The New Zealand Embassy in Beijing summed up this view in its annual report of 1973. The report stated that China valued the relationship with New Zealand more for Wellington’s links with Southeast Asia than for their ties with Britain, the US, or Japan. In a parallel to the diplomatic rivalry which would later develop between China and Taiwan in the South Pacific, New Zealand diplomats surmised that China’s main aim in Southeast Asia was to keep the Soviet Union out. However, it was noted at the time that China did not seem to take much interest in the South Pacific.³⁶

During the visit of New Zealand Prime Minister Robert Muldoon to China in 1980, leaders focused on a topic of common concern to both governments; the spread of Soviet influence in the Asia-Pacific region. Muldoon and his counterpart Deng Xiaoping exchanged views on shared concerns about security in the Asia-Pacific region, the Soviet Union and Vietnam’s involvement in Cambodia, and the Soviet invasion of Afghanistan.³⁷ Astonishingly, given his profound anti-Communism, Prime Minister Muldoon told Deng Xiaoping that “any support China could give to the island states of the [Pacific] Forum whether political or economic would help maintain political stability in the South Pacific and make it very difficult for Soviet penetration to take place.”³⁸ Muldoon’s invitation to Beijing to extend its diplomatic and strategic rivalries into our part of the world set up a pattern for China’s interactions in the South Pacific region, and the negative effects are still being felt today.

In time, trade links would begin to overshadow the political relationship. Yet politics were never far from the expansion or reduction of trade. In the year that New Zealand established diplomatic recognition of the PRC, Chinese traders had virtually stopped buying from New Zealand and exports to China were a mere NZ\$1.7 million. In the late 1960s, Beijing had punished New Zealand for its anti-PRC posturing at the United Nations by restricting trade. However, only 18 months after diplomatic recognition, the PRC came close to becoming New Zealand’s second most important market in Asia. Trade with China, both then and now, is very dependent on the

³⁴ McKinnon, “Breaking the Mould,” pp. 233-234; 236. China ended support to Southeast Asian insurgent groups after 1979 and it signed the Comprehensive Test Ban Treaty in 1997.

³⁵ McKinnon, p. 232.

³⁶ New Zealand Embassy, Beijing, “China in 1973,” 24 December 1973, PM 26/3/1, NA.

³⁷ “Muldoon Visit to China,” 18 November 1980, 59/264/11, MFAT.

³⁸ “Notes from R.D. Muldoon, Prime Minister, meeting with Deng Xiaoping,” 13 September 1980, 59/264/11, MFAT.

attitude of the New Zealand government to Beijing and its strategic preoccupations.

In 1975, diplomats argued that it was necessary to “stimulate [the] interest of China in New Zealand from time to time, in order to keep up [the] expansion of trade.”³⁹ This has now become standard wisdom on New Zealand-China trade. After New Zealand established diplomatic relations with China, an extensive programme of official exchanges was set up which included educational, cultural, scientific, sporting, arts, medical, journalism, mountaineering, and trade-related contacts. The initial goal of these programmes was to enhance awareness about New Zealand among Chinese political leaders and the Chinese population. In 1978, New Zealand was the first country to accord China “developing country” status for trading purposes. This meant that Chinese imports received special lower tariff rates aimed at helping to ease the trade imbalance between the two countries, which was overwhelmingly in New Zealand’s favour in the 1970s and 1980s.⁴⁰

1984-1989 New Zealand and China’s “Special” Relationship

With the election of the fourth Labour government in 1984, the pace of New Zealand-China relations stepped up as the new government saw hope for expanding export markets in the rapidly expanding Chinese economy. The Labour government made trade the dominant element of its foreign policy, and emphasised this in 1988 by changing the name of the Ministry of Foreign Affairs to the Ministry of External Relations and Trade (later this would be adjusted to the current title Ministry of Foreign Affairs and Trade). Asia, and in particular China, was seen as an obvious market for New Zealand products.

Talk of a “special relationship” with China was common during the term of the Labour government, particularly in the period 1985-1987. According to the then Ambassador to China, Lindsay Watt, there was euphoria in government circles at the amount of attention China seemed to be paying to New Zealand.⁴¹ The New Zealand-China Friendship Society took pains to link the idea of New Zealand’s “special relationship” with China to Rewi Alley’s groundwork, and urged New Zealand companies to recognise this by supporting Alley’s own projects in China.⁴²

³⁹ “China: Bilateral Exchanges in 1976,” 30 October 1975, PM 59/264/1 part 1, NA.

