

BORDERS AND BATTLES: HOW TRADE AND SECURITY HAVE INTERTWINED TO DEFINE THE UNITED STATES-NEW ZEALAND RELATIONSHIP, FROM 1940 TO 2014

RACHAEL HARRIS*

I. INTRODUCTION

This year marks the centenary of the defining global conflict of the early 21st Century, the First World War. It is fitting at this time to consider our contemporary defence arrangements, our allies, and our global friends, and how these relationships have been formed. New Zealand and the United States as Pacific neighbours have always had a close relationship, one based predominately on mutual security ties throughout the latter half of the 20th Century and the beginning of the 21st. While America has always considered security policy to be the most crucial facet of the US-NZ relationship, New Zealand, on the other hand, has considered trade strategy as a more and more important factor in defining relations with our largest Pacific neighbour. This paper explores in three parts how security and defence, and trade are the most important characterising policy factors of the New Zealand-United States (NZ-US) relationship.

The first section will explain how historically, security concerns have underpinned the NZ-US relationship from the Second World War to the disintegration of the ANZUS pact in 1985. The American 'Invasion' of New Zealand in 1942 saw the beginning of the modern relationship, with the two nations forced together against a common enemy. This pattern would continue through to the Korean and Vietnam conflicts, when New Zealand and America found themselves as staunch allies in the fight against National Socialism, Fascism, and Communism. Arising from this shared military engagement, the ANZUS pact was formed. The New Zealand-United States relationship, however, would be affected forever with the annulment of this pact due to the anti-nuclear crusade of the fourth Labour government. During this period, America's focus on security and defence would continue to define the NZ-US relationship.

The second section of this paper plots the track of the relationship in the 1990s and early 2000s. It will show how again security and defence remained a crucial part of the American approach to New Zealand, despite the rise of trade to the forefront of the New Zealand foreign relations agenda. For the National governments of the 1990s, hard-won diplomatic yards were

* Washington Congressional Internee 2012 in the Office of Senator Max Baucus (D-MT). The author wishes to thank the University of Canterbury School of Law, the USNZ Council and the team at the New Zealand Embassy in Washington D.C.

side-lined by the anti-nuclear policy beloved by the nation. The early 2000s would see the relationship stalled again by New Zealand's refusal to enter the Iraq War. The failure of the fifth Labour government to secure a Free Trade Agreement with the United States will be shown to be a direct consequence of the Clark administration's approach to key security issues.

The third section will jump to the contemporary state of the relationship – described by those in power as 'the new normal'. Crucially, trade and security have merged even more closely in the form of the Trans Pacific Partnership (TPP) agreement. The TPP, although controversial domestically in both New Zealand and the United States for a number of factors, will allow New Zealand access to the trading markets it has been striving towards for years. For America, the TPP is a crucial part of its 'rebalance' towards Asia, its strategy to combat the rise of China as a world super power. It will be shown that the TPP is a culmination of the two policy factors that each nation gives primacy – trade and security. This paper will conclude with a hope that as New Zealand becomes part of America's security and defence strategy against the rise of China, New Zealand will finally get its wish, and that there will be trade payoffs for our Pacific Island nation. Concerns will also be raised regarding New Zealand's potential future security obligations as a result of the TPP.

II. 'BEDROOM COMMANDOS' TO FRIENDS WITH NOT MANY BENEFITS – THE NEW ZEALAND – UNITED STATES SECURITY RELATIONSHIP FROM 1942 – 1985

From 1940 onwards, the New Zealand-United States relationship has been defined by two key geopolitical influences – trade and security. Security, in particular, has always been a crucial influence; indeed the modern relationship between New Zealand and the United States of America was born out of World War II, a security crisis that was to change the world for ever. As Pacific neighbours, the two open democracies were thrust together on a worldwide scale for the first significant time when faced with a common enemy – the Japanese. After the battle of Pearl Harbour in December 1941, the Japanese had:¹

...complete control of the Pacific for four months, during which time they conquered the greater part of the East Indies, the Philippines, and New Guinea, and kept the Allies guessing as to (their) next objective.

The war in the Pacific was a very real concern to both the US and New Zealand, and both nations were required to act to protect their security interests.

1 Harry Bioletti *The Yanks are Coming: The American Invasion of New Zealand 1942-1944* (Century Hutchinson Ltd, Auckland, 1989) at 20.

To the west, Australia reacted to the Japanese threat by bringing home two Middle East divisions from North Africa; at home New Zealand looked to Britain for support.² British Prime Minister Winston Churchill, however, was frank with New Zealand Prime Minister Peter Fraser – with France on the verge of defeat, “New Zealand and Australia would have to look to the United States to ensure the British position in the region”.³ Meanwhile, the United States was surveying the Pacific region for suitable base sites as part of its substantial programme of advance-base development. New Zealand was highlighted as a potential option, and:⁴

By March 1942 the US Navy had earmarked Auckland as the site of a main fleet operating base for the South Pacific and as the principal terminus of the supply line from San Francisco.

The two nations were strategically locked together when American President Franklin D. Roosevelt approved, on the proviso New Zealand troops remained in the Middle East, the deployment of a Marine Corps division to New Zealand – the beginning of the so-called American ‘invasion’.⁵

Far away from the battles of the Pacific, Auckland was the first of two New Zealand ports to receive US Forces, with two ships carrying ‘doughboys’ of the US Army arriving on 12 June, 1942.⁶ Just two days later, Wellington received ‘leathernecks’, or Marines, who soon established a camp near Paekakariki, north of the capital.⁷ In total, around 100,000 men were stationed in Wellington and Auckland in 1942–1944 – at any one time boosting the local population by 50,000.⁸ This was the first time in New Zealand’s history that foreign troops had landed on such a scale and, due to a blanket press ban, this happened with no prior notice given to the New Zealand public.⁹ As can well be understood, the arrival of the troops was somewhat of a shock to the New Zealand social scene. It was a culture clash from which we would never recover.

