

## **New Pacific Geopolitics: Do we have to choose between security, trade and our neighbours?**

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*Kia ora tatou, Talofa lava, ni sa bula ....*

New Pacific geopolitics: do we have to choose among security, trade and our neighbours? My argument, you will not be surprised, is that we must avoid having to choose among the three. Our security, our trade and our neighbours are all crucial to us and will remain so through the 21<sup>st</sup> century, and of course beyond. But it is also a theme of this paper that in the new Pacific geo-politics of the 21<sup>st</sup> century, continuing to give priority to all three will be increasingly demanding, requiring significant resources and skill on New Zealand's part

Some of the challenges which will preoccupy the region in the 21<sup>st</sup> century are certainly new, like the emergence, or more accurately re-emergence, of China as a great power. Many challenges seem to be longstanding, like achievement of the Millennium Development Goals and the whole question of development itself, and the ongoing search for improved trading arrangements in the wider Asia Pacific region, but are no less crucial for that. And others could appropriately be labelled 'unfinished business', a category that could include decolonisation in the region, an issue I will mention again later.

Many aspects of the new geopolitics have been ably covered this weekend, particularly from academic perspectives. But geopolitics also involves practical diplomacy. Indeed, and I hope I might be forgiven a heresy on this academic campus, I would argue that elements of practical diplomacy can have as large an influence internationally as learned theories of international relations. Ninety per cent of diplomacy involves muddling along somewhere between war and peace or between success and failure. Dr Gerard Finn of Hawai'i made this point more eloquently when he quoted from the late Sir Paul Reeves: "We edge our way to a better situation" = a kind of moral pragmatism.

### ***Today's particular challenges***

But today some of the challenges that face us are indeed unique. For our whole history New Zealand has relied for both its security and its prosperity on our relations with western powers. That has been the centre point of our place in the world. Today, however, while our principal security partners continue to be western, China has become our biggest trading partner.

Having a security foot in one camp and an economic foot in another has the potential to be both difficult and painful. Australia's position is similar of course, but we would be foolish to think that our situation is really comparable to that of a major middle power with enormous resources that are in high demand. Rivalry between China and the United States has shown signs of intensifying in recent years and this situation is complicated by America's alliance relationship with Japan, particularly, with which China's relations are becoming increasingly tense.

It's not my purpose to try to predict how the situation in East Asia is likely to develop in the years ahead. But I do want to emphasise its complexity to indicate how preoccupying and demanding it will be for a country like New Zealand. I'm very conscious that in his opening address yesterday, Foreign Minister Murray McCully said that there was no Doomsday Scenario to be feared and he was not being kept awake at night by talk of potential conflict between the Great Powers.

But I suggest we would be foolish not to keep in mind that Japan's former prime minister Taro Aso has said, "Japan and China have hated each other for a thousand years, what should be different now?" Commenting on this, Richard Rosecrance of Harvard University has said:

"The main problem with Asia is not its population or its economic importance – which was initially great 200 years ago and is growing now. It is its manifest and lasting divisions. Like 19<sup>th</sup> century Europe whose Britain, France, Germany and Russia grew rapidly but eventually exploded in war, contemporary Asia is a region without unity. Europe eventually outgrew its divisions, but only after two world wars."

[Richard Rosecrance, *The Interpreter*, Lowy Institute, 14 May 2013]

One of Australia's leading strategic thinkers, Hugh White of the Australian National University and a frequent visitor to New Zealand, argues that China's power is already such that any attempt by either Beijing or Washington to dominate will lead to sustained and bitter strategic rivalry , imposing huge economic costs and a real risk of catastrophic war. [Hugh White, *China: Our Failure of Imagination*, *The Interpreter*, Lowy Institute, 3 July 2012]

Hugh White goes on to argue in his recent book, *The China Choice: Why America Should Share Power*, that as neither China nor America can hope to win a competition for primacy outright, both would be best served by sharing primacy. He believes that East Asian countries are seeking a pathway that avoids taking sides – he quotes leaders in Indonesia and Singapore to this effect – and that the best approach for the US is a strategy that helps them achieve that goal.

Hugh White is regarded as something of a pessimist because of his doubt that the US will in fact be prepared to “share power” with China. But he does believe that Australia’s approach has become more sophisticated recently and quotes the new head of the Australian Department of Foreign Affairs and Trade, Peter Varghese:

“Australia does not want to be put in the position where we have to choose between the US and China … China has every right to seek greater strategic influence to match its economic weight. The extent to which this can be peacefully accommodated will turn ultimately on both the pattern of China’s international behaviour and the extent to which the existing international order intelligently finds more space for China.”

