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WASHINGTON LAYS OUT THE WELCOME MAT

By Stephen Jacobi¹

When Murray McCully visits Washington DC he will be welcomed by a number of friends in high places, writes Stephen Jacobi

The time must surely be coming when the visit to Washington of a New Zealand Foreign Minister will attract little press attention. That time is not now - not when a new US Administration under its visionary President is pledged to undertake a radically different approach to global affairs; not when the world economy faces a debilitating and persistent loss of confidence; and not when New Zealand is about to make some real progress in securing a long sought-after free trade agreement.

Mr McCully visits Washington at a time when, as he says, "relations are in better shape than they have been in 25 years". It is a time of new hopes for American global leadership, giving rise to the potential for even closer co-operation with countries New Zealand sharing common values and interests. There is no shortage of challenges facing the new President. Beyond the domestic economic crisis, and the need to rein in the worst excesses of Wall Street and to give hope to Americans facing a decidedly uncertain future, the President has decisions to make about Iraq, Afghanistan, Israel/Palestine, North Korea and the nature of the future relationships with Russia, China and India to name just a few.

The Minister will be meeting Secretary of State Hillary Clinton with whom he has already spoken by phone. Secretary Clinton has expressed interest in visiting New Zealand and she would be as welcome as her predecessor, Condoleezza Rice, who visited last July. Mr McCully may also meet other friends of New Zealand including newly appointed Secretary of Agriculture, Tom Vilsack, who co-chaired the 2007 US NZ Partnership Forum in Auckland; incoming Assistant Secretary of State for East Asia and the Pacific, Kurt Campbell, who attended the 2006 Forum in Washington; and former Friends of New Zealand Congressional Caucus Chair Ellen Tauscher who is moving to a senior post at the State Department.

Even though Mr McCully is not the Trade Minister, trade is likely to feature in discussions in Washington. At the broader level he will want to encourage the United States to remain open and outward looking to the global economy. Since his election President Obama has maintained a fairly consistent stance on avoiding

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protectionism. He intervened in the “Buy America debate” to insist that the legislation took account of America’s international trade obligations. That was welcome, but not much practical comfort for New Zealand which is not a member of the WTO Government Procurement Code and, unlike close competitors Australia and Chile, still does not have an FTA with the United States.

In the last days of the Bush Administration the US agreed to negotiate to join the Trans Pacific Partnership (TPP) alongside New Zealand, Brunei, Chile and Singapore. Now Australia, Peru and Viet Nam have also joined the party. The first round of negotiations scheduled for late March was put on hold pending completion of a stock-take of US trade policy by incoming US Trade Representative Ron Kirk. Such a review was probably inevitable given the times and the arrival of new leadership in the US. We can live with a short delay and there are plenty of reasons why the Administration would want to continue the direction set by its predecessor, not the least of which being the contribution an expanded TPP can make to freer trade in the Asia Pacific region.

Last month 45 very good friends from both sides of the House wrote to President Obama urging a prompt commencement to TPP negotiations. A similar letter followed signed by 71 business organisations and companies who want to see the US participate in TPP.

Mr McCully has the delicate task of explaining in Washington that New Zealand’s ability to contribute to US foreign policy interests, most notably in places like Afghanistan, where our own security interests are not directly engaged, is dependent on having an economy that can meet the considerable costs of such operations. This is not to say that we should draw a direct linkage between the two. New Zealand contributes to Afghanistan’s development out of deeply-held beliefs about the importance of human rights and international good citizenship. On Afghanistan our values and policies are in complete alignment with the United States. It is natural we should participate in the international effort to secure and rebuild that troubled land. But, like the Americans, we have economic interests too.

This will not be the last visit Mr McCully makes to Washington this year. He expects to be back again for the third US NZ Partnership Forum to be held 6-8 October. That will be the opportunity for NZ Inc to engage with the new American leadership and continue the dialogue our friends and allies in Congress and business.