The influx of US troops forced the New Zealand public to interact with Americans as never before. Although used to American movies and music, the average New Zealander would have found the company of our Pacific Neighbours a novelty. Certainly, the exotic visitors were gratefully received by a female population starved of male companionship, contributing to

2 Above n 1, at 21.

3 Ian McGibbon *New Zealand and the Second World War: the people, the battles, and the legacy* (Hodder Moa Beckett, Auckland, 2004) at 82.

4 Denys Bevan *United States Forces in New Zealand 1942-1945* (Macpherson, Alexandra, 1992) at 42.

5 Above n 1, at 21.

6 Ministry for Culture and Heritage “Overview - US forces in New Zealand” (20 December 2012) <www.nzhistory.net.nz>.

7 Above n 3, at 107.

8 Nancy Swarbrick. “North Americans - 1940–present: closer contact” (13 July 2012) *Te Ara - the Encyclopedia of New Zealand* <www.TeAra.govt.nz> at 3.

9 Above n 1, at 3.

mutterings amongst Kiwi men that ‘The Yanks’ were “overpaid, oversexed, and over here”, and “bedroom commandos”.¹⁰ While romantic relationships were actively discouraged by officials, with one handbook advising US Troops that New Zealand girls had men overseas – “do not take advantage of their loneliness”¹¹ – around 1500 New Zealand women married American men during this time period.¹²

Fiscally, the influx of troops brought an unexpected boost to a tired wartime economy. Carpenters, plumbers and electricians were under pressure to construct camps in time, and mechanics and shipbuilders also benefitted from the American presence.¹³ Suddenly, taxi drivers and dry cleaners found themselves with extra clients and pubs, cinemas, and restaurants did very well.¹⁴ However, not everyone welcomed ‘The Yanks’. There were several documented fights, including the infamous ‘Battle of Manners Street’,¹⁵ and there were racial tensions between southern Americans used to the ‘Jim Crow’ segregation laws, and Māori.¹⁶ Nonetheless, the relationship between both nations was undoubtedly boosted by the American ‘invasion’.

The visitation of American troops to New Zealand was strategically beneficial to both countries. New Zealand was grateful to have its defences against the Japanese boosted, and America used New Zealand as a strategic point of supply, medical treatment, and rest and relaxation for troops. First Lady, Eleanor Roosevelt, visited to inspect troops and to “attend dances, rallies, games of American gridiron football, and exude her renowned charm”,¹⁷ pushing New Zealand to the front of the American wartime conscience. Importantly, the interpersonal interactions of both peoples cemented the beginning of a very strong friendship and began a relationship of New Zealand and the US as Pacific allies. American men carried home war brides and memories, and New Zealand, previously so isolated to other cultures, was exposed to a kind of personal diplomacy on a mass scale that has never been repeated. The birth of this trans-Pacific friendship was a mutual need to defend against a security threat – a theme we see repeated again and again throughout history.

10 Above n 1, at 5-7.

11 US War and Navy Departments *The Pocket Guide to New Zealand 1943* (Washington D.C 1942).

12 Ministry for Culture and Heritage “The end or a beginning? - US Forces in New Zealand” (20 December 2012) <www.nzhistory.net.nz>.

13 Ministry for Culture and Heritage “Economic impact - US Forces in New Zealand” (20 December 2012) <www.nzhistory.net.nz>.

14 Above n 13.

15 Ministry for Culture and Heritage “Yankee boys, Kiwi girls - US Forces in New Zealand” (20 December 2012) <www.nzhistory.net.nz>.

16 Ministry for Culture and Heritage “Americans and Māori - US Forces in New Zealand” (20 December 2012) <www.nzhistory.net.nz>.

17 Above n 1, at 68.

Following the Second World War, the relationship between New Zealand and the United States continued to be defined by security arrangements. Peace after WWII was short-lived; fighting broke out in the Korean Peninsula in 1950 between the North and South over a failure to agree on unification, and the “highly combustible situation exploded when Soviet-equipped North Korean forces crossed the 38th Parallel on 25 June 1950”.¹⁸ The United States, in the throes of early Cold War fever, formed a broad, United Nations-led coalition condemning the North Korean invasion.¹⁹ New Zealand and the United States found themselves as allies yet again.

Sending two frigates to contribute to UN naval forces, and some 1500 troops to fight in a Commonwealth brigade, New Zealand’s ‘Kayforce’ formed a vital part of the UN Korean War effort.²⁰ Crucially for our relationship with the US, it bound us closer to them as Cold War tensions grew stronger and the relationship between the Soviet Union and the United States grew ever more delicate and tense. As anxieties increased, the US looked to Japan as a potential ally. However, on the back of the wartime Japanese destruction of the Asia/Pacific region, New Zealand and Australia were concerned about the possible resurgence of Japan and what that would mean for the region – the ANZAC nations required some form of insurance policy.²¹ This was delivered by the United States in the form of the ANZUS Pact, a mutual security treaty signed on 1 September 1951 that came into force in April 1952.²²

The Pacific Security Treaty, to be known as ANZUS, was the defining formal agreement of the US-NZ relationship for the latter half of the 20th Century, cementing the importance of security arrangements between the two nations. The agreement, structured “to match the North Atlantic Treaty”, had several main provisions.²³ The pact was designed to remain in force indefinitely, and as war time historian, Ian McGibbon, describes:²⁴

The main provision was that the three parties would consult if their metropolitan territories, island territories, or forces, vessels, or aircraft were attacked in the ‘Pacific area’. An attack would be treated by each party as ‘dangerous to its own peace and safety’... The parties also undertook to maintain their ‘individual and collective’ ability to resist.

