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E N T I A L SECTION 01 OF 04 WELLINGTON 000015 SIPDIS

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C O N F I D E N T I A L SECTION 01 OF 04 WELLINGTON 000015

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STATE ALSO FOR H - JREDDY AND CAUSTIN E.O

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NZ SUBJECT: CODEL HOYER MEETS WITH GNZ LEADERSHIP Classified

By: DCM David Keegan for reasons 1.4(b) and (d)

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(SBU) Summary

On January 9, a 13-member Congressional delegation led by House Majorit  
y Leader Steny Hoyer (D-MD) and Minority Whip Roy Blunt (R-MO) met with

Deputy and Acting Prime Minister Michael Cullen and Ministry of Foreign  
n Affairs and Trade (MFAT) Chief Executive Simon Murdoch to discuss bil  
ateral priorities and issues of common interest

The cordial discussion covered NZ/US bilateral relations, global climate cha  
nge, trade, the south pacific islands, Asia, Afghanistan, North Korea, domes  
tic politics and the respective roles of NZ and the US in world affairs

End Summary

Bilateral Relations Growing -----2

(SBU) On January 9, a 13-member Congressional delegation led by House  
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met with Deputy and Acting Prime Minister Michael Cullen and Ministry  
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iscuss bilateral priorities and issues of common interest

Also attending were Charge d'Affaires David Keegan, former NZ ambassador to the US Dr

John Wood, MFAT Americas Deputy Director Elizabeth Halliday, Poloff, and Codel staff

In opening remarks, both sides agreed that the two countries have a close bilateral relationship, that the relationship is becoming stronger, and that the USG and GNZ have many common interests

"Though," according to Cullen, "we may sometimes differ in our approaches." 3

(SBU) Cullen began his remarks to the delegation by citing the interests which the US and NZ have in common: - International security (including terrorism, security within the South Pacific islands, and the growing influence of the PRC and Taiwan); - Climate Change (including energy security and development of alternative energy sources); - Agriculture and trade (noting that NZ desires greater trade liberalization with the US); and - Antarctica Climate Change and Genetic Modification -----4

(SBU) Cullen expressed his desire that the US and NZ should develop a joint perspective on what should happen after the Kyoto Protocol expires, and that the two countries should work to resolve climate change issues while allowing the third world to develop

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(SBU) On the subject of genetic modification (GM) technology and how it could contribute toward resolving climate change issues, Cullen admitted that there is some disagreement within New Zealand regarding the use of GM technology

However, he added that "we will risk losing traction on research and technology development unless we take hold of GM technology." The South Pacific Islands -----6

(C) Cullen described the South Pacific as "a region of increasing political instability, for example Tonga and Fiji." While the islands in this region may be small -these states can be channels for undesirable activities, such as drug trafficking and money laundering

The island governments lack the resources and personnel to adequately prevent or investigate such activities and are especially vulnerable during periods of political instability

"These small island nations can barely manage their own governments," he said, "and they have no systems to control illegal financing opportunities." WELLINGTON 00000015 002 OF 004

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(C) With respect to the potential for terrorism, Cullen suggested that the South Pacific islands are not likely to provide recruits for terrorists from within

Rather, those recruits will come from Indonesia and Malaysia, he said. However, such small island states are extremely susceptible to being used by terrorist organizations as a conduit for their finances

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(C) Representative Bordallo (R-Guam) asked for the GNZ perspective on the "dollar diplomacy" occurring in the Pacific island region

Cullen stated that there are two aspects of the issue

First, there is a growing involvement in the region by the PRC and Taiwan as they vie for political support in the UN

Second, there is a broader geopolitical question: "The Pacific is a large space out there that may be important some day, and how do we position ourselves?" As a result, stated Cullen, the GNZ is concerned that the region is becoming "a place for great power rivalries." That places a duty on NZ, the US,

France and Australia to assist governments in the region, "particularly in governance and the infrastructure for governance." Asia -- NZ and US Roles -

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(SBU) Hoyer asked about the influence of mainland Asia in the South Pacific region

According to Murdoch, NZ is finding itself more closely involved in Asia and NZ is "constantly drawn into the Asian architecture." Australia is even more involved as a result of its closer geographic and economic connections with Asia

And that, according to

Cullen, poses a danger for NZ because "unless we're with Australia, we're very isolated."

