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New Zealand: Background and Bilateral Relations with the United States

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New Zealand: Background and Bilateral Relations with the United States

Summary

New Zealand and the United States continue to have strong ties despite some differences. These close ties are based on shared cultural traditions and values. Differences between the United States and New Zealand emerged in the mid 1980s over New Zealand's policy to ban nuclear armed and nuclear powered ships from its ports. This led to a defacto split between the United States and New Zealand within the context of the Australia-New Zealand-United States (ANZUS) alliance. Despite this issue, New Zealand is a regular contributor to international peace operations and has contributed troops to the war against terror in Afghanistan and to assist reconstruction efforts in Iraq.

Under the leadership of Prime Minister Helen Clark, who will likely seek a third term as prime minister in elections that must be held before September 2005, New Zealand is seeking a closer economic relationship with the United States through a free trade agreement (FTA). The United States is New Zealand's second most important trading partner after Australia. While the overall volume of trade with new Zealand is relatively small, at U.S.\$5 billion in 2004, progress on the FTA is viewed as politically significant.

In February of 2005, Representatives Jim Kolbe and Ellen Tauscher launched the Friends of New Zealand Congressional Caucus. Initial membership of the caucus totaled 56 Members of Congress. A possible free trade agreement with New Zealand may be an issue for Congress in the year ahead.

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New Zealand: Background and Bilateral Relations with the United States

The close relationship between the United States and New Zealand stems from shared cultural traditions and values. The two nations are vigorous democracies with open market economies that have fought together in various conflicts from World War I to Vietnam. More recently, New Zealand and the United States have worked together in Afghanistan and in Iraq. New Zealand prides itself on being a good international citizen and makes frequent contributions to peace operations.

Background

New Zealand, also known as Aotearoa or “the land of the long white cloud,” was settled by the Polynesian-Maori people by the Tenth Century. Dutch navigator Abel Tasman discovered the western coast of New Zealand in 1642 but it was English Captain James Cook who, over three expeditions in 1769, 1773, and 1774, circumnavigated and mapped the islands. Cook reported on the Maori as well as New Zealand’s unique flora and fauna. The 1840 Treaty of Waitangi, between the British Crown and Maori Chiefs, serves as the basis for defining relations between the Maori and Pakeha (European) communities. In 1893, New Zealand gave women the right to vote. This made New Zealand the first country to do so.¹

Today, New Zealand is a unicameral, mixed-member-proportional, parliamentary democracy. Its population of almost four million has many shared values with the United States that stem from common historical roots as part of the British empire. United States State Department Spokesman Phil Reeker has emphasized the “shared values”

New Zealand in Brief

Area: 270,5000 sq. km or about the size of Colorado

Capital: Wellington

Population: 4 million (2003)

Ethnic Groups: European 75%, Maori 15%, Polynesian 6.5%

Livestock: 9.8 mill cattle and 39.2 mill sheep

Religion: Anglican 15%, Roman Catholic 13%, Presbyterian 11%

GDP growth: 4.8% (2004) 2.6% (2005 est)

Per Capita GDP: \$23,807 (2004 est.)

Major Markets: Australia 21.8%, U.S. 14.6%, Japan 11%, China 4.9%, & United Kingdom 4.8%. (2003)

Inflation 2.3% (2004 est.)

Unemployment: 4.6% (2004 est.)

Life expectancy: 78.49 years

Government: Mixed-member proportional democracy, 120 seat unicameral parliament

Chief of State: Queen Elizabeth II who is represented in New Zealand by the Governor General Silvia Cartwright

Sources: Economist Intelligence Unit, State Department, CIA World Factbook and government of New Zealand statistics

¹ A. E. McQueen, “New Zealand: Physical and Social Geography,” in *The Far East and Australasia*, (Surrey: Europa Publications, 2002), p.889.