18 G McLean I McGibbon and K Gentry *The Penguin Book of New Zealanders at War* (Penguin, Auckland, 2009) at 407-408.

19 At 408.

20 At 408.

21 Above n 18, at 408.

22 Ian McGibbon *The Oxford Companion to New Zealand Military History* (Oxford University Press, Auckland, 2000) at 31.

23 Above n 22, at 31.

24 At 31.

A security arrangement that had no precedent for New Zealand, ANZUS would see the United States “replace Britain as the principal strategic partner of the ANZAC countries as the former colonial power retreated to Europe”.²⁵ The Treaty had far-reaching consequences for New Zealand throughout the 1950s to the 1980s.

Following the Korean conflict, New Zealand was yet again plunged into a foreign war in the Asian region with the outbreak of the Vietnam War. The escalation of Cold War tensions saw conflict between the communist North Vietnam and the American-backed Republic of Vietnam in the south.²⁶ To begin with, New Zealand resisted American pressure to join the conflict, but in 1965 the New Zealand government eventually agreed to send troops.²⁷ Despite the vast domestic unpopularity of the war, ANZUS commitments required New Zealand to contribute, as:²⁸

...the potential adverse effect on the ANZUS alliance of not supporting the United States (and Australia) in Vietnam was of paramount importance... A failure to make a token contribution to the Allied effort in Vietnam would have brought into question the basic assumptions underlying New Zealand's post-war national security policies.

New Zealand's contribution to Vietnam was a direct result of the primacy that the United States put on security and defence as influencers in the NZ-US relationship during this time period.

The ANZUS agreement continued to be at the forefront of defining the NZ-US relationship when it was breached in 1985 by the fourth Labour government. The Lange-led government embarked on a nuclear-free New Zealand policy, “excluding from New Zealand ports vessels which were nuclear armed, or propelled, or even ‘capable’”.²⁹ This nuclear-free policy, although popular domestically amongst a population still shuddering from the fear of a nuclear-arms race and the aftereffects of the Rainbow Warrior affair, was not well received by the United States. In late 1984 the US government requested permission for the *USS Buchanan* to visit – an older destroyer, there was a possibility the ship was not even nuclear armed.³⁰ A public backlash pushed the government to deny entry to the *Buchanan* after the American government refused to either confirm or deny whether the ship was nuclear powered.³¹ This refusal was not well received by Washington.

25 Robert Patman *Globalisation, Sovereignty and the Transformation of New Zealand Foreign Policy* (Victoria University of Wellington Centre for Strategic Studies, Wellington, 2005) at 8.

26 Ministry for Culture and Heritage “The Vietnam War” (20 December 2012) <www.nzhistory.net.nz>.

27 Ministry for Culture and Heritage “The impact of ANZUS - NZ and the Vietnam War” (20 December 2012) <www.nzhistory.net.nz>.

28 Above n 27.

29 Above n 22, at 32.

30 Ministry for Culture and Heritage “USS Buchanan refused entry to NZ” (20 December 2012) <www.nzhistory.net.nz>.

31 Above n 22, at 73.

Within days of the denial of entry to the *Buchanan*, Washington had:³²

...severed visible intelligence and military ties with New Zealand and downgraded political and diplomatic exchanges. US Secretary of State George Schultz confirmed that the United States would no longer maintain its security guarantee to New Zealand.

ANZUS was declared inoperative, and crucially for the relationship, New Zealand was officially downgraded from an 'ally' of the United States to a 'friend'.³³

The friendship extended by the United States to New Zealand was not a warm one. The disagreement over the nuclear issue caused a significant rift, and the relationship was one of 'tension and suspicion'.³⁴ From a once strong relationship as Pacific Partners and allies, the US-NZ relationship had taken a significant battering, because of a divergence of views on the theme of security. Despite a strong shared history as allies in the 20th Century, nuclear policy was at the forefront of the American security agenda during this time, and such an anti-nuclear approach would have been viewed as one that needed crushing. Once again, we see that the underlying theme of security dictating the strength of the relationship.

III. BUTTER, BRIDGE BUILDING, BOLGER, AND MORE BATTLES – TRADE AND SECURITY IN THE 1990S AND EARLY 2000S

The New Zealand – United States relationship would continue to be redefined in the 1990s. Rebuilding the fractured relationship was to take a large amount of hard work. Two major factors came into play during the time period that would affect this diplomatic bridge building: the New Zealand Government's refocus on free trade, and the security conflicts of the 1990s. It is at this point in the relationship that trade becomes more of a significant defining factor.

Mid-20th Century New Zealand trade efforts did not focus on the United States. Prior to 1973, New Zealand was dependant on Great Britain as a market for its products, primarily agricultural exports such as milk and butter.³⁵ The vulnerability of this trade focus was noted in Dr. J. C Beaglehole's guidebook written for U.S Marines in the 1940s, 'Welcome to New Zealand'. Here Beaglehole noted:³⁶

In the last world slump we found it was unwise to have all our eggs in the agricultural and pastoral basket, and we have been trying to build up other 'secondary' industries. As things are in a world of quotes, tariffs, and other trade barriers, we can't support more people

32 Above n 30.

33 Above n 22, at 32 & 73.

34 David J. McCraw 'New Zealand's foreign policy in the 1990s: in the national tradition?' (2000) *The Pacific Review* 13:4 577-594 at 578.