⁴⁰ Report of the Foreign Affairs and Defence Committee, “Inquiry into the New Zealand-China Relationship,” p. 23.

⁴¹ Lindsay Watt, interview, 21 January 1993.

⁴² Karen Gieseg, “Rewi Alley’s Goodwill Paves Way for China Trade, Companies Urged to Show Thanks,” *Evening Post*, 29 August 1987.

The Chinese government was certainly very interested in the election of the Labour government in 1984. The basis for such interest may be seen in a number of articles published in Chinese policy journals noting the Labour government's firm stance against apartheid, the anti-nuclear policy, attempts to improve relations with Third World countries, assertion of New Zealand's responsibilities as a South Pacific country to the other small island states of the South Pacific, determination to make trade a fundamental aspect of New Zealand diplomacy and last, but not least, a firm commitment to developing friendly relations with the PRC.⁴³ A further group of articles published in the mid to late 1980s illustrate why New Zealand's commitment to cooperation in the Asia-Pacific region was of interest to China. The articles underline China's new focus on forging regional cooperation in the Asia-Pacific. Beijing hoped to develop regional unity in Asia and the Pacific, as a counter to US and Soviet power. China saw itself as a natural leader of such a bloc.⁴⁴ It was in China's interest, as much as it was in New Zealand's, to maintain the idea that there was a "special relationship" between the two countries. What New Zealanders dealing with China did not seem to realise at the time was that, in the 1980s, China claimed a "special relationship" with virtually every country with which it had diplomatic relations. Not only that, the much vaunted "friendship" between the two peoples was a standard term in China's diplomatic vocabulary.⁴⁵

Nonetheless, though China's relationship with New Zealand may not have been as "special" as New Zealanders liked to think it was, the Chinese market had certainly become very important to New Zealand by the mid to late 1980s. By 1985, exports to China had reached an all time high of

⁴³ For example see, Zhou Xisheng, "Xinxilan Gongdang zhengfu mianlin kaoyan" (The Trials and Tribulations of the New Zealand Labour Government), *Liao wang*, 32, 1984; Erxin Xiaoqian, "Xinxilan xin ren zongli Daiwei Lasaier Langyi" (New Zealand's Newly Elected Prime Minister David R. Lange), *Shijie zhishi*, 18, 1984; Dai Zengyi, "Ao Xin Mei lianmeng de weiji" (The ANZUS Alliance Crisis), *Yue tan*, 8, 1985; "Xinxilan waijiao huoyue de liang nian" (A Dynamic Two Years in New Zealand Diplomacy), *Guoji wenti ziliao*, 19, 1986; and Chen Cuihua, "Xinxilan zongli Daiwei Langyi" (New Zealand Prime Minister David Lange), 1986, unpublished policy paper.

⁴⁴ Pei Monong, "Yazhou Taipingyang diqu de xingshi he wenti" (Problems and Circumstances in the Asia Pacific Region), *Guoji wenti yanjiu*, 1985; Gao Heng, "Yatai diqu zhanlue xingshi de fazhan qushi" (Developing Trends in the Strategic Terrain of the Asia Pacific Region), *Zhengce yu xiaoxi*, 5, 1989; Liu Jiangyong, "Taipingyang guoji guanxi de bianqian yu jingji hezuo de xin chaoliu" (The Vicissitudes of International Relations in the Pacific and New Trends in Economic Cooperation), 1989, unpublished policy paper; Hou Ruoshi, "Yatai diqu de jingji huoli ji hezuo qianjing" (Economic Vitality and Cooperative Prospects in the Asian-Pacific Region), 1991, Fudan University, Shanghai; and Cai Penghong, "Yatai diquzhuyi de guoqu, xianzai he weilai" (Past, Present and Future Asian-Pacific Regionalism), *Xueshu jie dongtai*, 1, 1990.

⁴⁵ For a discussion of China's friendship diplomacy see Anne-Marie Brady, *Making the Foreign Serve China: Managing Foreigners in the People's Republic*, Lanham, MD: Rowman and Littlefield, 2003.

NZ\$298.2 million. In that year, China was New Zealand's largest buyer for wool and the eighth largest export market overall. In 1986, the New Zealand Parliament's Foreign Affairs and Defence Committee (then chaired by New Zealand's current Prime Minister, Helen Clark), held an inquiry into the New Zealand-China relationship and predicted that the long-term prospects for expansion of commercial and other links were extremely good.⁴⁶ The late 1980s was a period of enormous optimism about the potential for expanding New Zealand-China relations.

