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NZ/US RELATIONS – BEYOND WISHFUL THINKING

By Stephen Jacobi¹

In his concluding remarks to the second US NZ Partnership Forum in Auckland two weeks ago US NZ Council President John Mullen quoted the old Bing Crosby song: “You’ve got to accentuate the positive, eliminate the negative, latch on to the affirmative, don’t mess with Mister-In-Between”.

Even after the Auckland Forum there remains more than an element of “in-between-ness” in the relationship with our second largest trading partner. We remain “very, very, very good friends” rather than allies. For the time being our economic relations are governed by a useful Trade and Investment Framework Agreement rather than a comprehensive free trade agreement which would put us on a level playing field in the American market alongside our key competitors Australia and Chile.

The Partnership Forum did not dwell on the in-between. It was neither about rehearsing past arguments nor wishful thinking: rather it sought to harness the energy and ideas of an influential group of leaders to chart a future course for the relationship. The Forum focused firmly on how two countries with similar values, situated at opposite ends of the Pacific but of differing scale and perspective, could work closely together where values and interests coincide. On the agenda were how to contribute to growth in the Asia Pacific region, use innovation to drive new business partnerships and rise to the challenges posed by sustainability and the search for renewable energy.

For New Zealand especially the Forum was an opportunity to motivate an American constituency in favour of an even closer relationship – the sort of relationship in fact that could be considered so significant for American interests that it might, when the time is right, lead to an FTA.

The Forum saw the most influential delegation of American leaders ever to come to New Zealand – over 50 in total comprising senior officials and business leaders. The delegation included such figures as Assistant Secretary of State Chris Hill, US Chamber of Commerce President Tom Donohue, former Deputy Secretary of State Rich Armitage, former US Trade Representative Clayton Yeutter and former Governor of Iowa (and close Hilary Clinton confidant) Tom Vilsack. It included senior officials from Agriculture, Customs and the National Security Council and representatives from AIG, Boeing, Dairy Farmers of America, Google, Nike, Pratt and Whitney and Time Warner. It was matched by an equally senior New Zealand representation from government, business, the unions and the research community.

The Forum took the form of a structured conversation between those present around the theme of Partnership and Innovation. For example a series of case studies highlighted examples of entrepreneurial collaboration in key sectors. Each of these featured a different

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example of how New Zealand can work with the United States – a large co-operative perspective in the case of Fonterra and Dairy Farmers of America; a small company like Wendy Pye working with a huge company like Time Warner; niche opportunities in biotech leveraging New Zealand's agricultural research expertise; talented New Zealanders working inside global companies like Google.

At the policy level, there was a meeting of minds over the pace of change in the Asia Pacific region and about the potential for continuing close collaboration in trade policy, even if there was a need for patience with the FTA. In the light of the faltering WTO negotiations, finding a way to build a bridge between CER, NAFTA and New Zealand's "P4" free trade partners - Chile, Singapore and Brunei - was one suggestion aired at the Forum.

A further particularly positive development was the call by some US delegates that the next Forum should also include discussion of the security situation in Asia and the Pacific, without this having to lead to a re-examination of the nuclear issues on which both countries retain positions of principle.

The Forum concluded with a consensus to repeat the experience in Washington DC in early 2009 once elections in both countries have been held. This was not just a one-off public relations exercise to make Bing Crosby proud but one which confirmed the Forum as a significant new structure operating in parallel with formal government channels for continuing to move this critical relationship forward.