and “long history” that the United States and New Zealand have in common.² Former Secretary of State Colin Powell has described New Zealand as “very, very, very close friends” of the United States.³ The British Monarch, Queen Elizabeth II, remains the constitutional head of state. New Zealand attained Dominion Status in 1907 and gained full political independence from Britain under the Statute of Westminster Adoption Act of 1947. New Zealanders are over 80% urban and have a 99% literacy rate.⁴ Unemployment was an estimated 4.6% in 2004.⁵ New Zealanders’ 2004 per-capita GDP was an estimated \$23,807 in U.S. dollars. New Zealand has a land area of 103,733 square miles, which is about the size of Colorado. It is 28% forested, 50% in pasture, and 9% under cultivation. New Zealand’s economy expanded by 4.8% in 2004 which was an increase over the 3.4% expansion in 2003.⁶ After reaching a two decade high the New Zealand Dollar appeared to be leveling off in spring 2005.⁷ New Zealand’s principal exports are agriculturally based.

Domestic Politics

Prime Minister Helen Clark’s centre-left Labour Party led coalition government is well positioned to go to the polls which it has to do some time before September 2005.⁸ Helen Clark became prime minister after the 1999 elections and was returned after the 2002 elections. Labour had a 13% lead over the centre-right National Party in a April 2005 poll. Given this lead, and the prospect that economic growth is slowing, Clark may go to the polls early as she seeks a third term as prime minister.⁹ Prime Minister Clark has ruled out any review of New Zealand’s nuclear policies, which are discussed in greater detail below, even if such a review was linked to a FTA. There has been some indication that some elements of the opposition in New Zealand might reconsider New Zealand’s nuclear policies.¹⁰

² Fran O’Sullivan, “U.S. Spokesman Keen to Reinforce Long Friendship,” *New Zealand Herald*, November 19, 2003.

³ “Bush Hints at Trade Deal,” *New Zealand Herald*, October 16, 2003.

⁴ Paolo Pasicolan, ed. *U.S. and Asia Statistical Handbook*, (Washington: The Heritage Foundation, 2003).

⁵ Global Insight, “New Zealand-Summary of Detailed Forecast.”

⁶ “New Zealand Economy,” *Economist Intelligence Unit*, March 29, 2005.

⁷ “New Zealand: Finance Outlook,” *Economist Intelligence Unit*, April 11, 2005.

⁸ “New Zealand, Country Report,” *Economist Intelligence Unit*, March 2005.

⁹ “Our View Early Elections Would be a Cynical Ploy,” *New Zealand Herald*, April 8, 2005.

¹⁰ “Clark Rules out Lifting Nuclear Ban for Trade Pact,” *Australian Associated Press*, February 1, 2005.

External Relations

New Zealand's closest external relationship is with Australia, while its most enduring relationship is with the United Kingdom. The closeness with Australia stems from their common origins as British colonies. Relations between New Zealand and Australia are very close and are formalized in the Closer Economic Relations (CER) and Closer Defense Relations (CDR) agreements. On a cultural level, shared national lore, such as the Australia-New Zealand Army Corp (ANZAC) experience, which was largely forged at the battle of Gallipoli in WWI, serves to reinforce ties between New Zealand and Australia. New Zealand is, along with Australia, Britain, Singapore and Malaysia, a signatory to the Five Power Defense Arrangements of 1971. New Zealand is also a member of the Commonwealth and an active supporter of the United Nations (UN). New Zealand contributed troops to WWI, WWII, Korea, and Vietnam.

New Zealanders' affinities for the United Kingdom (UK) remain strong despite the UK's decision to sever its preferential trade relationship with New Zealand, as well as the rest of the British Commonwealth, in order to join the European Community in the 1970s. The United Kingdom purchased two thirds of New Zealand's exports in 1950. In more recent years, the UK has dropped to New Zealand's fourth or fifth largest destination for exports. This has made the search for new foreign markets a key aspect of New Zealand's foreign policy. Japan is now a key trading partner for New Zealand.