1989 Post-Tiananmen Re-think of the Relationship

The pro-democracy movement that culminated in the violent crackdown of 4 June 1989 had a significant impact on popular and official impressions of New Zealand-China relations. The New Zealand government openly criticised China for its actions in June 1989, and there was strong public debate on the issue of whether the "special relationship" rhetoric had blinded New Zealand from looking more critically at problems and differences between the two countries. In August 1989, a discussion paper on New Zealand-China relations written by diplomats at the New Zealand Embassy in Beijing reflected on the anti-China debate within New Zealand and in the West and concluded that "the violent reaction from outside comes from the fact that the last ten years created an image of a good China. Then suddenly it turned bad. If we are honest, wishful thinking about China let us down."⁴⁷ From this period on, New Zealand politicians and officials talked less of a "special relationship" and the "Rewi Alley connection" (he had died in 1987) and focused more on practical issues, such as increasing trade. The events of 1989 served to restore New Zealand-China official relations to a more pragmatic basis than had been the case during the "China fever" of the 1980s.

1989-1995 "Pragmatic" Relationship

The events of June 1989 and the end of the Cold War led to a dramatic shift in Western perceptions of China. For a time, the PRC became an international pariah. In the early to mid-1990s, China was no longer seen as an ally of the West and, after the Soviet coup, was no longer *needed* as an ally of the West. There was relentless international condemnation of China's human rights abuses in this period. As the Chinese military engaged in a

⁴⁶ Report of the Foreign Affairs and Defence Committee, "Inquiry into the New Zealand-China Relationship," p. 94.

⁴⁷ Discussion paper, New Zealand Embassy Beijing, 17 August 1989, 82/1/1 Volume 12, MFAT.

rapid modernisation process, the US Pentagon began to regard China as a military threat. Furthermore, the general assumption among New Zealand's closest allies in the early to mid 1990s was that the CCP government was going to fall. New Zealand's own diplomatic analysis tended to agree with this. A 1992 report from the Beijing Embassy speculated (wrongly as it turned out), that "the chances of weak politicians such as Jiang Zemin and Li Peng remaining in power for long in the post-Deng succession struggle period must be very small."⁴⁸ A report from New Zealand's Washington Embassy after a meeting with the head of the US State Department's China, Mongolia, and Tibet Bureau concluded, somewhat pessimistically, that, "Deng is betting against history."⁴⁹

Nonetheless, despite the diplomats' predictions that the PRC was doomed, in public New Zealand took a positive attitude towards the regime and made a point of distinguishing itself from the US and Australia, who were more openly critical. Whatever views were held privately about China's political system, it was recognised that, "we can not get to first base economically if we do not get the political relationship right (there are clear instances of Chinese [officials] checking with the Foreign Ministry or the Premier's office about the appropriateness of dealing with New Zealand)."⁵⁰ The result of such pragmatism was that New Zealand-China trade grew steadily in the early 1990s, while educational and other such ties continued to expand. However, it should be noted that in this period the ROC (Taiwan) was still significantly more important to New Zealand in trade and investment terms, and as a source of tourists and migrants. In 1995, Taiwan was New Zealand's sixth most important trading partner, while the PRC came seventh.⁵¹

1995-2003 Finding Common Ground

In 1995, as a result of the US Congress facilitating ROC President Lee Teng-hui's visit to the US, US-China relations were at an all-time low. This was also the period when theories about the "China threat" began to feature prominently in debate within policy-making circles in Washington. However, in this era, as in the Cold War years, New Zealand officials and politicians tended to take a different position from those of our close allies on relations with the PRC. New Zealand-China political relations actually became even

⁴⁸ Memo, New Zealand Embassy Beijing-MFAT, 29 October 1992, 82/1/1 Volume 12, MFAT.

⁴⁹ Memo, New Zealand Embassy Washington-MFAT, 11 November 1992, 82/1/1 Volume 12, MFAT.

⁵⁰ New Zealand Embassy Beijing-MFAT, 8 March 1991, 7-8, 82/1/1 Volume 12, MFAT.