[*America wants to know whose side Australia is on: Could the US and China share equal billing in Asia?* Hugh White, The Age, 5 March 2013]

And fortunately, there is some recognition in Washington that the pivot, or rebalance to Asia, is seen in Beijing as potentially hostile to China and therefore in the long run also potentially harmful to long-term American interests. The highly respected Harvard professor, Joseph Nye, has reported that on a recent visit to China, he was told by a prominent Chinese academic:

“The pivot is a very stupid choice. The United States has achieved nothing and only annoyed China. China can’t be contained.”

[*Work with China, Don’t Contain It*, Joseph S Nye, New York Times, 25 January 2013]

China believes that the West, the United States in particular, is trying to contain China, to inhibit its re-emergence as a great power. This strong Chinese perception of Western and Japanese antagonism towards China dates back to what it calls its “century of national humiliation” that began with the first Opium War in the mid-nineteenth century and lasted through the end of the Sino-Japanese war in 1945. A Chinese professor teaching in the United States says:

“China’s memory of this period as a time when it was attacked, bullied, and torn asunder by imperialists serves as the foundation for its modern identity and purpose.”

[*Not Rising, But Rejuvenating: the “Chinese Dream”*, Zheng Wang, The Diplomat, 5 February 2013]

It is hardly surprising then, that many influential Chinese see the American pivot or rebalancing as aimed directly at China. And this suspicion of the West goes beyond obviously strategic matters. In this situation, there could be a crucial role for medium and small powers, like New Zealand, in “speaking truth to power”, telling both the United States and China plainly and bluntly that the world has no stomach

for another Cold War. This would be no more popular with other western powers than our anti-nuclear stance was in the 1980s, but I suggest this should not deter us.

Would such an effort have any influence? I believe it could, if a sufficient number of medium and small powers were brave enough to be involved.

Meanwhile, the United States is currently pushing hard for the adoption of a Trans Pacific Partnership. The suggestion is that it should include all major Asia Pacific countries – Japan has just joined the negotiations – but not China. There is speculation as to whether this is also aimed at reinforcing relations among American allies and friends – at the expense of course of China. But at least New Zealand, through Trade Minister Tim Groser, has emphasised that New Zealand would not have anything to do with a Trans Pacific Partnership that excluded China. (Of course, it may never come into being, given the controversy on sovereignty issues that it has caused so far.)

Leaders and their advisers in New Zealand, and indeed in numbers of other countries, are going to have their hands – and brains certainly – full in this century, wrestling with the difficulty of helping maintain a peaceful Asia Pacific environment. Mr McCully may not be kept awake at night but I would bet many others will be.

### ***New Zealand's done pretty well so far***

So far, of course, New Zealand has done pretty well for itself. As we are frequently reminded, and enjoy reminders others, we were the first developed country to conclude a comprehensive free trade agreement with China, the result of decades of energetic diplomacy – and some luck. At the same time we have developed as good a relationship with the United States as we've had since the nuclear row of the 1980s. And more recently, we have signalled that we welcome China's increased involvement in the Pacific by cooperating with China on a development project in the Cook Islands – another historic first. Sensibly, our government prefers the possibility of influencing China in the Pacific through cooperation rather than through the blandishments of a bystander.

But today there is some recognition that protecting and promoting New Zealand interests as tensions continue in North Asia and rivalry between China and the United States intensifies, will be increasingly demanding for us.

A risk I would like to highlight is that these geopolitical preoccupations will suck oxygen away from ongoing priorities that relate to our neighbours in the region and

to our position in our own neighbourhood. I believe we must not allow that to happen.

Not all will agree with this. There is indeed a genuine problem of what might be called finite diplomatic resources, which I will touch on again later.

But for a start we need to get our perspectives right. Over the years, I've heard friendly foreigners, usually Americans or Australians, speak in terms of New Zealand 'playing its part' or 'doing its job' or simply 'looking after' the South Pacific. In addition to their patronising implications, I think these comments denigrate New Zealand's role in our immediate neighbourhood. In truth our home neighbourhood is far too important to New Zealand for us to be acting in it for or on behalf of other countries.

For sure, our immediate neighbourhood is important to us for geopolitical reasons, as is any country's neighbourhood, but practically that neighbourhood is far more important to us for other reasons – the family links, the large number of Pasifika people in New Zealand, the obligations on New Zealand which flow from our having chosen to be a colonial power in the Pacific, even the simple straightforward obligations of one neighbour to another.