New Zealand has an increasingly Pacific identity that stems from both its indigenous Maori population and other more recent Pacific island immigrants from Polynesia and Melanesia. While Maori represent 14.5% of the population, Pacific Islanders comprise approximately 6.5%. Auckland is the world's largest Polynesian city. New Zealand Foreign Minister Phil Goff has described New Zealand as a "Pacific nation." New Zealand has a set of relationships with South Pacific island groups that is similar to the relationships that the United States has with various island groupings in the Western Pacific. New Zealand has had colonial and trusteeship relationships with the Cook Islands, Niue, Western Samoa and Tokelau. Samoa became independent in 1962, while the Cook Islands and Niue became self governing in 1965 and 1974 with "free association" with New Zealand. Tokelau is yet to achieve self determination. New Zealand remains engaged with the islands through disaster relief, development assistance, and security stabilization efforts. New Zealand also works closely with other Pacific Island states on a bilateral and multilateral basis through the South Pacific Islands Forum, which is based in Fiji. The Forum has supported the South Pacific Nuclear Free Weapons Zone, efforts to promote sustainable use of fisheries resources, and regional security.¹¹

¹¹ "New Zealand in the Pacific," New Zealand Ministry of Foreign Affairs and Trade, [<http://www.mfat.govt.nz>].

Contributions to Peace Operations and the War Against Terror

New Zealand is an active supporter of international security and peacekeeping efforts. New Zealand's commitment to such operations is demonstrated by New Zealand's leading role in helping to resolve the conflict on Bougainville, its participation in peace operations in East Timor and, most recently, through its contribution of troops to security operations in the Solomon Islands. In April 2005, the Papua New Guinea Bougainville Affairs Minister, Sir Peter Barter, announced that the PNG cabinet had decided to ask New Zealand, along with Australia, Japan, and other states, to assist in the monitoring of elections for what may become Bougainville's autonomous government scheduled for May 2005.¹² Prime Minister Clark committed New Zealand military personnel, as well as police and civilian assistance, to the Regional Assistance Mission in the Solomon Islands in the summer of 2003. New Zealand forces joined forces from Australia, Fiji, Tonga, and Papua New Guinea in an effort to bring peace and stability to the Solomon Islands.¹³ New Zealand has also contributed to peace operations in Bosnia, Sierra Leone, and Kosovo.

New Zealand has supported the international effort in the war against terror and has sent a small number of peacekeeping and reconstruction forces on extended deployment to Afghanistan.¹⁴ New Zealand, along with Britain and Germany, is assisting the United States in establishing joint civilian-military Provincial Reconstruction Teams (PRT) to create islands of stability across Afghanistan.¹⁵ New Zealand assumed leadership of the PRT for Bamian Province in September 2003.¹⁶ In January 2005, Prime Minister Clark extended New Zealand's commitment to the Bamian PRT to September 2006.¹⁷ New Zealand has also contributed some limited support to the training of the Afghan Army, police training, and the International Security Force. In April 2005, New Zealand Defense Minister Mark Burton reaffirmed New Zealand's commitment to provide long term reconstruction and development assistance to Afghanistan and pointed to New Zealand's approach based on integrating security and humanitarian intervention.¹⁸

¹² "PNG Seeks Help with Bougainville Elections," *Australian Broadcasting Corporation*, April 8, 2005.

¹³ Rt. Hon. Helen Clark, "Infantry Company Deployment to Solomons," August 25, 2003. [<http://www.beehive.govt.nz>].

¹⁴ Rt. Hon. Helen Clark, "Government Assistance to Operation Enduring Freedom and Iraq," June 9, 2003. [<http://www.beehive.govt.nz>].

¹⁵ Stephen Graham, "U.S. Military Changes Tactics," *Charleston Gazette*, December 21, 2003.

¹⁶ Rt. Hon. Helen Clark, "NZDF to Lead Afghan Provincial Reconstruction Team," September 22, 2003. [<http://www.beehive.govt.nz>].