⁵¹ "Taiwan Information Paper," April 1996, 84/1/18 part 2, MFAT.

warmer from this period on, as New Zealand again took a critical view of US policies towards China and sought to distance itself from them. A 1995 New Zealand Embassy report on China-US relations asserted, “US policy towards China lacks consistency. To a large extent it is being driven by domestic political imperatives. New Zealand does not face the same constraints, and will not necessarily find it an advantage to pursue its interests in China in close association with the US.”⁵²

With the election of the Clark Labour government in 1999, New Zealand found even more common ground with China on international political issues. Both countries were opposed to the US invasion of Iraq. However, in 2003, New Zealand Prime Minister Helen Clark revealed some latent apprehension about China’s rise when she stated in an interview with *The Guardian* that (among other reasons) she opposed the Iraq War because it set a precedent of large powers ignoring the United Nations and international law. She used China as an example of exactly to whom this might set a bad example. Prime Minister Clark stated that “this is a century which is going to see China emerge as the largest economy, and usually with economic power comes military clout. In the world we are constructing, we want to know [that the system] will work whoever is the biggest and the most powerful.”⁵³ Clark’s comments were consistent with a persistent theme in New Zealand’s relations with the PRC since 1972; the theme of encouraging and supporting the PRC’s entry and active involvement in international organisations.⁵⁴ From the perspective of a small state such as New Zealand, a strong international system is the best means to secure regional security and global peace.

Trade, education, and tourism relations expanded dramatically in this period as China engaged in the rapid opening up of its economy and contacts with the outside world. From the mid-1990s, the PRC also became a major source of new migrants to New Zealand. This (along with a rise in immigration from Taiwan, Hong Kong and South Korea) aroused unease in some circles and a few journalists even talked of an “Asian invasion”. From late 1997, New Zealand’s policies on exporting education coincided with the rise of the middle class in China and large numbers of Chinese students began coming to study in New Zealand on short-term visas. In 1997, New Zealand was the first Western country to sign off on the bilateral paperwork which led to China being accepted into the WTO. In 1999, China’s National Tourism Administration made New Zealand an approved tourism destination

⁵² “China-US and New Zealand interests,” 17 February 1995, 84/12/1 part 3, MFAT.

⁵³ Charlotte Denny and Jonathan Freedland, “New Zealand Warns on ‘Law of the Jungle’,” *The Guardian*, 3 May 2003.

⁵⁴ McKinnon, p. 239.

for Chinese tour groups.⁵⁵ From 1999, the numbers of visitor visas the New Zealand Immigration Service issued to PRC passport holders began to increase rapidly, year after year.

2004-Present “Bedrock” Relationship

2004 was the year when New Zealand and China began negotiations to develop a Free Trade Agreement (FTA) between the two countries. At the same time, New Zealand also formally recognised China as a market economy. Once again, New Zealand was the first Western country to do so with China. This led to much talk of New Zealand being distinctive for having the “three firsts” with China. In 2005, Prime Minister Helen Clark told *People’s Daily* that New Zealand was “the first developed country to conclude a bilateral market access agreement with China for its entry to the World Trade Organization; the first to recognise China’s status as a market economy and the first country to enter FTA negotiations with China.” Ms Clark said New Zealand was hoping to conclude a fourth first; to be the first developed country to conclude a FTA agreement with China.⁵⁶ Strangely, no one promoted the fact that in 1978 we had also been the first developed country to accord China “developing country” status for trade purposes. Nor did anyone mention that New Zealand had a further, and even earlier, first with China when, in 1963, the Communist Party of New Zealand was the first (and only) Western communist party to take the Chinese side in the Sino-Soviet split. The hyperbole about “firsts” in this era was simply part of Wellington’s ongoing strategy, stated in the 1975 dictum as being to “stimulate the interest of China in New Zealand in order to keep up the expansion of trade.”

Also in 2004, the Ministry of Foreign Affairs and Trade released an update on New Zealand’s most important diplomatic relationships.⁵⁷ Six countries or territories were designated as “bedrock” relationships for New Zealand, meaning that they were the most important. The first five were unremarkable: Australia, the US, Japan, the European Union, and the South Pacific Forum countries; but adding China to the list was new. Designating China as a bedrock relationship indicated that, whatever the differences in system between the two countries, and differences of view on certain issues,

⁵⁵ This designation is highly sought after by many countries wanting to tap in to the market of China’s burgeoning middle class. Chinese passport holders tend to face many restrictions when travelling abroad, but can travel as part of groups to designated countries with relative ease.

⁵⁶ “New Zealand Aims to Conclude FTA Talks with China First,” http://english.peopledaily.com.cn/200505/31/eng20050531_187594.html.