35 Robert Peden "Farming in the economy - The golden years, 1950s to 1980s", (13 July 2012) *Te Ara - the Encyclopedia of New Zealand*, <www.TeAra.govt.nz> at 7.

36 J C Beaglehold *Meet New Zealand* (Department of Internal Affairs, Wellington, 1942) at 6-7.

economically on the land: we haven't got the markets to sell the stuff they would produce. The only way we can consume much more ourselves is to get a bigger population. That means further industrialization... The problem of economic readjustment, particularly after the war, is what is giving us a headache.

This headache was to turn into a full scale migraine with the entry of Great Britain into the European Economic Community in 1973. This saw a forcible reorientation of New Zealand's trade focus; no longer could we rely on our special status as an agricultural input provider to the United Kingdom.³⁷ The New Zealand economy took a substantial knocking as prices fell. The Muldoon government's answer to this was the Livestock Incentive Scheme, designed to stimulate the economy to produce more with "a raft of subsidies and protection incentives".³⁸ The government also commenced with the controversial 'Think Big' projects, which were to introduce new, expensive industries to New Zealand shores.³⁹ Additionally on the Muldoon agenda, free trade became a part of the New Zealand economic conversation with the introduction of a Closer Economic Relations agreement with Australia in 1982.⁴⁰

Nonetheless, the idea of free trade did not become an economic policy lynchpin until after the economic reforms of the 1980s. As Paul Buchanan discusses, following the economic overhauls of 'Rogernomics':⁴¹

...it took a decade of domestic market liberalization before... expansion and deepening of trade relations was accepted as necessary by the major political parties and backed by New Zealand business groups.

The 1990s saw a definite shift in foreign policy towards free trade, and under the Shipley-led National government of 1996–1999 "co-ordinated efforts to promote Free Trade Agreements became a foreign policy priority, something that continued (and was accelerated) under the fifth Labour government led by Helen Clark".⁴² A Free Trade Agreement (FTA) with the United States would become a natural goal.

Concurrently as the focus of trade policy shifted towards FTAs, the Bolger government of the early 1990s began a serious programme to rebuild ties with the United States. Getting 'back onside' with America was such a key issue for the National party that:⁴³

37 Paul Buchanan "Lilliputian in fluid times: New Zealand foreign policy after the Cold War" (2010) 125 *Political Science Quarterly* 2 255-279 at 262.

38 Above n 35.

39 Barry Gustafson "Muldoon, Robert David - Economic policy and problems" (30 October 2012) *Dictionary of New Zealand Biography Te Ara - the Encyclopedia of New Zealand* <www.TeAra.govt.nz> at 7.

40 Above n 39.

41 Above n 37, at 266.

42 Above n 37, at 278.

43 Above n 34, at 579.

...shortly after the National government's election in 1990, the minister of external relations and trade, Don McKinnon, declared that New Zealand would be seeking to re-establish effective cooperation with the United States in political, defence, and security matters.

Once again, security issues were top of the discussion agenda. The government quickly offered troops, Hercules transport aircraft, and a medical team to serve in the Persian Gulf following the Iraqi occupation of Kuwait.⁴⁴ Wellington also backed the US-UN humanitarian effort in Somalia in 1992–1993.⁴⁵ Using military conflicts as a diplomatic peace token did not automatically soothe the damaged American ego, and in 1993, Prime Minister Bolger approached United States President Bill Clinton on an APEC boat trip and said “Mr President, I think we need to talk”.⁴⁶ From here, NZ-US dialogue opened and began to improve.⁴⁷

The efforts of the 1990s National governments to reinvigorate the New Zealand-United States relationships, however, were continuously stalled by the anti-nuclear issue. This security policy “became a symbolic expression of (NZ) national resolve to forge a distinctive foreign policy in the face of strong opposition from the Reagan administration”.⁴⁸ The anti-nuclear feeling in New Zealand was exceptionally strong at this time “by the time of the 1990 election, opposition to ship visits was at 64 per cent, with support at only 21 per cent”.⁴⁹ Bolger sunk significant resources into relaxing the policy, such as setting up a scientific enquiry into the safety of nuclear-powered vessels. However the public horror of nuclear ships was such that, in June 1993, Bolger made a plea to the United States, saying:⁵⁰

It is regrettable that a democratic decision taken by the New Zealand people – to adopt a non-nuclear policy – is not viewed by the U.S. Government for what it is. Our nuclear-free policy is not intended as an affront to our American allies, but as a democratic expression of New Zealanders' respect for their environment.

The security issue of nuclear-free New Zealand continued to define the US-NZ relationship throughout the 1990s.

Trade and security began to intertwine to define the NZ-US relationship as the New Zealand government began to search for a Free Trade Agreement with the United States. The early 2000s saw an increase in New Zealand's trade negotiations across the Pacific region; Closer Economic Partnership agreements were signed with Singapore in 2001 and Thailand and 2005, and multilateral negotiations between Brunei, Chile and Singapore formed the

44 Above n 34, at 579.

45 Above n 25, at 11.

46 Audrey Young “Wrong Audience for Bolger Tirade” *New Zealand Herald* (online ed, Auckland, May 21 2013).

47 *Ibid.*

48 Above n 25, at 11.

49 Above n 34, at 579.

50 At 579.

2002 Pacific 4 (P4) agreement.⁵¹ Worldwide, New Zealand was one of a few countries “engaged in wide-ranging unilateral trade policy reform away from protectionism and towards very open markets”.⁵² A natural partner in such open markets was seen to be the United States, New Zealand’s third largest trading partner.⁵³

