

**ADDRESS TO PROBUS CLUB OF NAPIER  
NAPIER, 17 MARCH 2009**

**STEPHEN JACOBI  
EXECUTIVE DIRECTOR  
NZ US COUNCIL**

**“OUR BETTER HISTORY – WHAT PRESIDENT OBAMA MEANS FOR NEW  
ZEALAND”**

It's a pleasure to be with you today and to share some thoughts with you about the election of Barack Obama as President of the United States and what this might mean for US relations with New Zealand.

One thing I note is that there are very few decent jokes around about the new President – maybe it's too early for them or maybe being President at this challenging moment in history is no laughing matter.

I am pleased to say that President does have a sense of humour.

On 17 October 2008, just weeks away from the election, the then Senator Obama attended the annual Alfred E. Smith Memorial Foundation Dinner held at the Waldorf-Astoria hotel in New York City.

The Al Smith dinner is an annual fundraiser for Catholic charities and is held in honour of former New York Governor Al Smith, the first Catholic presidential candidate and the builder of the Empire State Building.

The dinner has become something of a rite of passage for Presidents and Presidential candidates who generally use the occasion to poke fun in a good-humoured way both at themselves and their political opponents.

Senator Obama sought to answer the question: “Who is Barack Obama?” and this is what he said:

“Contrary to the rumors you have heard, I was not born in a manger. I was actually born on Krypton and sent here by my father Jorel to save the Planet Earth.

Many of you know that I got my name, Barack, from my father. What you may not know is Barack is actually Swahili for "That One."

And I got my middle name from somebody who obviously didn't think I'd ever run for president.

If I had to name my greatest strength, I guess it would be my humility”.

The President doesn't just have a sense of humour, he is a gifted public speaker.

This is what he had to say in his inauguration day address:

“The time has come (he said) to reaffirm our enduring spirit; to choose our better history; to carry forward that precious gift, that noble idea passed on from generation to generation: the God-given promise that all are equal, all are free, and all deserve a chance to pursue their full measure of happiness”.

In the best of times a Presidential election has enormous implications not just for the United States but for the world as a whole.

In these worst of times, when the global economy is under such tremendous pressure, the stakes for us all of a successful Presidency are even more acute.

This morning I'd like to spend some time thinking about what the President called in his address “choosing our better history” – what can we New Zealanders expect from President Obama over the next few years ?

### Obama's foreign policy

President Obama is going to need more than a sense of humour and the gift of oratory to meet the challenges facing America today.

He arrives in the White House at a time of crisis and huge expectation.

His election on 4 November 2008 and his inauguration as 44<sup>th</sup> President on 20 January 2009 are landmark dates in the history of the United States.

They are dates you are likely to remember with precision – like the date when President Kennedy was shot or when Neil Armstrong walked on the moon or when the Wahine went down.

The inauguration has set new records in terms of public interest.

A record number of people around the world watched the inauguration ceremony – from the Mall in Washington DC, to the new President's home in Chicago, to the place of his birth in Honolulu, to Jakarta where he spent several years as a child and even in the Kenya, the home of his father's birth, to.

In a country where many lawmakers do not have a passport, the President's international connections are remarkable.

Perhaps that's why the international media reacted so favourably to his election.

"America has got its groove back" said Germany's *Der Spiegel*.

"Gobama!" yelled Britain's *Daily Mail*.

But times today are tough and the new President has many political challenges ahead of him and some of his decisions are bound to disappoint.

His response to the financial crisis, in the form of the stimulus package with US\$787 billion new spending, has not been without controversy and was not passed with bipartisan support.

For the time being though there is an enormous disposition around the world to give the guy a chance.

I don't intend today to talk about domestic US politics where the President inherits more than his share of problems to which solutions will need to be found.

I do want to spend a moment talking about foreign policy and some areas where President Obama's leadership will be sorely tested.

This is most particularly the case in the opening months of the Administration where the President does have a unique opportunity to break with past policy and set a new direction for the future.

Chief among these foreign policy areas is the Middle East where negotiating a peaceful military exit from Iraq, accelerating the process of nation-building in both Iraq and Afghanistan, finding a solution to the Arab-Israel conflict and the associated problem of Palestinian statehood and engaging constructively with Iran will all be high on the President's agenda.

One early decision that can be welcomed is the appointment of former Senator George Mitchell as special envoy to the Middle East.

I have met Senator Mitchell – he co-chaired the first US NZ Partnership Forum in Washington in 2006.