I suggest we must not be so dazzled by the exciting new geopolitical challenges that have been discussed through this successful conference that we forget our ongoing neighbourhood responsibilities. Without apology, therefore, I would like to list just some of them.

### ***Pacific wishes and concerns***

More than half a century since winds of change, arising in part in New Zealand itself, began to give Pacific peoples the right to self-determination, we still need to remind ourselves of the paramount importance of paying attention to **Pacific Island wishes and concerns**. Gone are the days when New Zealand or, for that matter Australian, views as to what's best for the Pacific should, or indeed could, dominate.

- Hearing Terence Wesley-Smith of the University of Hawai'i yesterday reminded me of a powerful argument he made at the 2004 Otago Foreign Policy School on "Redefining the Pacific". He argued that if there was any redefining to be done it should be done by Pacific Islanders, not by outsiders. I suggest we still need to remember that today as there are quite a few areas in which we have been slow to acknowledge and support Pacific countries own wishes and priorities.
- One example is the development of sub-regionalism where I think we in New Zealand may have been rather slow in understanding the strength of some

Pacific leaders' wishes to associate more closely with their own sub-regions, their own immediate neighbours.

- And there are also issues regarding the plight of Pacific Islanders likely to lose their home islands to rising oceans. New Zealand leaders have indicated that affected people from say Tuvalu and Kiribati might be accommodated in New Zealand if necessary. Of course, affected people could well prefer other options. If so, fine, but it is surprising that we have not more unequivocally offered New Zealand as a refuge of last resort for displaced fellow Pacific Islanders.

### ***Governance improvements***

Any list of current and ongoing challenges in the Pacific today invariably includes the need for **governance improvements**. Pacific leaders have often spoken on the subject and development cooperation programmes commit significant resources to improving governance standards. Often this involves attempts to impose western standards and traditions in the Pacific. Perhaps not surprisingly, progress has been slow and troubled. Meanwhile, some Pacific academics and others are questioning whether in fact appropriate values and standards are being propagated in the Pacific. Elsie Huffer and Ropate Qalo argue in *Have We Been Thinking Upside-Down?* that in this field Pacific custom and values should be accorded much more importance:

"Using concepts understood by people at all levels of society will help make leaders more accountable. While terms such as good governance, the rule of law, democracy, human rights, development and so on are largely seen as impositions from outside and are seldom understood, long-standing local concepts embody ideals of social justice ... and other values in ways that make sense to and empower local people."

And

"Where good development and governance are occurring, it is usually through the direct initiative of local communities using their knowledge base. These indigenous knowledge bases must be better understood and made nationally accessible so that more can benefit. To achieve this requires a great deal more theoretical and action research into Pacific values and worldviews. Ultimately it means listening to the communities around us and giving them a chance to express their understandings of the world."

*[Have We Been Thinking Upside-Down? The Contemporary Emergence of Pacific Theoretical Thought, Elise Huffer and Ropate Qalo, The Contemporary Pacific, Volume 16, Number 1, Spring 2004, 87-116]*

I suggest the case is strong for promoting significant further research into the relevance to governance practices of custom and traditional values; and equally strong for providing resources to help governments and institutions in the region promote relevant customs and traditional values.

There is another aspect of governance in the Pacific that brings to mind the exhortation used in medical ethics: "Above all, do no harm". Many outside powers have failed to observe this and, in some instances have caused governance harm and even worse, in fragile political systems.

For example, we could usefully remember that current orthodoxies or accepted practices in our own country are not necessarily desirable or welcome with our neighbours. In the '80s and '90s when neo-liberal economics was all the fashion in New Zealand, we persuaded one or two of our Island neighbours to implement neo-liberal policies that many felt were clearly inappropriate. Much later, Australia has used Pacific Island countries, Papua New Guinea and Nauru, to help with a curious solution to its aversion to receiving refugees from Asia in Australia itself. Probably greater harm was done by the chequebook diplomacy, a euphemism for the bribery of politicians, of Taiwan and China when they were at the height of their competition for diplomatic supporters. Fortunately, a truce in that competition between Beijing and Taipei brought that to an end, helped perhaps by strong criticism of this chequebook diplomacy from Canberra and Wellington.

### ***The depopulation challenge***

Another issue in our neighbourhood, one which New Zealand played a part in causing, is the **depopulation challenge** faced by Pacific peoples living in some of the smaller island countries and territories, mostly in the former and present New Zealand and American territories of the Cook Islands, Niue and Tokelau and the Federated States of Micronesia, Palau, the Marshall Islands and American Samoa.