Despite significant efforts of the Clark government to engage the United States in a bilateral Free Trade Agreement, no such agreement has ever materialised. Several pundits have linked the lack of enthusiasm shown by the US for an FTA to the New Zealand government’s opposition to the Iraq War.⁵⁴ Following the announcement of a US-led invasion of Iraq in March 2003, Clark stated “her government could not support the use of force to disable Iraq’s alleged possession of weapons of mass destruction without the explicit authorisation of the UN Security Council”.⁵⁵ Taking the moral high ground, Clark was not subtle with her criticisms of the Iraq invasion, commenting “this Government does not trade the lives of young New Zealanders for a war it does not believe in, in order to secure some material advantage”.⁵⁶ Such an approach was scorned by pragmatists who saw the practical advantages to trade in an engagement in Iraq; acerbically noting that “New Zealand can afford the moral high ground but very little else”.⁵⁷

Clark continued to antagonise the United States when her criticism of the Iraq conflict was seen to be a personal attack on US President George W. Bush that was “beyond the call”.⁵⁸ The disgruntlement between Clark and the United States caused then-opposition leader Bill English to note, regarding the possible salvaging of the relationship, “it is hard to credibly offer an olive branch when you’ve already chopped down the tree”.⁵⁹ Additionally, the nuclear security issue continued to be a burden on any relationship building at this time. In 2002, Prime Minister Helen Clark was told directly by former US Secretary of State Henry Kissinger that the government’s “stance on nuclear ships was a continuing obstacle to its relationship with the US”.⁶⁰ It can be seen that security issues still dominated the state of the relationship at this time, even with the rising influence of trade as a policy issue.

51 Above n 37, at 267.

52 Rob Salmond “A New Zealand-US FTA? A Reality check” 2003 10 *Agenda* 4 307-323 at 310.

53 Ministry of Foreign Affairs and Trade “Trans Pacific Partnership Negotiations” <www.mfat.govt.nz>.

54 Above n 52, at 319; and Fairfax NZ “PM attacks Key over FTA comments” (online ed, Christchurch, 25 September 2009).

55 Above n 25, at 14.

56 “New Zealand trade on poor principles” *The Australian* (Nationwide News Proprietary Ltd, Canberra, 2 April 2003) at 20.

57 Above n 56.

58 Colin Espiner “No Nuclear Review Planned” *The Christchurch Press* (New Zealand, 27 May 2003) at 6.

59 At 6.

60 Colin Espiner “A Way Out of Nuclear Impasse” *The Christchurch Press* (New Zealand, 24 November 2003) at 7.

The link between the Clark government's refusal to back the United States on such a significant security issue as the Iraq War, and the floundering of trade talks regarding a bilateral FTA is an easy one to make. In comparison to New Zealand, Australia rode "a wave of good will in the White House" after joining the US invasion of Iraq.⁶¹ For better or worse, they rode this wave all the way to a Free Trade Agreement that came into force on January 1 2005.⁶² Despite the Clark government's attempt to 'piggy-back' the US-Australia FTA, the agreement remained strictly bilateral.⁶³ As a result of this successful FTA, U.S. two-way trade with Australia was USD 6.7 billion in 2009, up 23 per cent from 2004.⁶⁴ While backing an illegal invasion that lacked a UN-backed mandate may be morally questionable, economically, without a doubt, Australia has benefitted from its role in Iraq.

In 2010 a WikiLeaks cable revealed that the Labour government was turning away from a FTA with the United States.⁶⁵ The cable, classified by top diplomat David R Burnett, noted that the government was:⁶⁶

... preparing the public for the likelihood it will not attain free trade negotiations with the United States any time soon. After six years of pressing its case for such a deal, the Labour-led government has turned its attention to agreements in Asia. This is evidenced by the 2008 FTA with China, and the 2009 FTA with the 10 Asian nations that make up ASEAN. As the ASEAN markets make up New Zealand's third-largest export market, it can be seen that this shift makes economic sense.⁶⁷ Nonetheless, the government can be expected to attempt to immunize itself against domestic political criticism that its failure to secure an FTA with the United States is the result of Labour's icy relations with Washington.

The failure of the New Zealand government to attain what was a top-level trade goal can be seen to be a direct result of dedicated security policy, and again the primacy of security over trade as a policy influence can be seen. While trade became an issue of increasing importance for New Zealand, security remained the top priority for the United States. The failure of the New Zealand government to reach US security terms continued, throughout this period, to define the relationship in a negative light. Trade was to definitively take a back seat to security policy as a defining influence during this time period.

61 Andrea Fox "Minister Upbeat on Trade Deal" *The Christchurch Press* (New Zealand, 10 May 2003) at 9.

62 United States Trade Representative "Free Trade Agreements, Australia" <www.ustr.gov>.

63 Natasha Robinson "Clark Muscles in on FTA" *The Australian* (Nationwide News Proprietary Ltd, Canberra, 9 July 2004) at 4.

64 Above n 62.

65 "WikiLeaks cable: GNZ aims to cool expectations for U.S FTA" *The New Zealand Herald* (online ed, Auckland, 19 December 2010).

66 New Zealand Press Association "New Zealand signs Free Trade Agreement with 10 Asian Countries" *New Zealand Herald* (online ed, Auckland, Feb 27 2009).