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(SBU) Murdoch credited the past involvement of the US as the reason for Asia's current development

That demonstrates what US influence in Asia can do, he added

Moreover, Murdoch stated that "there is a lot of desire for the US to be more involved in Asia" and there are "tons of scope" for further US influence

Afghanistan -----11

(SBU) Hoyer asked for the NZ perspective on the current state of affairs in Afghanistan

Cullen stated that NZ shares Australian Prime Minister Rudd's view that it is difficult to establish a democracy in a country with such strong tribal traditions

Murdoch added that NZ established the first non-US Provincial Reconstruction Team in Afghanistan and that "our guys have received more fire in the last four months than in the last four years." North Korea -- NZ's Supporting Role -----12

(C) Blunt expressed US appreciation for the GNZ's role on North Korea  
Cullen stated that it was an opportunity to work with the USG in accomplishing a common goal, which the two countries have shared for years  
Cullen added that it is also a good example of how the USG can work together with other countries in a multilateral framework  
According to Murdoch, the DPRK must be shown the "goody bag" of benefits that could result from normal relations with the world, and the GNZ is perfectly positioned to fulfill that role, rather than the US, Russia or Japan, which have less credibility with the DPRK  
"That is the kind of role we see ourselves playing," said Murdoch  
When asked by Representative Granger (R-TX) how the GNZ came to assume that role with respect to North Korea, Murdoch replied it was at the invitation and with the encouragement of the USG and, in particular, Secretary Rice

SIPDIS NZ's Role in World Affairs WELLINGTON 00000015 003 OF 004 -----13

(SBU) Cullen commented on the role of the NZ armed forces, stating that NZ has limited capacity to mount a high-level, high-tech military force  
Consequently, NZ has, out of necessity, developed a low-tech army with highly professional special services, and a naval and air capacity sufficient for patrolling its "own patch" ) i.e., its EEZ, NZ's associated islands, and supporting its base in Antarctica  
Use of those forces for other purposes has been limited, such as in East Timor and Afghanistan.

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(SBU) Hoyer inquired whether NZ sees an opportunity to engage with the new leadership in Europe, specifically with UK Prime Minister Gordon Brown, German Chancellor Angela Merkel, French President Nicolas Sarkozy and Russian leader Vladimir Putin  
Cullen agreed and stated that Sarkozy is not defensive but rather willing to engage and develop relations with the US (which is good from the NZ perspective, he added, as France is a player in the Pacific)

PM Clark, he added, has developed a good personal relationship with Merkel

Hoyer commented that all four leaders want to play on the world stage and that engagement with Europe is a must

Moreover, Hoyer suggested, NZ can play a role in engaging with those governments

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(SBU) Hoyer asked what impact the upcoming NZ elections may have on NZ foreign policy

Cullen expressed his opinion that if there is a change of government, there would be little change in foreign policy

Most changes would be on the domestic front, he said

The US Role in World Affairs -----16

(SBU) Representative Chandler (D-KY) noted the loss of US popularity in the world and asked for ideas on how to reverse that perception

Cullen commented that, as a historian, he tends to take a long-term view

The US is number one now, he said, but the chances of remaining in that position by 2100 are slim

He suggested that the US should develop and implement international rules and practices "that will be there when you are no longer number one." He mentioned, as an example, endorsement of the international criminal court, which would be "a signal to the world." He cautioned that the US should avoid being regarded in the same way as the Australian cricket team, where "the rules are not quite symmetrical." Domestic Politics -----17

(C) With respect to the NZ's current domestic political environment, Cullen commented that there is a certain sentiment among New Zealanders that the Labour Party has been in power long enough and that Johnny (National Party leader John Keys) "should have a chance at bat." However, he added, even though the polls seem to be in Keys' favor, "you never know what rabbits the wily old curmudgeons (i.e., Labour) can pull out of what hats." Comment -----18

(SBU) The Codel arrived during the peak of the NZ summer when school was out, most New Zealanders were on vacation and celebrating the holidays, and the GNZ was, for all practical purposes, shut down

In spite of this, the GNZ pulled out all the stops to provide Codel Hoyer with a meaningful program of meetings and activities ) with some government officials coming in from planned vacations to meet with the Codel

This effort illustrates the GNZ's high regard for, and interest in further development of, its longstanding and

productive relationship with the US

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(U) Codel Hoyer did not have an opportunity to clear this message before departure

MCCORMICK