Senator Mitchell is an outstanding individual – he played a leading role in finding a solution to the conflict in Northern Ireland and has a strong reputation for fairness and balance.

In Europe the relationship with a renascent Russia will require special attention.

Closer to us here, the President faces foreign policy challenges in Asia including the need to prevent the development of nuclear weapons in North Korea and to develop positive relations with those other nuclear powers China and India who are vying for influence in the region.

It was instructive that the first overseas visit by Secretary of State Hillary Clinton was to Asia – first to longtime ally Japan, then to Indonesia, South Korea and China.

On arrival in Tokyo Hillary Clinton made some comments that certainly provide some comfort to New Zealand policy makers:

"I have come to Asia (she said) on my first trip as secretary of state to convey that America's relationships across the Pacific are indispensable to addressing the challenges and seizing the opportunities of the 21st century."

A further foreign policy area in which we can expect a heightened role for the United States are in those global issues where American involvement is indispensable – areas like climate change, sustainable development and free trade.

I say "indispensable" because finding a solution to the problems of global warming, addressing poverty or promoting free and fair trade cannot be addressed by individual countries acting alone: these problems can only be solved by acting together.

What we know only too well is that effective solutions cannot be found unless America is part of the solution.

### Obama and New Zealand

Let me turn now to US relations with New Zealand and say that we are unlikely to figure much at all in the President's calculations at this point !

I do not personally know any New Zealander who has met the President.

He is known to former US Ambassador to New Zealand, Carole Mosley Braun, herself from Chicago.

It was Carol Mosely Braun's own bid for the Democratic nomination for President in 2004 that dissuaded then Senator Obama from making a bid of his own.

The President grew up in Hawaii which might pre-dispose him to a Pacific view of the world.

But reading his autobiography *Dreams from my Father* confirms that his was a strictly American cultural upbringing, even with his Kenyan father and with little apparent connection to Pacific people.

I think that the extent to which the President's attention may be drawn to New Zealand is more likely to do with New Zealand's contribution to American foreign policy goals arising from our shared values.

And it is here that we have a good story to tell.

When the former Secretary of State Condoleezza Rice visited New Zealand last July she told the NZ US Council:

"New Zealand and the United States, Kiwis and Americans, have a long history of partnership. It is one that is grounded in common interests, but it is elevated by common ideals"

Now Condoleezza Rice and Barack Obama have different political philosophies but I don't think they would disagree that New Zealand and the United States share fundamental principles, values and ideals.

The President referred to these in his inauguration address: "all are equal, all are free, and all deserve a chance to pursue their full measure of happiness".

It seems to me that if under an Obama Presidency New Zealand and the United States are about to "choose a better history" this is a really good place to start.

After all this is what has driven the development of the relationship since World War One and has seen New Zealand stand shoulder to shoulder with the United States in every major conflict in the 20<sup>th</sup> century.

Only in relation to Iraq earlier this century did we part company and then because we held to the principle, as did others, that United Nations sanction was required for the invasion of Iraq.

It is true that the relationship with the United States has not always been as positive as it is today.

Our differences on nuclear issues and latterly on Iraq once threatened to reduce our significance to each other.

But with the passage of time and some hard work on both sides the relationship today is as strong as ever, to the point where the former Secretary of State acknowledged us an important "friend and ally".

And so as the President looks around the world to build a stronger sense of partnership with countries sharing US values and ideals attention will inevitably turn to New Zealand.

If the President is looking for practical assistance to build a better future for the people Afghanistan then he can already count on New Zealand and on the success of our Provincial Reconstruction Team in Bamyán.

If he needs political support for the important task of ensuring North Korea remains non nuclear then New Zealand has a range of relationships in the region that can be used for good effect.

If he wants to find way to negotiate a more effective successor agreement to the Kyoto Protocol to cover the period after 2013 then New Zealand has ideas and strategies to share.

I am not suggesting that the relationship with New Zealand will be top of the President's mind but I am confident that some very good groundwork has been laid to develop an even stronger relationship as we move forward.

In October this year we will have an unparalleled opportunity to engage with the new Administration and the new power-brokers in Washington.

The third US NZ Partnership Forum will be held on 6-8 October, organised by our Washington-based counterpart the US NZ Council.

Our task will be to take to Washington the highest level delegation of government, business and community leaders we have ever assembled.

That is my main priority over the coming months as we seek to repeat the success of the first and second Partnership Forum events held in Washington in 2006 and in Auckland in 2007.