¹⁷ "New Zealand Extends Afghanistan Military Role, Adds Police," *BBC News*, January 25, 2005.

¹⁸ "New Zealand Minister Restates Commitment to Afghanistan," *BBC News*, April 7, 2005.

New Zealand's contribution to the war against terror was demonstrated in December 2003 when a New Zealand P-3 K Orion aircraft spotted two ships in the Northern Arabian Sea which were found to be smuggling \$11 million worth of heroin and methamphetamines for al Qaeda.¹⁹ New Zealand is a party to all 12 United Nations conventions on terrorism. Prime Minister Clark also provided some support to the United States initiative to focus APEC on security issues at its 2003 meeting.²⁰

New Zealand also sent a small contingent of combat engineers to assist with reconstruction efforts in post-conflict Iraq. They completed their mission in October 2004.²¹ This deployment earned New Zealand the designation "force contributing nation" in the estimation of the United States, which qualifies New Zealand to bid for reconstruction projects.²² It also demonstrates recent improvement in bilateral relations which reached a low point in March 2003 when Prime Minister Clark stated the United States decision to go to war with Iraq without a UN Security Council mandate was a matter of "profound regret."²³ American Ambassador to New Zealand Charles Swindells noted that the United States was "saddened" by New Zealand's decision not to participate in the war in Iraq before observing that this was "the first time in our shared history, [that] New Zealanders were not with us in a major military conflict."²⁴ New Zealand Ambassador to the United States John Wood has stated that New Zealand's policy is that "the use of force should be sanctioned by the United Nations."²⁵ In 2003, New Zealand offered agricultural expertise and \$580,000 in support of Coalition Provisional Authority efforts to improve Iraqi agriculture.²⁶

New Zealand has been criticized by some for not spending more on defense. New Zealand's defense budget dropped slightly from \$1.2 billion in 2003 to \$1.1 billion in 2004.²⁷ New Zealand's defense budget for 2004 represented 27.7% of

¹⁹ Mathew Dearnaley, "Orion Patrol Fingers Dhows Linked to al Qaeda," *New Zealand Herald*, December 22, 2003.

²⁰ "New Zealand in the News," United States-New Zealand Council, December, 2003.

²¹ Hon. Mark Burton, "New Zealand Defence: Playing Our Part as a Responsible World Citizen," 12/11/04 www.beehive.govt.nz

²² Tracy Watkins, "N.Z.'s Role in Iraq Praised by Downer," *Dominion Post*, December 15, 2003.

²³ Anthony Hubbard, "Stars and Swipes," *Sunday Star Times*, October 19, 2003. See also, Rt. Hon. Helen Clark, "Prime Minister's Statement to Parliament," February 11, 2003. [<http://www.beehive.govt.nz>].

²⁴ Ambassador Charles Swindells, "Remarks to the Victoria University Diplomat's Series," U.S. Embassy, Wellington, October 8, 2003.

²⁵ Ambassador John Woods, "Address to the Kennedy Political Union," November 17, 2003, New Zealand Embassy, Washington, DC.

²⁶ Deputy Spokesman Philip Reeker, "U.S. Welcomes New Zealand's Assistance for Iraq, Afghanistan," June 9, 2003, Department of State Press Release.

²⁷ International Institute for Strategic Studies, *The Military Balance 2004-2005* (London: Oxford University Press, 2004).