67 *Ibid.*

IV. WHERE ARE WE CURRENTLY? NEW ZEALAND AND THE 'NEW NORMAL'

Despite anti-nuclear tension continuing as a defining factor of the NZ-US relationship during the 1990s and 2000s, the relationship improved significantly in the late 2000s. Due to the hard work of independent organisations such as the US-NZ Council and the NZ-US Council, as well as behind-the-scenes 'quiet diplomacy', New Zealand and the United States of America are on talking terms again. The two councils deserve special recognition for their work connecting New Zealand and American businesses; in a time period where diplomacy may have been quiet, money definitely talked.⁶⁸ Pacific Partnership Forums began in 2006 and have been heralded as a significant influence. Designed to get talk flowing at a level lower than official channels, the Forums have been called 'ground breaking'⁶⁹ and have been so successful there have been questions as to whether we actually need them now at all.⁷⁰

During the 2000s, New Zealand increased its worldwide security presence with its involvement in Operation Enduring Freedom (OEF) in Afghanistan. Special Air Services (SAS) forces and Provincial Reconstruction Teams (PRT) were sent to Afghanistan, with the twenty-first and final rotation of troops leaving the area in April 2013.⁷¹ The role of PRT was to train the Afghani police and army, patrol and provide security, and aid the UN in its mission in the region.⁷² By August 2012, ten New Zealanders had died during OEF, two in non-combat situations.⁷³ The troops were well respected for their role in the engagement. I believe that it is no coincidence that our relationship with the United States improved as we contributed forces to a war begun by America for very American reasons. The hunt for Osama Bin Laden was at the forefront of the American security and defence agenda until his death in 2011, and the military engagement in Afghanistan, while UN-mandated, unarguably came from this manhunt. New Zealand's involvement supported this American mission, and our contribution could have only strengthened the relationship, showing again how crucial a policy factor security really is in defining the relationship.

Following a thawing of diplomatic relations, in 2010, the Wellington Declaration was signed, indicating a 'new era' in the US-NZ relationship. The United States State Department announced there would be " a new focus on practical cooperation in the Pacific region; and enhanced political

68 NZUS Council website <www.nzuscouncil.com>.

69 USNZ Council website <www.usnzcouncil.org>.

70 Tracy Watkins "The New Normal between NZ, US" *The Press* (online ed, Christchurch, 22 May 2013).

71 New Zealand Defence Force Fact Sheet <www.nzdf.mil.nz> .

72 David Capie. "Peacekeeping - New Zealand's involvement in peacekeeping" Te Ara - the Encyclopedia of New Zealand <www.TeAra.govt.nz>.

73 Ibid.

and subject-matter expert dialogue – including regular Foreign Ministers’ meetings and political-military discussions”.⁷⁴ The Wellington Declaration was reaffirmed by the Washington Declaration signed in June 2012.⁷⁵ The latter announced increased cooperation between our two militaries, and confirmed the importance of security as a characterising factor of the NZ-US relationship. Paragraph 1 states:

This Declaration is based on the following principles shared by the Participants:

- a. The bilateral defense relationship between the Participants is based on full respect for the independence, self-reliance, and sovereignty of each Participant, and is in the spirit of the long-standing friendship, mutual respect, trust, and understanding that exists between the two countries;
- b. An enduring defense and security cooperation partnership between the United States and New Zealand is of significant benefit to both nations and to the region; and
- c. A deepening relationship between defense establishments contributes to improved international relations, strengthens our overall bilateral relationship, and enhances regional peace, stability, cooperation, and development.

This document, crucially, restored our status as an Ally with the United States, and can be seen to be “evidence of New Zealand’s growing alignment with Washington”.⁷⁶ Once again, security and defence are policy concerns at the forefront of the New Zealand-United States relationship.

Contemporarily, the NZ-US relationship is at a point that top diplomats are calling “the new normal”.⁷⁷ Discussed at length at the 2013 Pacific Partnership Forum, a high level two-day dialogue of diplomats, politicians, and business leaders, “the new normal” was defined with deliberate vagueness.⁷⁸ Deputy Assistant Secretary for Defense, South and South-East Asia, Vikram Singh, described it as:⁷⁹

...it means our leaders are getting together, our senior officials are getting together and our senior military officials are getting together to actually talk about what they think should be done and how we’re strategically approaching things rather than just getting together to cooperate on actually doing something

Now, rather than locking horns with each other over the nuclear issue, instead we simply don’t talk about it.

74 US State Department Press Release “Wellington Declaration on a New Strategic Partnership between New Zealand and the United States” (Office of the Spokesman, Washington D.C., November 4th 2010) <www.state.gov>.

75 *Washington Declaration on Defense Cooperation between the Department of Defense of the United States of America and the Ministry of Defence of New Zealand and the New Zealand Defence Force* 2013, <www.beehive.govt.nz>.

76 Tracy Watkins “Agreement with US sees NZ as de facto Ally” *The Press* (online ed, Christchurch, Fairfax NZ, 20 June 2012).

77 Above n 70

78 The author attended this forum as a Fulbright Future Partner <www.usnzcouncil.org/pacific-partnership-forum>

79 Above n 77.

The most crucial contemporary and future influence on the NZ-US relationship is, without doubt, the Trans-Pacific Partnership agreement. With little success likely with a bilateral FTA, New Zealand's trade negotiators are taking the back roads with a multilateral Pacific-wide agreement that involves 11 different countries and is based off the 2002 P4 Trade agreement.⁸⁰ Including four of New Zealand's top 10 trading partners (Australia, the United States, Singapore and Malaysia) the TPP is projected to give New Zealand income gains in the 2–3 per cent range by 2025 (see Table 1).⁸¹ The agreement has significant benefits for the United States as well, with income gains projected around the 24 per cent mark with the current 11 nations involved.⁸²

Regardless of the potential economic benefits for each nation, the public reaction to the TPP in both America and New Zealand has been lukewarm at best. Serious issues have been highlighted as worrying by commentators in each nation, including concerns about sovereignty, effects on intellectual property, and the distribution of generic drugs.⁸³ Of late, online news forums and the blogosphere have been filled with shock headlines such as “Why You Should Be Terrified of a Free Trade Agreement You’ve Never Heard Of”⁸⁴ and “Critics say the Trans-Pacific Partnership is the Next Big Threat to Online Freedom”⁸⁵. The vastness of the TPP has alarmed people and organisations in both New Zealand and the United States.

