

# Key: United States/New Zealand Partnership Forum

**Tuesday, 11 September 2007, 9:33 am**  
**Speech: New Zealand National Party**

John Key MP  
Leader of the National Party

11 September 2007  
Embargo 0900

Speech to the United States/New Zealand Partnership Forum  
Auckland

The Rt Hon Jim Bolger, Rt Hon Mike Moore, Governor Vilsack, Hon Clayton Yeutter, distinguished guests.

This morning's moving ceremony at Auckland Cathedral reminds us again that September 11, 2001 is an unforgettable and utterly defining day.

It is one of those rare days where almost everyone remembers precisely where they were and what they were doing when they heard the news. In that sense, it is like the day President Kennedy was assassinated, or the day Princess Diana died, or, on a happier note, VE day, marking the end of the Second World War in Europe.

One of the characteristics of such rare days, whether they are days of tragedy or days of profound relief, is that they unite people. They unite people in their families and in their communities. They unite people of goodwill across countries and across political boundaries.

On September 11, 2001 my thoughts were with the people of New York and, in particular, my former colleagues at Merrill Lynch. The Merrill offices in New York were just across the road from the World Trade Center, in what is known as the World Financial Center.

Not long before the attacks I had worked and lived there, on and off, for six years. Whenever I think of my time in New York, my mind is drawn to those two enormous towers across the street, now no longer standing.

My colleagues had experiences on September 11 that no person should have to suffer. Moreover, three Merrill employees died that day. Two were people I had personally hired, and one was my boss.

For New Zealanders as a whole, September 11 brought a surge of sympathy for and a sense of solidarity with the American people.

Today, hanging in a privileged position on the stairs of Parliament House is a battered New Zealand flag. This flag was found by some of the American heroes of September 11 in the rubble of the Twin Towers. It speaks to me of the deep friendship between the New Zealand and American people. This friendship, as National's Foreign Affairs spokesperson Murray McCully once put it, is the basic default position of New Zealanders.

That is the big picture in the United States/New Zealand relationship. Yet, accompanying that big picture has been the rift between our two countries over the nuclear issue, starting almost a quarter of a century ago.

I do not intend to dissect the history of that rift. There are many people in this room far better placed than me to do that, including our joint New Zealand chairs, former Prime Ministers Jim Bolger and Mike Moore.

They lived through, and were deeply involved in, the twists and turns of this often painful debate. Their presence no doubt tells you where they stand today on the importance to New Zealand of the United States relationship.

Independence on nuclear matters has become hard-wired into the New Zealand DNA. It is profoundly symbolic, and national symbols can be difficult for other countries to comprehend. But it is part of our collective psyche.

The first important announcement I made when I became Leader of the National Party was to confirm that under a future National Government there would be no change to New Zealand's nuclear legislation.

A small country like New Zealand, which is so dependent on good international relations, cannot afford to have its key foreign policy settings changing with the political cycle. It is in New Zealand's interest, and in the interest of those countries with which we enjoy close relations, to have a stable and durable platform on which to manage our relationships going forward.

I want to look to the future. I have little interest in debates, either economic or political, that simply re-litigate events of a quarter of a century ago.

For one thing, the international strategic environment is totally different from the Cold War environment and the nuclear arms race of the early 1980s that shaped both countries' responses to the nuclear issue. I realise that history shapes the present, but I am interested in looking forward and taking New Zealand forward.

If I have the privilege of being the next Prime Minister of this country, we will have an independent foreign policy that has New Zealand's best interests at heart, but at the same time respects the interests of key bilateral partners.

We may not always agree. But where we do disagree it will be from the point of view of a good friend which understands that the United States is contending with major challenges all around the globe.

In fact, on today's key international issues, I see an extraordinary alignment of interests between the United States and New Zealand.

Let me list a few.

#### International Terrorism

Since it is September 11, I will start with the most obvious – the scourge of modern terrorism.

What, 100 years ago, might have been nothing more troublesome than the activities of obscure bandits and warlords in far-off places, is today utterly transformed.

Modern terrorists now have the tools to project their message of hate across frontiers, with lethal consequences. They can move money through sophisticated, internet-based channels that change every few hours.

Though the future will unfold in ways we cannot see, the common interest of the United States and New Zealand in fighting the scourge of international terrorism will not change.

#### International Trade

The United States and New Zealand have maintained the closest partnership on multilateral trade issues, particularly with respect to the WTO.

This is one area where New Zealand's size is far less important, because it is as much about ideas as it is about power. As Clayton Yeutter knows from his close involvement in the issue, three New Zealanders have played central roles in the current Doha Round – Mike Moore, the former WTO Director-General; Tim Groser, the former Chair of Agricultural Negotiations; and Tim's successor, Crawford Falconer.

So you know who to blame if the Doha Round doesn't work – it must be a New Zealander!

More seriously, I hope this round is not the first-ever multilateral trade round since 1947 to produce nothing but a stalemate. If it is, we will all have to come back to the table. In today's global economy, there is simply no substitute for multilateral negotiations.

It is not only international trade reform that will be left undone. There is likely to be more on the agenda, as the international economy powers ahead. There may be new issues in, say, intellectual property or services. New players – particularly the emerging giants of the developing world – pose new challenges.

The theme for today's discussion is 'sustainable'. What I want to stress is that a global economy is not sustainable without a vibrant multilateral trading system. That is why the WTO remains at the centre of our international trade agenda.

## Climate Change

This is another example where I believe the United States has a valuable partner in New Zealand.

Once again, our two countries have taken some different decisions. Unlike the United States, New Zealand ratified the Kyoto Agreement despite its flaws, and a future National Government will not back out of that agreement.