Norway's defense expenditure which has a roughly equivalent sized population.²⁸ The government has decommissioned the Leander-Class frigate Canterbury leaving New Zealand with only two ANZAC Class principal surface combatants.²⁹

New Zealand is in the process of expanding its counter terrorist capabilities. Current counter terrorist capabilities are provided by the 1st New Zealand Special Air Service (SAS) Group and the Police Special Tactics Group. SAS deployments to Afghanistan have reportedly stretched counter terrorist resources in New Zealand. Retention of forces has also been a problem as SAS troopers can reportedly make almost three times their pay working on private security contracts in Iraq. To address these problems, New Zealand is reportedly forming a third counter terror unit which is to be called the Counter Terrorist Tactical Assault Group.³⁰

Bilateral Relations with the United States

The United States is New Zealand's second largest destination for exports; 14.6% of its exports go to the United States, while 21.8% go to Australia. New Zealand's principal exports are wool, meat, dairy products, fish, fruit, timber and manufactured products. Agricultural exports contributed 60% of New Zealand's export earnings. There are also approximately 40 million sheep and 10 million cattle in New Zealand.³¹ New Zealand's exports have increased by 50% over the past ten years.³² The United States is the second largest source of imports to New Zealand.

The U.S. Trade Representative's Foreign Trade Barriers report on New Zealand points out that the U.S. trade deficit with New Zealand increased by \$86 million to \$555 million in 2003. It also points out that U.S. foreign direct investment of \$4.4 billion, as of 2002, was concentrated in finance, wholesale, and manufacturing sectors. Tariff rates are generally considered to be low in New Zealand as the result of several rounds of unilateral tariff cuts begun in the mid-1980s. These cuts have continued under the current Labour government. The report discusses intellectual property rights (IPR) issues. While it states that New Zealand took a number of actions to strengthen its enforcement regime it also states that the United States will continue "to monitor developments in IPR issues closely."³³

²⁸ "Similar Size but Norway Beats NZ on Defense," *National Business Review*, September 24, 2004.

²⁹ "Govt Wrong to Downsize Warship Fleet Former Navy Bosses Say," *New Zealand Press Association*, March 31, 2005.

³⁰ Andrew McAlley, "Army Recruits Soldiers for New Secret Service," *Waikato Times*, March 19, 2005.

³¹ "New Zealand in Profile," Statistics New Zealand, 2002.

³² "New Zealand Fact Sheet, American-Australian Association.

³³ U.S. Trade Representative, Foreign Trade Barriers, New Zealand, pp.340-344.

Free Trade Agreement

New Zealand, like Australia, has been seeking an FTA with the United States.³⁴ Unlike Australia, its bid for an FTA was not fast tracked.³⁵ New Zealand's Foreign Minister, Phil Goff, has expressed his concern that the bilateral FTA between Australia and the United States would disadvantage New Zealand by diverting trade and investment from New Zealand.³⁶ Former United States Trade Representative Bob Zoellick is reported to have stated in May 2003 that a free trade deal with New Zealand was too difficult at that time.³⁷ President Bush nominated Rob Portman to replace Zoellick in March 2005. Portman has been a Representative for the second district of Ohio. Portman's membership on the Friends of New Zealand Congressional Caucus which was established in February of 2005, has been viewed as a positive sign for a possible free trade deal with New Zealand.³⁸ Portman also co-signed a letter to the president in 2003 urging him to start FTA negotiations with New Zealand.³⁹

The bipartisan Friends of New Zealand Congressional Caucus had an initial membership of 56 members of Congress and is headed by representatives Jim Kolbe (R-AZ) and Ellen Tauscher (D-CA). Representative Kolbe stated "In order for the U.S. to continue being a world leader in free trade, we must work toward a free trade agreement with New Zealand, as New Zealand will help open the door to markets around the world."⁴⁰ The FTA is also supported by the American Chamber of Commerce.⁴¹ The U.S. National Association of Manufacturers supports a FTA with New Zealand.⁴² Labor interests generally oppose FTAs.

While the impact of an FTA on the overall United States economy would be small, such an agreement is projected to increase U.S. merchandise exports to New Zealand by 25% according to business groups⁴³ while leading to a 0.5% decline in

³⁴ "N.Z. Hopes to Emulate Aust-U.S. Trade Deal," *Australian Broadcasting Corporation*, December 14, 2003.

³⁵ Raylene Keenan, "Downer Doesn't Expect N.Z. to Make U.S. FTA List Until 2005," *New Zealand Press Association*, December 14, 2003.

