



U.S. Department of State

New Zealand-U.S. Partnership Forum

Remarks

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Thank you, Stu, for your kind introduction.

And thank you to the New Zealand-U.S. Council for hosting us and the U.S.-New Zealand Council for supporting the relationship. Both Councils, along with this Partnership Forum, have a great record of advancing our relations. It is particularly important that you bring together government, business, military, and community leaders.

It's a pleasure to be back in Auckland. And it's great to have friends with which we have so much in common, even as we celebrate some differences. For instance, we both play "football," though we have not reconciled different understandings of whether that word means American football or rugby.

Speaking of rugby, I was reliably informed that, despite the fact that the All Blacks trounced the best American rugby team 74 - 6 a few months ago, the United States in fact remains the reigning Olympic rugby champion. We won the last two times that rugby was played at the Olympics. Now admittedly, that was in 1920 and 1924. But bragging rights don't have an expiration date! Let's see what happens when rugby comes back to the Olympics next year in Rio.

In all seriousness, our two nations share a long, rich history of cooperation – standing shoulder to shoulder. And today's data reflect our reciprocal stake in each other's success. Our bilateral relationship reflects this, with growing ties between our peoples – tourists, students, and more. Our economic ties are similarly growing: we had over \$8 billion in two-way goods trade last year, up from less than \$5 billion in 2009, and the U.S. holds over 7.5 billion New Zealand dollars in investment stock. We literally have a big stake in your success.

As a participant in U.S.-New Zealand leaders' meetings and high-level dialogues, I can attest to the bond of trust that extends throughout our diplomatic, intelligence and military relationships.

Our partnership spans the globe, from the frozen terrain of Ross Island, to the desert sands of Iraq. It pursues the vision of a world without nuclear weapons, which New Zealand has done so much to advance. Our partnership embraces cultural and ethnic diversity, valuing the contributions of our first peoples and those who have come to our lands over the centuries to build new lives. And our partnership promotes adherence to the rule of law and universal values and rights.

So let me first say a few words about what we're doing across the Asia-Pacific region, and then across the globe.

The U.S. has stepped up our engagement in the Asia-Pacific over the last six-and-a-half years under President Obama's rebalance. In partnership with like-minded countries like yours, we've helped to maintain an open, prosperous region. Strong alliances and security relationships have played a critical role. So have increasingly important regional institutions like the East Asia Summit, APEC, the Pacific Islands Forum's Post-Forum Dialogue and other groupings.

And we work closely together on issues important to your neighbors in the Western Pacific. Early this morning I arrived from meetings in Suva. We're supporting Fiji's democratic reemergence and the Pacific Partnership exercises; preparing for and delivering humanitarian assistance and disaster relief; helping to address the challenges from global warming faced by vulnerable coastal communities; supporting the Pacific Islands Forum as the premier multilateral organization in the region, and much more. This is an exceptionally important region for us both.

In APEC, New Zealand and the United States are working together to reduce tariffs on many environmental goods, which in turn will help reduce the costs of solar panels, gas and wind turbines, and pollution control equipment – a benefit that will be felt for generations to come.

As much as we've already done to advance our shared prosperity, we're not slowing down.

Together, we're poised to take another leap forward, with a hugely important new agreement. This agreement sets an example for the world of what high standards in the 21st century economy will look like – for environmental protection, for labor rights, for Internet freedom, and for free trade. We'll do that, of course, by completing the Trans-Pacific Partnership. We got a big boost from passage of trade promotion legislation in Washington last week, and President Obama has now signed the Trade Act legislation. As the President said, this legislation will help turn global trade into a "race to the top."

We're ready to complete this deal, which will benefit New Zealanders as well as Americans. As Minister Groser said this morning, the TPP exemplifies the effective partnership between the United States and New Zealand.

As the New Zealanders in the audience already know, five of New Zealand's top eight trading partners, accounting for 45 percent of your total trade, are in TPP. You export agriculture and

food products to us, and you'll gain enhanced access to America's services market. But the benefits will be especially important in the five TPP economies with which you do not already have a free trade agreement.

We work together throughout the region – both to build a brighter future, and to resolutely manage the challenges of the present. Nowhere is this clearer than in the relationships both our nations have with the People's Republic of China.

New Zealand and the U.S. have been leaders in engaging with China – we supported China's accession to the World Trade Organization, and New Zealand was the first Western country to sign a free trade agreement with China. You showed support for economic diversity and democracy by signing an FTA with Taiwan as well.

China's rise is creating opportunities as well as strains on the regional and international order. For better or worse, few if any major global issues can be fully addressed without some degree of U.S.-Chinese cooperation.