⁵⁷ “MFAT Statement of Intent 2004/05,” Wellington, 2004.

the growing importance of China internationally and the strength of China's market meant that it was now more essential than ever before that New Zealand maintained a positive and dynamic relationship with that country. This did not imply a turning away from New Zealand's traditional allies, but it did suggest that New Zealand's politicians and diplomats believed that the global system followed a very different order than that of the Cold War years. Recognising the importance of China to New Zealand was a pragmatic and public acknowledgement of those changed realities.

Though the public emphasis on China as one of New Zealand's key foreign relationships was new, the topic had in fact been analysed by New Zealand diplomats at length, from the early 1990s on, in a series of in-depth reports. Each report concluded that China was currently very important to New Zealand and in the future would likely become more important to us than our former allies, the US and the UK. However, as many of the reports noted, the problem with the growing importance of China to New Zealand was that the New Zealand population was not yet ready to accept China's dominant role in our region and growing influence in our society.⁵⁸ This problem has not gone away, despite the efforts of the Asia-New Zealand Foundation and other agencies to educate the New Zealand population about contemporary China and to change traditional (and more recent) stereotypes and prejudices about Chinese people in New Zealand.⁵⁹

The tension between government policies of drawing New Zealand ever-closer to China and the New Zealand public's ability to adjust to the implications of these policies looks likely to become ever more acute, as New Zealand's economic and political interests are increasingly affected by, and may at times clash with, this new close relationship. Contemporary popular concerns range from anxiety about the role and activities of the PRC in the South Pacific and the political costs of its diplomatic rivalry with Taiwan, as well as worries about the activities of the Chinese Diaspora in the Pacific;⁶⁰ anxiety that New Zealand's growing closeness with China is preventing the government from speaking out to protect the interest of New Zealanders involved in activities China frowns on, such as the religious group

⁵⁸ "Greater China: Review of Representation Five Years Out," 15 September 1993, 58/264/1 part 43; China-US and New Zealand Interests," 17 February 1995; 84/12/1 part 3; "A New Zealand Strategy for China," 21 August 1996, 58/264/1 volume 39; "New Zealand and China: Looking Ahead," 1996, 58/264/1 volume 40; New Zealand Embassy, Beijing, "China: High Level Contact," 13 January 1997, 58/264/1 volume 41; MFAT.

⁵⁹ Yvonne Martin, "Asian Students Falling Prey to Violent Racists," 3 April 2004, <http://www.stuff.co.nz>.

⁶⁰ Michael Field, "China Behind Paradigm Shift in South Pacific," <http://www.michaelfield.org/regional6.htm> and Michael Field, "Currency of Persuasion," *New Zealand Listener*, 7-13 May 2005.

Falungong;⁶¹ fear that the FTA will be detrimental to New Zealand's manufacturing sector;⁶² and social anxiety about issues such as violent crimes involving Chinese overseas students and drug smuggling linked to China.⁶³

China's new role as a major Pacific power and its potential to become the dominant power in the region poses a challenge for New Zealand. Unlike in the past, when New Zealand worked with Great Britain and the US as the dominant powers, New Zealand does not have a framework of shared assumptions and common political experiences with China to draw upon in developing a subsidiary relationship with that country. Nor do we have a shared alliance structure to work out differences behind closed doors while retaining outward unity on common goals. In the Cold War era, New Zealand was able to take opposing positions to those of our allies, yet still be regarded as a loyal member of the alliance.⁶⁴ However, China and New Zealand have been moulded by very different political cultures; and the role of "loyal opposition" does not yet have a place in the Chinese polity.

From China's perspective, New Zealand is small and insignificant. It does not need New Zealand's support or trade. Dependence on the Chinese market is likely to affect our political leverage with Beijing, because trade is political for China—a boon that can be granted or withdrawn—depending on the warmth of the bilateral relationship. If New Zealand challenges China on an issue that it regards as crucial, Beijing is likely to respond by removing trade and other privileges.⁶⁵ Because of this, New Zealand officials are cautious to avoid offending Chinese sensibilities, but they must be equally vigilant in upholding New Zealand's traditional commitments to human rights, free speech and freedom of association.

Chinese diplomacy has two sayings which are relevant here: "seek common points and set aside differences" (*qiu tong cun yi*) and "seek common points, face up to differences" (*qiu tong li yi*).⁶⁶ New Zealand's foreign policy on China has had a strong tradition of following the latter

⁶¹ "Falun Gong Decision Eroding Democratic Values," 8 February 2008, Green Party Press Release, <http://www.scoop.co.nz/stories/PA0802/S00107.htm>.