Few of these countries or territories can maintain their population levels because their peoples have access to their former administering powers.

Former leaders of Niue and of the Federated States of Micronesia have recently expressed bitter disappointment at their countries' plight in remarkably similar terms. Former premier of Niue Young Vivian said:

"Our big problem is we don't have the people to increase productivity. ... Most of our highly trained people are not in Niue, they are in New Zealand. ... People are leaving our little country ... You cannot have a nation with very few people and we are not able to keep our people in our little country. We are trying to keep alive our language and traditions – but what for?"

[*New Flags Flying: Pacific Leadership*, Ian Johnstone and Michael Powles, Eds, Huia Books, Wellington 2012, pp 116-117]

And former president of the Federated States of Micronesia John Hagelgarn said:

"Our problem seems to be similar to the problem in Niue and the Cook Islands. We're heading in the same direction. When you go around in the villages in all the states of FSM, some of the villages are like ghost villages. Very few people remain. The number of people staying in the FSM is decreasing. ... I think right now we seem to be falling into a space where we don't expect anything to be done any more. ... The most popular thing now is to go to the United States. ... But I can always go fishing ..."

[*New Flags Flying* (above), pp 226-229]

I suggest it's not our role now to come up with suggestions as to how the depopulation challenge might be met. But New Zealand is at least partly responsible for the problem in the southeast Pacific. Did we realise how a right of access to New Zealand would destroy societies on the islands concerned – just as the right of access to the United States is destroying life in parts of the former US Territories? Of course, this is what the Island leaders of the day wanted. Today some of them regret that they gave in to their own people on the point. Former Niue premier Young Vivian told Ian Johnstone:

"At first, I thought we should sacrifice our right to live and work in New Zealand and become completely independent, but the people in the villages didn't like that. They were apprehensive about decolonisation and they wanted to secure the relationship with New Zealand. So I had to modify my view and work to achieve the sort of self-government my people wanted."

[*New Flags Flying* (above) p.113]

I suggest that today we should at least be encouraging and facilitating debate by those affected on ways of mitigating the problem; and be ready to support ways forward when they have been agreed.

### ***Papua New Guinea***

I'd like to turn now from the region's smallest countries and their particular challenges to the region's largest, **Papua New Guinea**.

The challenge here is for New Zealand and other countries in the region and it is posed by Papua New Guinea's obvious climb to regional leadership. This is backed by its enormous wealth and resources. Perhaps the best indicator of this is that the first phase of the Exxon Mobil LNG project, Exxon Mobil's biggest development project anywhere in the world at the time it was started, is moving towards completion, on schedule and only slightly above budget.

PNG's pursuit of leadership ambitions and its commitment of significant resources to that end also present significant opportunities to regional partners. Fifty million kina has been promised for Fiji's election, funds and scholarships are being given to Solomon Islands. Regionally, PNG is starting to drive trade agendas in the Pacific. It is taking a leading role in the US Tuna Treaty negotiations and also with the European Union on an Economic Partnership Agreement.

Papua New Guinea's private sector is also increasing its regional involvement. PNG investment across the Pacific is growing rapidly. Fifty-one PNG companies have registered to invest in Solomon Islands (although to date only 23 have actually taken up the registration). An Investment Promotion and Protection Agreement is being negotiated. PNG is also investing in hotels across the Pacific including in Fiji and in Samoa. A return trade and investment mission to Fiji is planned, following on from a large group that went to PNG recently with Bainimarama.

But it is probably fair to say that in our southeastern end of the Pacific, we have been fixated on Fiji and its problems, and slow to recognise the massive changes taking place in the West. In many ways, the biggest questions in the region today are when PNG will be fully recognised as the Pacific's leader and the extent to which its leadership will reduce the roles of New Zealand and even Australia.

### ***Timor Leste***

West of Papua New Guinea, of course, are Timor Leste and Indonesia. Timor Leste has a good deal in common with Pacific Island countries, despite its much more painful history. New Zealand played a role in Timor Leste's fraught move into

independence. That involvement is no longer necessary but we need to remember it and continue to take a supportive interest in the country's development.