³⁶ "New Zealand Hopes to Emulate Australia-U.S. Trade Deal," *Australian Broadcasting Corporation*, December 14, 2003.

³⁷ "U.S. Trade Stance Unaltered," *The Christchurch Press*, November 14, 2003.

³⁸ "New U.S. Trade rep Boost for FTA Hopes," *Rural News*, April 5, 2005.

³⁹ "US Envoy Change Raises NZ Hopes of FTA Deal," *Dominion Post*, March 19, 2005.

⁴⁰ "Reps. Kolbe, Tauscher Launch Friends of New Zealand Congressional Caucus," *U.S. Federal News*, February 16, 2005.

⁴¹ "American Chambers to help NZ Bid for FTA," *The Press (Christchurch)*, February 24, 2005.

⁴² "NZ Wins Powerful Ally in Quest for U.S. FTA," *New Zealand Press Association*, February 3, 2005.

⁴³ "Sutton Welcomes U.S. Groups Push for FTA," *New Zealand Press Association*, February (continued...)

the United States dairy sector.⁴⁴ Beef, dairy products, wood, sheep, machinery and parts, fish, and fruits and vegetable are New Zealand's leading exports to the United States. Machinery, aircraft and parts, computers and parts, electrical appliances and equipment, motor vehicles, food, medical and vet instruments, multimedia recordings, pharmaceuticals, and fertilizer and insecticides are America's leading exports to New Zealand.⁴⁵ (See appendix.)

Reasons for the lack of progress on an New Zealand-U.S. FTA, relative to Australia's bid, include New Zealand's opposition to what the Clark Government perceived as a unilateral, United States-led war in Iraq, as well as lingering distance in the relationship that is the result of the de facto split between the United States and New Zealand, within what was a trilateral ANZUS alliance (with Australia), that occurred in the mid 1980s.⁴⁶ At that time, the Labour government of Prime Minister Lange, of which current Prime Minister Helen Clark was a member, decided to ban all nuclear powered and nuclear armed ships from New Zealand ports. This led the United States to suspend its formal security commitment to New Zealand. The split led commentators on the relationship to describe the United States and New Zealand as "friends, no longer allies." The treaty remains in place with respect to the bilateral United States-Australia relationship. United States military aircraft continue to use Christchurch as a supply base for Antarctica. This logistical support was established in 1958.⁴⁷ The United States and New Zealand also continue to work closely on electronic intelligence gathering and sharing.⁴⁸

Nuclear Differences

New Zealand's Prime Minister since 1999, Helen Clark, comes from the left wing of the New Zealand Labour Party. She has also been a leader of the anti-nuclear movement. New Zealand became a nuclear free zone in 1987. New Zealand has been an outspoken critic of French nuclear testing in the South Pacific. Past nuclear differences between the United States and New Zealand have been exacerbated in recent years by other policy differences. Clark did not help bilateral

⁴³ (...continued)
17, 2005.

⁴⁴ Fred Bergsten & Robert Scollay, "The Case for a Model Free Trade Agreement Between the United States and New Zealand," [Prepared for the U.S.-New Zealand Council] New Zealand Embassy, Washington, DC, [<http://www.nzembassy.com>].

⁴⁵ Hon. Jim Sutton, Minister for Trade Negotiations, United States-New Zealand Free Trade Agreement.

⁴⁶ Bruce Vaughn, "New Zealand: A Small Nation's Perspective," in William Carpenter and David Wiencek eds. *Asian Security Handbook: Terrorism and the New Security Environment*, (Armonk: M.E. Sharpe Publishers, 2005).

⁴⁷ "U.S. Antarctic Program," United States Embassy, Wellington. [<http://www.usembassy.org.nz>].