This year's theme is "Trans Pacific Partnership: Deepening Engagement, Expanding Opportunities"

The quality of our delegation, the timeliness and relevance of the agenda and the nature of the discussion with our American counterparts on issues like trade, security and the environment will help set the scene for our co-operation with the United States over the years to come.

### Obama and trade

There is one area I have not yet fully touched on.

That's the "t" word – t for trade: will President Obama agree to a free trade agreement with New Zealand ?

The short answer is yes – but only if he is convinced that the FTA serves American interests as well as New Zealand's.

There too we have a good story to tell.

New Zealand has been seeking an FTA with the United States since 2001.

We need an FTA because there are barriers to our agricultural exports to the US and because our two competitors, Australia and Chile, both have FTAs and are using these agreements to develop their economic relationship even further.

If the trade relationship is to be the best it can be, we need access to the US market at least equivalent to our competitors.

At the same time an FTA with the United States could be expected to focus unprecedented commercial attention on New Zealand as a trade partner and lead to even greater trade flows and investment and innovation in both directions.

This is important as we emerge from the current economic crisis.

In fact FTA negotiations have been underway for about a year now.

In February 2008 US Trade Representative Susan Schwab announced that the United States wanted to join negotiations on financial services and investment with a group of countries including New Zealand, Singapore, Chile and Brunei.

These countries are joined in a free trade agreement known as the Trans Pacific Strategic Economic Partnership or TPP which some see as a template for future trade liberalisation in the Asia Pacific region.

In September 2008 Ambassador Schwab announced that the US would negotiate to join the TPP agreement as a whole.

This would effectively achieve the goal of an FTA with New Zealand.

For that reason the NZ US Council has been very active with our partners here in New Zealand and with our allies in the United States to support this negotiation.

We have also been pleased welcome news that Australia, Peru and Viet Nam are willing to participate in the expanded negotiation which further enhances the TPP's credentials as a truly regional trade agreement.

This month the new US Administration has asked for a delay to negotiations to give it time to ensure the new US Trade Representative, Ambassador Ron Kirk, is properly briefed and while a review of the previous Administration's commitments is undertaken.

A review for administrative reasons is understandable and does not concern us.

It is true that during the election campaign Senator Obama appeared negative about trade calling for a review of NAFTA linking the US, Canada and Mexico.

He also went on record as opposing some FTAs which were completed by President Bush and awaiting ratification by Congress.

Visiting Ottawa for the first time on 19 February President Obama talked about adding some new provisions on labour to NAFTA but said quite clearly that protectionism needed to be avoided.

In a statement to Congress a few weeks ago the Administration also signalled it would move ahead with ratification of agreements with Panama, Korea and Colombia.

It is true that some of the President's Democratic colleagues in Congress hold sharply different views on the importance of free trade.

They pushed the idea of "Buy America" provisions in the stimulus package and they sent a letter to the President with over 50 signatures calling for an effective end to trade negotiations, at least under the templates established by the previous Administration.

They specifically oppose the TPP including New Zealand.

More positively last week another letter was sent to the President signed by 45 members of the Friends of New Zealand Congressional Caucus from both sides of the House urging him to proceed with TPP.

Our view is that against the backdrop of the transition to the new Administration and the economic crisis and its fallout we should cut the new President some slack.

In that context a review of policy is to be expected.

We are confident that the review will conclude that moving ahead with TPP is in America's interest.

It is in America's interest because it holds open the possibility of new markets for US exports to Asia.

It is in America's interest because all the countries involved are willing to work with the new Administration to reflect new concerns on labour and the environment in the agreement.

It is in America's interest fundamentally because a new President, wanting to restore American prestige and leadership in a shattered world economy, cannot ignore the need to co-operate with likeminded countries on an issue as critical as trade.

### Conclusion

There a new President in the White House and a new urgency about addressing today's challenging problems.

The context is difficult and times are tough.

The world is watching and waiting for early signs of this new President's leadership of global affairs.

He was not born in a manger or on Krypton but he brings extraordinary gifts and an unprecedented multi-cultural awareness.

He has spoken about the need to co-operate with countries sharing American values and ideals.

New Zealand is one such country: we have a new opportunity today to "choose our better history" with the United States.

We can do so through even closer co-operation on a range of issues that are important to us – regional security, climate change and sustainable development, international trade.

We will be discussing these issues and others at the Partnership Forum in Washington this coming October.

We certainly think that a free trade agreement in the context of the Trans Pacific Partnership will be a good way to build a sustainable economic future with the United States in the Asia Pacific region.