### ***Indonesia***

Beyond Timor Leste is the colossal archipelago of **Indonesia**. We are accustomed to putting Indonesia in the Asian pigeon-hole and, except where there are political issues in which Pacific Islanders take an interest – such as the status of West Papua and the treatment of its people – we seldom mention Indonesia in a Pacific context. Yet the natural boundaries between the Pacific and Asia bear little relation to today's political boundaries. The Wallace Line showing the southern boundary of Asian fauna goes through Indonesia, of course. And any traveller in the south-eastern provinces of Indonesia, or among the Batak people of North Sumatra, quickly becomes conscious of affinities between the population and Pacific islanders who today live thousands of miles to the east.

But quite apart from that consideration, Indonesia's proximity, its enormous population, its growing wealth and its increasingly democratic stability will almost certainly make the country a massive influence in our Pacific Islands region in the future. Moreover, the opportunities for the Pacific will be immense, both economically and initially culturally, where there is so much in common. (I was in Indonesia at the time of the country's first foreign ministerial visit to the Pacific Islands in 1983. On his return to Jakarta, the Minister told me that what struck him most was how much there was in common between the Indonesian archipelago and the Pacific Islands region: "They are like us but just a little smaller." Incidentally, I would not have predicted in 1983 that Indonesia would move ahead of some Pacific Island countries in developing democratic institutions and practices.)

Looking some distance into the 21<sup>st</sup> century, two of the most dramatic changes that will impact on the Pacific Islands region are likely to be PNG's burgeoning influence from inside the region and Indonesia's burgeoning influence from outside, but only just outside, the region. Are we doing enough to prepare for these changes?

### ***Decolonisation***

A longstanding issue in the region, on which New Zealand has taken a leading role in the past, is **decolonisation** in the Pacific. Representing New Zealand at the United Nations in the late 1990s, I was berated by the then US ambassador to the UN. She complained about the trouble New Zealand had always caused major western powers like the US, Britain and France through our support of decolonisation. Her particular gripe was that New Zealand, alone of all former or present colonial

powers, had consistently cooperated with and supported the UN Decolonisation Committee, the C24, as it's called. The C24 causes particular angst to continuing colonial or administering powers.

New Zealand's support for the committee and cooperation with it had its genesis in Peter Fraser's strong views on self-determination and his involvement in the drafting of the Trusteeship Chapters of the UN Charter. That flowed through to Samoa being the first Pacific country to achieve independence, in 1962. And of course our cooperation with the C24 leads to much more relaxed discussions than we might otherwise have on developments in our own remaining territory, Tokelau.

In the past New Zealand has been a strong supporter of self-determination in the Pacific. We would have agreed emphatically with Sir Peter Kenilorea, who led the Solomon Islands to independence, when he told Ian Johnstone in an interview:

"There were comments and songs about 'We're not ready' and 'We don't have enough money'. But I felt then that independence is not about money, but deciding about being yourself – which is your right. ... [E]very human being is born free and to be shackled by a system which is outside of yourself is not human, in my view."

[*New Flags Flying* (above) p.155]

But today there is still a significant number of colonial territories in the Pacific, mostly French and American. I hope that support for self-determination has not slipped from our list of Pacific priorities – overshadowed perhaps by a focus on bilateral relations with the United States and France. In the past we have managed to balance relationships with these important powers with our support for self-determination. I would hope we will continue to do so.

In fact the issue of self-determination for French Polynesia seems set to become controversial again. In May this year the issue of French Polynesia was re-inscribed on the list of territories considered by the Special Committee on Decolonisation. France reportedly reacted to the decision with anger and will clearly continue to contest a role for the Decolonisation Committee.

Interestingly, in 2012 Australia's then Parliamentary Secretary for Pacific Island Affairs, Richard Marles, is reported to have described France as a long-term stable democratic partner in the Pacific and to have said that, on inscription on the C24 list, "We absolutely take our lead from France on this."

[*Self-determination on Pacific Agenda*, by Nic Maclellan, The Interpreter, Lowy Institute, 4 June 2013]

I have not seen any public statement of the New Zealand position. For us to take our lead from France on decolonisation issues in the Pacific would be a most remarkable policy U-turn. Hopefully such a proposition it might at least be debated before it becomes policy.

### ***People's mobility***

Another region-wide topic which is likely to become increasingly important in the near future is the subject of **people's mobility**. This is often called labour mobility or "work schemes" because so far that is largely what it has involved. But I prefer "people's mobility" because in time, and very gradually, one could see possibilities beyond the mobility only of workers. It is only a short time since trial schemes were begun by New Zealand and then also Australia. Many critics were initially doubtful that they would be successful. Today there is talk in the Pacific of schemes by which workers might move and work among and within Pacific Island countries, as well as New Zealand and Australia.