⁴⁸ Jim Rolf, "Let's Just Be Friends: New Zealand and the United States," *Asian Affairs*, Summer, 2003, p.127.

relations with the United States when she stated that the Iraq war would not have occurred under a Democrat-led American government.⁴⁹ Her government also reversed a decision to lease 28 F-16 aircraft from the United States, which some perceived as part of the previous National Party government's efforts to develop closer ties with the United States while upgrading New Zealand's air force. When asked if New Zealand's nuclear policies were having an impact on FTA negotiations with New Zealand, President Bush stated that "The nuclear policy, obviously, makes it difficult for us to have a military alliance. But we're friends with the New Zealanders [sic]. We respect the New Zealand people."⁵⁰

Bill English, formerly leader of the main opposition center-right National Party, criticized Prime Minister Clark's foreign policy toward the United States in October 2003. English suggested revisiting New Zealand's policy on American naval visits. He did this by suggesting that New Zealand should reconsider its policy and invite the United States Navy to send a ship to visit New Zealand. Some in New Zealand believe that New Zealand stands to gain from revisiting its policy on nuclear ship visits.⁵¹ The U.S. Ambassador to New Zealand, Charles Swindells, has stated that the United States would welcome any review of New Zealand's anti-nuclear legislation.⁵² Visiting State Department spokesman Philip Reeker stated "If you [New Zealand] want to re-examine that policy, that would be great. We would love to be able to cooperate more fully with New Zealand as we did in the past."⁵³ A meeting between Prime Minister Clark and President Bush in Bangkok at the Asia Pacific Economic Cooperation meeting of October 2003 yielded no change in U.S. policy on FTA negotiations. English lost control of the opposition National Party in October 2003 and was replaced by Don Brash.⁵⁴

Brash promised referendums on a number of issues including New Zealand's nuclear policy if the National Party wins the elections in 2005. Brash has stated that the National Party seeks to improve relations with both Australia and the United States. Brash reportedly does not favor New Zealand's current nuclear policy and would put the issue on the agenda in his first term of office if elected.⁵⁵

⁴⁹ "Politics," United States - New Zealand Council Newsletter, December, 2003.

⁵⁰ "Interview of the President by Malcolm Brown," *Newswire*, October 18, 2003.

⁵¹ Colin Espiner, "A Way Out of Nuclear Impasse," *The Christchurch Press*, November 24, 2003.

⁵² Fran O'Sullivan, "U.S. Spokesman Keen to Reinforce Long Relationship," *New Zealand Herald*, November 19, 2003.

⁵³ "U.S. Tells New Zealand Free Trade Deal Not to Be All End All of the Relationship," *AFX UK Focus*, November 18, 2003.

⁵⁴ Chris Trotter, "2003-The Year that Was," *The Independent*, December 17, 2003.

⁵⁵ Simon Collins, "Brash Backs Referendums on Key Issues," *New Zealand Herald*, April 13, 2005.

Figure 1. Map of New Zealand



Source: Map Resources. Adapted by CRS. (K.Yancey 4/14/05)

Table 1. U.S. Major Imports from New Zealand, 2004
(in Millions of U.S. Dollars)

Description	Value	%
Meat	796.932	26.86
Dairy, eggs, honey, etc.	281.518	9.49
Wood	279.477	9.42
Albumins; mod strch	174.708	5.89
Machinery	162.211	5.47
Fish and seafood	131.634	4.44
Electrical machinery	125.381	4.23
Miscellaneous food	107.483	3.62
Special other	95.221	3.21
Edible fruits and nuts	93.514	3.15

Table 2. U.S. Major Exports to New Zealand, 2004
(in Millions of U.S. Dollars)

Description	Value	%
Machinery	527.303	25.4
Aircraft	224.205	10.8
Special other	192.424	9.87
Electrical machinery	156.354	7.53
Vehicles	134.213	6.47
Optic	115.956	5.59
Plastic	95.224	4.59
Organic chemicals	61.454	2.96
Chemical products	47.087	2.27
Fertilizers	35.537	1.71

Source: World Trade Atlas and U.S. Department of Commerce.