Looking forward, we aim to play as central a role as we can in the negotiation of any agreement which succeeds Kyoto. With this in mind, we will be seeking to work closely with the next United States Administration.

Post-Kyoto, we must develop a multilateral climate-change agreement that has a far higher chance of attracting all the major greenhouse gas-emitting countries into a collective international response. To that end, I welcome the so-called Sydney Declaration which came out at the weekend from Apec leaders.

The declaration, though short on specifics, represents a good start in getting Asia-Pacific economies – which include some of the biggest in the world – to focus on this important issue. Though it won't please everybody, it is a good step forward towards a multilateral climate-change agreement that includes all the major emitting countries.

I also believe New Zealand potentially has much to offer the international community in terms of research into agricultural emissions.

However, I have also made it clear that reducing greenhouse gas emissions is only one policy objective and must be considered alongside many others. In particular, we want to balance the objectives of countering the threat of climate change and economic growth.

Just as the United States will be concerned to protect its competitive position in the global economy, so will a National-led government be concerned to protect New Zealand's competitive position.

That is surely the only sustainable political basis from which to approach the next international negotiation on climate change.

I am confident that the next United States Administration will find New Zealand a realistic and determined friend in the important multilateral negotiations ahead of us.

The Pacific

Finally, I want to talk about the Pacific.

The greatest asset New Zealand has on the international stage is its ability to play a major leadership role in the Pacific.

It is clear that a number of states in the South Pacific are in quite serious trouble.

For reasons we all know, we have spent the last 40 or 50 years putting the 'one-size-fits-all' model of an independent nation-state in place. In some places, such as Samoa, this model has, by and large, worked well. In other places, such as Timor Leste, the Solomons and Fiji, it has come unstuck. Fiji, in particular, represents a very troublesome case, with a series of coups over the past 20 years.

Nobody is suggesting we can turn the clock back. However, we are going to have engage in some new thinking if some of these states are to have a sustainable future.

Some new players have also emerged in the South Pacific, namely China and Taiwan. These countries can play a very constructive role in the region, but there are aspects of 'chequebook' diplomacy that do need to be addressed.

For New Zealand's part, we are not talking about giving handouts, but rather giving constructive aid to those states in need of assistance.

I believe New Zealand is in a unique position to take a leadership role in the Pacific.

We are unlike any other country in the region. We are home to the world's largest Pacific city. Some 270,000 New Zealanders are of Pacific origin. There are close family links between families in the Pacific Islands and families in New Zealand.

New Zealand's Polynesian dimension, and in particular our Maori heritage have proved invaluable in meeting the challenges of the Pacific in the past, and will be in the future.

We need to build on these skills, and focus more heavily on the Pacific as the region in which we can make the most contribution to future stability in the world. We are uniquely placed to make a difference and we have the capacity to do more.

Our backyard can no longer be considered a quiet part of the world. You only have to pick up the newspaper to realise that. I am sure the United States understands that; and I am sure it appreciates the role New Zealand can play.

The United States has a myriad of interests and commitments around the globe, and has great responsibilities that go along with its status as the world's only superpower. It cannot be deeply involved everywhere in the world. The United States, therefore, has a strong interest in New Zealand, together with Australia, showing leadership in the Pacific.

I see New Zealand's involvement in this region being an extremely important contribution to our relationship with the United States, both in the near term and into the future.

### The New Zealand/US Partnership

Normally, I would start my speech with a tribute to the New Zealand/United States Council and its Washington-based counterpart for organising this Partnership Forum. Today I have a particular reason for ending my speech with a vote of thanks to the organisers.

The United States/New Zealand relationship is in good shape.

I heard that message clearly on my recent visit to Washington. Assistant Secretary of State Chris Hill was very generous in his time and words. I benefited a lot from the briefing I received both from him and Deputy Secretary of State John Negroponte.

The Partnership Forum is a highly successful attempt to draw together some of the common interests of both our countries. It makes sense to find occasions such as this – close to, but not formally part of government – to allow a freer flow of ideas. In that sense, I like to think of the Partnership Forum as a bit ahead of the curve in terms of the United States/New Zealand relationship.

But we are not here for an academic exchange. If, down the track, this excellent initiative does not influence policy, the Partnership Forum will not have fulfilled its promise. All the ingredients are there for a step change in New Zealand's relationship with the United States.

The issues I have mentioned today – the best shared response to the scourge of international terrorism, where we go next in the WTO, the right way forward on climate change, and the right response to the more troubled strategic situation in the South Pacific – are issues on which New Zealand and the United States have much common ground, and where working together would benefit both countries.

In addition, National is doing a lot of thinking on external strategy and we will be releasing a policy paper covering foreign policy, defence policy, and trade policy in the weeks ahead. A key objective is to prepare the ground for launching an FTA negotiation with the United States.

I appreciate the past difficulties. I understand that the trade issue is now part of the political contest in the United States and there is currently no negotiating authority in

place under which such a negotiation might take place. Nevertheless, it is very important for New Zealand to keep putting its case forward.

I am convinced that sooner or later the American people will find a new consensus to carry forward United States leadership on international trade matters. It is almost inconceivable to me that any future United States Administration would reach a different conclusion. That is in the hands of the United States, not ours. But the absence of an FTA is still of concern to New Zealanders.

I think the way forward is first to work to improve the bilateral relationship on a comprehensive basis, in which a possible FTA is an important part, but only one part, of the agenda.

Today I have confirmed National's commitment to doing that.

ENDS



<http://www.scoop.co.nz/stories/PA0709/S00159.htm>