As vulnerable Pacific Island countries face new challenges from climate change and the rise of ocean levels, and others wrestle with the despair of depopulation, it is not impossible that increased mobility of people within all Forum member countries could be part of trial solutions. We should never forget the region's pre-colonial history famously described in the stirring words of the late Epeli Hau'ofa:

"Nineteenth century imperialism erected boundaries that led to the contraction of Oceania, transforming a once boundless world into the Pacific islands states and territories that we know today. People were confined to their tiny spaces, isolated from each other. No longer could they travel freely to do what they had done for centuries.

"... the ocean is theirs because it has always been their home. Social scientists may write of Oceania as a Spanish Lake, a British Lake, an American Lake, and even a Japanese Lake. But we all know that only those who make the ocean their home and love it, can really claim it theirs."

[*Our Sea of Islands* by Epeli Hau'ofa, from *A New Oceania: Rediscovering our Sea of Islands*, University of the South Pacific, Suva, 1993.]

### ***Meeting the challenges***

This paper has focussed on the need for policy solutions to new and emerging challenges in and affecting our region. To conclude I would like to comment on New

Zealand's capacity to pursue effective diplomacy in the Pacific region. In a recent column headed *NZ Diplomacy: The budget buzz cut* [The Interpreter, Lowy Institute, 23 May 2013] Alex Oliver reported on budget cuts to the New Zealand foreign service, the cutting of 140-150 jobs (10% of staff) and the scrapping of the rotational employment system that is used by all foreign services to maintain diplomatic professionalism.

At the launch of a Pacific-related book in Wellington late last year, Neil Walter, a former head of NZ's foreign service and the last one to have had significant Pacific experience, discussed the many issues in the Pacific region and the challenges facing New Zealand. He said the book also:

".. reminds us that New Zealand has special responsibilities to the countries of the Pacific.. Some of these responsibilities are based on constitutional links; some reflect a shared history; and some are simply the inescapable obligations that come with geographical proximity and the desire to be a good neighbour."

On the role of the Ministry of Foreign Affairs and Trade, Walter comments that the Ministry's move away from a professional career service – "with the consequential loss of so many experienced staff, is making it increasingly difficult to bring to bear the expertise, continuity and understanding that our interests in the Pacific require." He continued:

"Whereas in my last year in the Ministry five out of six of our senior management team had postings in the Pacific, I understand that the comparable ratio now is just two out of thirteen."

[Neil Walter at book launch for *New Flags Flying: Pacific Leadership*, Wellington, 27 November 2012]

Neil Walter could have added that today in the Pacific region we have a higher proportion of political appointees – and obviously a lower proportion of career foreign service diplomats – heading our embassies and high commissions.

Another former diplomat, Terence O'Brien, now a regular contributor on foreign relations issues, recently wrote a column whose headline neatly summarised his point: *More than ever, NZ needs a strong, professional diplomatic corps: Outsiders in charge of skeletal embassies may not be very fruitful.* Terence O'Brien describes what has been an effective and well-regarded foreign service and points to the increasing challenges facing New Zealand in the years ahead.

[*More than ever, NZ needs a strong, professional diplomatic corps*, Terence O'Brien, Dominion Post, 13 April 2013]

The resource and capacity issue affects our diplomacy globally, including other priority areas besides the Pacific. A successful New Zealand businessman in China, David Mahon, wrote in the *Listener* this month:

“In the past few years, costs have been cut in the ministries of foreign affairs and primary industries, leaving them under-resourced for China.”

[*The China Challenge*, David Mahon, The Listener, 29 June 2013]

It seems New Zealand's overall international capacity will be affected, at least in the short term. But I'm optimistic that it won't be long before the facts of international life convince us of the need to re-create a professional foreign service. Similarly, I'm optimistic that our Pasifika community, not least their voting power, will help ensure we give priority to our Pacific neighbours and our Pacific neighbourhood.

That is what I wanted to say on this topic. But if I may I would like to add a footnote addressed to the 30 or so young MFAT people who are here for this conference.

I hope that you find issues relating to NZ's place, or goals, in the world on which you feel passionately and are prepared to act accordingly. Hopefully they will relate to the Pacific – including both our immediate neighbourhood and the wider Asia pacific region. Without passion, you could have an interesting career as a New Zealand diplomat. But if you find a passion to pursue in relation to NZ's place in the world, you stand to have an exciting and fascinating career – one that will often be frustrating but overall will be enormously satisfying. It will be your choice.

Thank you very much