So America's engagement with China focuses in the first instance on areas where our interests overlap -- areas for cooperation, such as climate change, where Presidents Obama and Xi are determined to lead in global emissions reduction efforts. I spent much of last week in Washington with Secretary Kerry at the high-level Strategic and Economic Dialogue with senior Chinese counterparts.

One new area of focus was development cooperation, where we are increasingly coordinating on tough issues – like how to get into hot zones and fight pandemic disease on the ground, as we did with Ebola; and how to build peace, reconciliation, and economic opportunity – part of rebuilding the most war-torn places on Earth, as we're doing in Afghanistan.

But a second, equally important area of focus is on those places where we fundamentally disagree, or where the behavior of the other party compromises universal rights, international law, or regional peace and stability.

So for that reason, during our recent U.S.-China dialogue – as we do always – we spoke very clearly about the problem areas – about universal rights like freedom of navigation and overflight, on the right of nations to settle disputes through legal mechanisms based on international law, on acceptable behavior in cyberspace, and on the treatment of journalists, NGOs and individuals who peacefully follow the dictates of their conscience.

We know that problems like the South China Sea, cyber theft, and suppression of civil society can't be solved easily, but we're building a relationship with China that avoids strategic rivalry and instead puts a premium on strategic cooperation.

But let's be clear about what that strategic cooperation is, and what it isn't.

That is not accommodating "spheres of influence" or so-called "core interests."

That is not turning a blind eye to violations of international law or universal rights.

But it does require that we discuss these issues openly, honestly, and constructively, so that we can resolve, narrow, or at a minimum manage our differences. This is a long-term undertaking in the best interests of everyone concerned.

It is also an undertaking where countries like New Zealand and the U.S. should stand together—all of us who share these values and principles have a stake in seeing them respected. As a small but influential country, New Zealand plays an important role in championing the principle of equal application of the rules -- and I commend you for that.

Of course, our work together extends beyond the Asia-Pacific neighborhood. New Zealand is farther than any other coalition partner from ISIL's base of operations in the Middle East, but you know as well as any nation that ISIL's violence and hatred is a threat to us all and must be confronted – on the ground, online, and in vulnerable communities.

The American people and government truly appreciate New Zealand's actions and its sacrifices.

Together with our other coalition partners, your contribution is helping make a big difference in this multinational effort.

Your troops are helping Iraq defend itself from an egregious enemy who threatens us as well.

Your diplomats are working effectively on the United Nations Security Council. New Zealand's successful campaign to gain a seat speaks volumes to your country's determination to be heard, and to contribute to the peace and security of all.

Tomorrow, New Zealand takes up the Security Council presidency, and we've appreciated the agenda that New Zealand is pursuing.

New Zealand assumes the chair at a critical time. We're working on urgent challenges – from fighting in Iraq, Syria, Yemen and Ukraine, to the crisis in Burundi. We're seeking to finalize a comprehensive deal with Iran to prevent it from obtaining a nuclear weapon.

We'll mark one year since the downing of Malaysia Airlines Flight 17 over eastern Ukraine, and 20 years since the Srebrenica genocide. In both cases, we continue to seek justice for the victims, and we're confident that under New Zealand's leadership, the Security Council will handle these solemn milestones in the most appropriate manner.

One more issue we're confronting together, in the U.N. and elsewhere, is protecting security and freedom in cyberspace.

Cybersecurity is different from the traditional issues of armed conflict that the Security Council is best known for handling, but it is no less urgent – and its potential impact on our way of life is no less profound.

Our two countries are working more closely than ever on cyber issues – both inside government and out, because open dialogue is key.

Ambassador Gilbert recently hosted an event for dozens of business leaders that featured top cyber officials. I couldn't agree more with the participant in that meeting who said, "it is time to move cybersecurity out of the server room and into the board room."

Free and open societies like ours have benefitted the most from the Internet. Scientists exchanging ideas; students learning about the world; business reaching new consumers and creating more jobs... even single people finding love. It all happens online now.

But because the Internet benefits open societies the most, we also have the most to lose. When our innovations, our intellectual property, our proprietary information, and our personal data are stolen, our economies are at risk. When terrorists use the Internet to incite violence, our communities are at risk. And when a state launches cyber-attacks to suppress free speech, as North Korea did to Sony Pictures, the fundamentals of our societies come under threat.

New Zealand and the United States have been friends through thick and thin. As Pacific partners, we're part of a region with limitless potential.

For historic, strategic, economic, cultural, and a host of other reasons, we stand together.

When universal values of human rights and democracy are threatened. When the principle of equal treatment among nations is put to the test; people across Asia look to democracies like ours – for inspiration, for action, for leadership and support.

In New Zealand and the United States, they will find it.

Thank you.