⁶² For a view from business see Employers and Manufacturers Association, "Many Questions Hang Over NZ-China FTA," 22 November 2004 http://www.ema.co.nz/News_22_11_2004.htm and for a view from the Left see, Joe Hendren, "Free Trade Agreements and the Panglossian Paradigm: MFAT and the Government Should Stop the Spin," <http://www.converge.org.nz/watchdog/09/06.htm>.

⁶³ On both these issues see Deborah Coddington, "Asian Angst: Is it Time to Send Some Back?" *North and South*, November 2006.

⁶⁴ See Malcolm McKinnon, *Independence and Foreign Policy: New Zealand in the World Since 1935*, Auckland: Auckland University Press, 1993, pp. 1-3.

⁶⁵ An example of this occurred in 1997 when Denmark challenged China on human rights issues, see Rose Flemming, "The Viking versus the Dragon: Denmark's Stance on Human Rights in China," *The Scandinavian Review*, Autumn 1997.

⁶⁶ Wang Yonghua, "Zhou Enlai de waijiao yishu," *Duiwai xuanchuan cankao*, no. 7 (1994): pp. 5-8.

approach, as was shown during the Cold War era when New Zealand spoke out against the prevailing views of its allies on the question of the recognition of the PRC, and followed an independent path on policies relating to contacts with Beijing in the same period. Similarly, in the 1970s and the early 1980s, when the focus on New Zealand-China relations was on politics, not trade, New Zealand criticised China for its involvement in guerrilla insurgencies in Southeast Asia and its continued nuclear-testing programme. However, somewhat disturbingly, now that the focus on New Zealand-China relations (from the New Zealand perspective at least) has moved to trade, the New Zealand government appears less and less willing to face up to differences with China. From the 1999 visit of Chinese President Jiang Zemin, when New Zealand police moved tourist buses in front of anti-China protesters to avoid the Chinese delegation coming into contact with them;⁶⁷ or the 2003 visit of Chinese President Hu Jintao, when he was similarly segregated from protesters during a trip to the Auckland Museum;⁶⁸ to April 2007 when, at the request of the Chinese Embassy, the New Zealand police removed an ethnic Chinese parliamentary reporter who was alleged to be a Falungong follower from the New Zealand parliament in advance of the visit of a senior Chinese politician;⁶⁹ Wellington appears to be taking a much more timid approach in dealing with problems related to China than they previously did, and continue to do with our formerly close allies, the United States or Great Britain. The key challenge ahead for New Zealand will be to find a way to come to terms with China as the dominant power in our region, while at the same time maintaining our own traditions and independent foreign policy.

Conclusion

The reasons behind New Zealand's current close interest in China and desire to expand its relations are multiple and deep-seated. New Zealand-China ties developed long before the current period and unofficial connections have often been stronger than official and political ones. In the current period, New Zealand's political, economic, cultural, social and even military links with China are strong and developing in a positive direction. New Zealand's multiple connections with China are more diverse than at any other time in our history.

For this reason, as New Zealand was the first Western country to conclude FTA talks with the PRC, and as the two countries' official linkages

⁶⁷ Tim Barnett, "Jenny Shipley's Political Police," http://www.nzine.co.nz/views/political_police.html 26 May 2000.

⁶⁸ "Protesters at Hu Visit," <http://tvnz.co.nz/view/page/423466/231318> 27 October 2003.

⁶⁹ Keith Locke, "Urgent Debate—the Exclusion of Journalist Nick Wang," <http://www.greens.org.nz/searchdocs/speech10770.html> 28 April 2007.

grow closer year by year, it would be wise to check that public attitudes in New Zealand towards China keep pace with the changes in the relationship. In some cases, increased recognition from Beijing of the genuineness of these concerns and a willingness to address them will go some way to soothing public unease. However, the New Zealand government still needs to do a lot more to prepare the New Zealand population to accept China's status as a dominant power in our region, the Asia-Pacific. New Zealand's national interests are best served by maintaining a peaceful Pacific and working in cooperation with the dominant powers.

Despite the many differences between the two societies, New Zealand and China have sustained a rich and complex relationship for more than 200 years. If the experiences of our past interactions are any predictor of the future, regardless of the ups and downs our allies may experience in their relations with Beijing, New Zealand seems likely to continue to develop a constructive, mutually-beneficial relationship with China for many years to come. For a small country like New Zealand, dependent on establishing positive relationships with the major powers, whoever they may be, this is a matter of political survival. This is even more likely if we can continue to maintain the principle of "looking for common points" at the same time as "facing up to differences."