In New Zealand, high influence organisations including TradeMe, the Royal New Zealand Foundation for the Blind, and Consumer NZ have banded together to form fairdeal.net.nz, a website dedicated to organising public backlash against the TPP, with a particular focus on concerns regarding intellectual property. New Zealanders from vastly different sectors of society have voiced their worries online. Professor of Law, Jane Kelsey, from the University of Auckland notes:⁸⁶

The TPPA is billed as an agreement for the 21st century. But it will do nothing to address the challenges of financial instability, climate change, energy scarcity, job insecurity, structural poverty and inequality. Instead, it will lock future governments into a failed regime where markets rule for the next 100 years.

Brian Gould, former UK MP, states:⁸⁷

80 Above n 53.

81 Pater Petri, Michael Plummer & Fan Zhai “Note on Alternative TPP-Track Simulations” report for asiapacifictrade.org (November 20 2012) at 2.

82 Above n 81.

83 BBC News “TPP: What is it and why does it matter?” (BBC News Online, March 14 2013) <www.bbc.co.uk>.

84 Cormac Foster “Why You Should Be Terrified of a Free Trade Agreement You’ve Never Heard Of” ReadWrite.com (30 August 2012) <readwrite.com>.

85 Kevin Collier “Critics say the Trans-Pacific Partnership is the Next Big Threat to Online Freedom” The Daily Dot (29 June 2012) <www.dailydot.com>.

86 Jane Kelsey on the TPP <www.itsourfuture.org.nz> June 23 2013.

87 Brian Gould on the TPP <www.itsourfuture.org.nz> June 23 2013.

Why should we cede yet more control over our economy – allowing foreign corporations to enforce rights against our government that are not available to our own firms – in pursuit of much greater access to the American market for our dairy products.

Despite free trade with America being a pivotal policy for the New Zealand government, many New Zealanders feel that the TPP goes too far.

In the United States, criticism of the secrecy of the TPP has come from as high a level as the United States Congress. Senator Elizabeth Warren (D-MA) has pushed the United States Trade Representative to release text of the deal, over concerns about the level of secrecy surrounding negotiations, noting:⁸⁸

If people knew what was going on, they would stop it. This argument is exactly backwards. If transparency would lead to widespread public opposition to a trade agreement, then that trade agreement should not be the policy of the United States.

Congressman Alan Grayson (D-FL) was allowed to read over the draft TPP document, and expressed criticism for the deal on his personal blog, noting “there is no national security purpose in keeping this text secret” and “this agreement hands over the sovereignty of our nation to corporate interests”.⁸⁹ Clearly the TPP has dismayed US lawmakers, so the question must be asked as to why the agreement is being pursued overall.

The answer lies in the Obama Administration’s ‘Pacific Pivot’. In a 2010 statement, former Secretary of State Hilary Clinton said:⁹⁰

America’s future is lined to the future of the Asia-Pacific Region; and the future of this region depends on America. The United States has a strong interest in continuing its tradition of economic and strategic leadership, and Asia has a strong interest in the United States remaining a dynamic economic partner and a stabilizing military influence.

The biggest contemporary threat to America’s security is the rise of China, as “talk of China’s ascension is usually coupled with that of American decline... the principal fear surrounding American decline for the international community is war”.⁹¹ Credited as arising directly to counter a rising China, the ‘Pacific Pivot’ has seen a massive shift of diplomatic and military resources from the Middle East and Europe to the Asia-Pacific region – 60 per cent of US military resources have been shifted from the former area to the later since late 2011.⁹² Additionally, the US has begun rotating troops through the Pacific, and has “announced plans to build on (Australia’s) Cocos Islands” and former Secretary of State Leon Panetta “said the United States hopes to

88 Mark Drajem ‘Senator Warren presses White House to release Pacific Trade Text’ (Bloomberg News Online, June 13 2013) URL: <http://www.businessweek.com/news/2013-06-13/senator-warren-presses-white-house-to-release-pacific-trade-text>.

89 Alan Grayson ‘I Saw the Secret Trade Deal’ (Alan Grayson’s Emails, June 18 2013) URL: <http://alangraysonemails.tumblr.com/post/53325968066/i-saw-the-secret-trade-deal>.

90 Above n 81, at 7.

91 David Beitelman ‘America’s Pacific Pivot’ 2011-2012 67IntJ 1073 at 1073-1074.

92 Koohan Paik & Jerry Mander ‘Blowback in the Pacific’ *The Nation* January 21 2013 (The Nation Company, New York, 2013) at 23.

station troops in New Zealand as well, through approval for that has not been granted”.⁹³ Security, once again, has increased America’s interest in the Pacific and New Zealand.

