

Washington and Wellington

By Richard Armitage
And Randy Schriver

Fighting for freedom and promoting free trade is no small task, but America's job is made much easier with the support of like-minded allies. New Zealand would be just such a partner. Unfortunately, decades-old U.S. policy may be inhibiting this bilateral relationship from reaching its full potential.

Washington and Wellington enjoy normal diplomatic relations, for the most part. But in the crucial area of security, the relationship remains burdened with constraints. That's because, in 1986, New Zealand implemented an antinuclear policy that prevented visits to New Zealand by ships carrying nuclear weapons or powered by nuclear reactors. The U.S. responded by suspending its security obligations to Wellington, in particular its previous commitment to come to its defense in the event of an attack. We're not arguing with that decision. But this should not preclude military cooperation in other areas.

At the moment, military relations between the two countries are lagging as a result of this quarter century-old dispute. Due to U.S. regulations, New Zealand cannot participate in any exercises or seminars with the American military without first receiving high-level waivers from the U.S. Department of Defense. These rules apply even if the exercise is being held in a third country. As a re-

sult, third countries are often reluctant to invite New Zealand Defense Forces to such events.

We feel this no longer best serves American interests. The U.S. military is spread thinly in various missions around the world, and could use all the help it can get. New Zealand not only shares similar democratic values, it has increasing capacity to promote them abroad. Wellington is modernizing its armed forces under a 10-year program that envisages a 51% increase in defense spending from its 1999 level. A new defense strategy endorses greater involvement in regional and international security efforts.

New Zealand has demonstrated its commitment to spreading freedom. New Zealand Defense Forces have played a vital role in the war against terror in Afghanistan, Iraq and elsewhere. Wellington has participated in the NATO-led International Security Assistance Force, helping to restore stability in Afghanistan. It deployed provincial reconstruction teams to Bamyan, Afghanistan, and is currently on its sixth 120-man rotation of troops supporting the Bamyan mission. In addition, two rotations of 61 military engineers operated in Iraq from 2003-04. Based in Basra, they undertook humanitarian and reconstruction tasks.

If only Washington were free to work with this like-minded ally in further missions. For example, the U.S. could use New

Time to
reinvigorate an
old friendship.

Zealand's support in shoring up stability in the South Pacific—where Wellington has already participated in peacekeeping missions to the Solomon Islands, Papua New Guinea and East Timor. The U.S. and its allies could also use help patrolling the Malacca Straits, a strategically vital trade route, and so on.

The problem is not just security, however. Bilateral trade also remains constrained by the 1986 decision. Washington's refusal to commit to negotiations with Wellington on a free-trade agreement gives reason to suspect that U.S. officials are viewing this issue through the prism of nuclear policy. New Zealand's interest in an FTA may be seen in some quarters of Washington as useful leverage for persuading Wellington to re-examine its antinuclear legislation.

This is another example of wasted potential. We participated in a partnership forum between business, government and academic leaders from the two countries in Washington last week to promote awareness of the benefits of an FTA. Unfortunately, the collective mood was not optimistic. This is despite the fact that New Zealand has been a reliable partner in the promotion of free trade, working closely with the U.S. on this issue in the World Trade Organization, the Asia-Pacific Economic Cooperation forum, and other multilateral fora. A U.S.-New Zealand FTA would continue this partnership, and create greater momentum for trade liberalization throughout Asia.

A properly structured FTA would benefit both economies. U.S. foreign direct invest-

ment in New Zealand is largely concentrated in finance, telecommunications services and manufacturing. For the U.S., New Zealand offers a highly skilled labor force, a range of highly competitive natural resource-based industries, and leading-edge software, telecommunications and creative industries. An FTA could also complement the U.S. FTA with Australia, as most American firms doing business with Australia are also involved with New Zealand, and vice versa.

Regardless of U.S. disagreements with New Zealand on the nuclear issue, there is no need to take an overly punitive approach, especially when it harms Washington's own interests. New Zealand is already a valued partner in promoting international security and free trade—and is willing and capable of doing even more.

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