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AN OPEN DOOR IN WASHINGTON

By Stephen Jacobi

Helen Clark is someone who, in the words of the quaint American saying, “can chew gum and walk at the same time”.

Her visit to Washington does not signal any change of heart on nuclear issues or Iraq but does represent a willingness to move forward with the United States.

Similarly, on the US side, the visit reflects growing acceptance – now at the highest levels of the Bush Administration - that these differences need no longer define the relationship or act as a barrier to even greater co-operation.

When they meet at the White House next week both Helen Clark and George W Bush will focus on moving around the rocks in the road.

The importance of the United States to New Zealand's interests is evident enough from the trade statistics.

Our second largest export market is also a major source of tourists, investment, technology and business ideas.

The New Zealand Institute rightly points out that New Zealand needs to work even harder in this key market.

While exports and outward investment to the US have grown significantly, our performance lags behind our competitors especially Australia.

Beyond business, it's worth considering the other areas of co-operation that have been forged in the last year.

Security co-operation has recently been renewed in Afghanistan and the Gulf and has been ongoing in relation to North Korea.

Scientific co-operation has been enhanced in a new agreement to co-operate on earth sciences, signed in the context of the 50th anniversary of Antarctic co-operation in January.

Educational exchanges have been continued in the ongoing work of Fulbright New Zealand, with 23 New Zealand scholars and 10 Americans granted awards in the last year.

From the US perspective, New Zealand's reliability as an advocate for good governance and sound economic management has been demonstrated in our unwavering commitment to ensuring stability in far off Afghanistan as well as in our Pacific neighbourhood, and in our staunch support for the cause of freer and fairer trade whether in the WTO or APEC.

Quite simply, New Zealand's contribution in these areas puts us in a category different from most of the other friends (and even some allies) of the United States, as President Bush can hardly failed to have noticed during his visit to Latin America last week.

The significance of Helen Clark's visit to Washington is that it marks another significant point in the steady development of the relationship over the past eighteen months.

It cannot be overlooked that the "tonality" of the relationship – how it is perceived and represented publicly – has shifted markedly in that period.

The early signs of a new rapprochement were evident at last April's first ever US NZ Partnership Forum in Washington DC, a high level gathering of New Zealand and American business leaders, politicians and academics organized by the NZ US Council and its Washington based counterpart.

The second Partnership Forum will be held in Auckland in September and will continue the dialogue and relationship building.

The relationship has been further nurtured by expressions of bipartisan political support.

These are the ingredients that have come together at this time – careful management, steadily building contact, wide political and business support.

It's the sort of approach we need in relation to other key markets if we are to maximise their contribution to our ongoing economic transformation.

There's no doubt that the US relationship would be significantly enhanced by a free trade agreement.

A breakthrough on this in Washington this week is unlikely as the FTA is a hostage to the President's future negotiating authority which needs to be renewed by a Democrat controlled Congress.

Some draw comfort by looking at the FTA negotiated by Australia two years ago and suggesting that it has not delivered value.

They overlook that Australia, like our other competitor Chile, has in place a framework which delivers gradually expanding market access whereas we do not.

New Zealand's FTA case will naturally arise in the context of discussion around the fate of the WTO's Doha round and new thinking around a Free Trade Area of the Asia Pacific.

Such a discussion could easily turn to the illustrative effect of an NZ US FTA when the time is right.

In his State of the Union speech President Bush said that America was "a decent and honourable country - and resilient, too".

Similar words could be said about New Zealand.

While we have different perspectives, we share fundamental values with the United States.

That's why when Helen Clark visits Washington this week, the door will be open for her.

¹ *Stephen Jacobi is Executive Director of the New Zealand United States Council.*