The ‘Pacific Pivot’, sometimes called the ‘Asia-Pacific rebalancing’ has been described as a military posture of “absolute superiority”.⁹⁴ As part of this overall security strategy, the TPP is being used as a tool of influence in the Asia-Pacific region.⁹⁵ “Too demanding for a developing and mercantilist nation like China to enter yet” the TPP effectively excludes America’s biggest economic threat while bringing alongside potential Asian allies.⁹⁶ Another cog in the US system of global economic domination, the TPP is a tool “containing and undermining Chinese economic power in the Asia-Pacific region”.⁹⁷ Commentators have highlighted that “the TPP is clearly a US move for its corporate pillars to outflank China, and a parallel instrument for the US military’s ‘Asia pivot’”.⁹⁸ For New Zealand, the TPP means open markets. For the United States, the TPP protects dominant world order. Trade and security have interwoven to such an extent in the TPP, it is hard to extract them as individual influencers anymore.

V. CONCLUSION – WHERE TO NOW?

This paper has shown how security and trade have been the primary policy factors that have influenced the New Zealand-United States relationship, with security being the more dominant of these influences. From the 1942 American ‘Invasion’ through to David Lange’s anti-nuclear stand, New Zealand and America trod a closely interwoven security path. The disestablishment of ANZUS severely shook up this status quo, and the 1990s and early 2000s saw both Labour and National governments attempt to rectify the relationship. The importance of trade as a policy influence for New Zealand also became more prevalent at this point, although the Clark government’s refusal to toe the American security policy line saw any chance of a Free Trade Agreement evaporate to the wind. Currently, New Zealand-American relations are better than they have ever been. We have large meetings in which we talk about how much we like each other⁹⁹, and we are engaged in negotiations together in the Trans Pacific Partnership agreement, something that will undoubtedly continue to define the relationship.

93 At 23.

94 Lanxin Xiang ‘China and the “Pivot”’ 2012 54 *Global Politics and Strategy* 5 113-128 at 113.

95 Clyde Prestoqitz ‘The Pacific Pivot’ *The American Prospect* 30-46 (*The American Prospect Inc.* Washington DC April 2012) at 40.

96 Above n 95, at 41.

97 Herman Laural “TPP: The Pivot to the Pacific (Part II)” *The Tribune* (Online ed, location? June 19 2013).

98 Above n 97.

99 Above n 77.

In the so-called 'Asian Century', as America and China continue their shadow boxing around world order, New Zealand finds itself in a place of strategic importance in global affairs despite its geographic isolation. It is clear that the TPP is one of the many strategies that the United States is using to control the influence of China. It is equally clear that for the United States, security will remain the number one defining factor in its relationship with New Zealand, with trade taking a distant second; the United States is not reliant on an economy as small as New Zealand's in any way, shape or form. New Zealand's increased economic engagement and 2008 Fair Trade Agreement with China shows that New Zealand is attempting to play the game with both teams, potentially a wise, if risky, move. New Zealand must be careful to not come across as a pawn of either team, however, or gamble being caught up in the fall out should such a conflict occur.

New Zealand has become a mate of everyone in the Asia-Pacific region, a kind of diplomatic go-to-guy and free-trade friend, and the United States is no doubt piggy-backing on this reputation with the Trans Pacific Partnership Agreement. Currently, as security continues to define the relationship, it is advantageous for America to pick New Zealand for its team in playing the geopolitical game. To paraphrase Bank of New Zealand Corporate Strategy Advisor, Kieran Brown, "New Zealand and the United States are in a Facebook-official relationship, and all our friends, Australia, Japan, and China, are going around liking our photos".¹⁰⁰ As modern security concerns rear their heads, New Zealand will no doubt be-called upon as an American ally – hopefully, this commitment to the American cause will finally see some payback in trade policy and benefits to the New Zealand economy.

Some concerns, however, must be raised regarding the potential future effect of the TPP on New Zealand's security and defence policy. The TPP, as discussed above, is a highly secret agreement. It has been argued that secrecy is necessary for an agreement of such complexity, with so many nations involved.¹⁰¹ However, the nature of such secrecy means that we do not know exactly what provisions in the agreement apply to security and defence – while the TPP is essentially a trade agreement, the massive nature of the deal allows scope for such conditions. The question must be asked: what impact will the TPP have on New Zealand's security obligations in the future?

With security and defence being at the forefront of the American foreign relations agenda, and the fact that America's involvement in the TPP is a direct result of the perceived threat of China, plus the penchant of the United States to involve other nations in fighting the wars it begins, it is not a large stretch to imagine American TPP negotiators inserting clauses relating to security and defence into the TPP. As discussed above, New Zealand was brought into Vietnam, a war described by former US Senator George McGovern as an

100 Kieran Brown, "Speech to the AGM of the American Chamber of Commerce in New Zealand – US NZ Relations, Old Friends Seeking New Normal" (Auckland, 7/6/2013).

101 Above n 81

“utter, unmitigated disaster”,¹⁰² directly as a result of our ANZUS obligations. One does not have to be a conspiracy theorist to imagine a future in which New Zealand is required to enter wars it rather wouldn’t, directly as a result of conditions it signed to get a trade agreement flowing with the United States. Another possible factor that is likely to influence our future military engagements is the current bid of New Zealand for a UN Security Council seat. Should we be successful in this bid, New Zealand may well see increased involvement in foreign conflicts, including those outside of the Asia Pacific region.

This essay has shown how security and defence concerns have dominated the New Zealand United States relationship, while trade has remained a second and distant policy concern, distant to the extent that it has now been subsumed by the former. While Washington values security so highly, Wellington will continue to seek to develop trade ties, and will continue to desperately pursue the TPP despite the vast array of concerns surrounding the agreement. With the inclusion of Japan in the agreement, perhaps we are in too far now to simply turn back.

102 Lexington, “Remembering George McGovern” *The Economist* (online ed, London? Oct 22 2012).