Healing the American Rift with New Zealand

James M. McCormick

Iowa State University, jmmcc@iastate.edu

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Healing the American Rift with New Zealand

Abstract
Since 1985, political and military relations between the United States and New Zealand have been ruptured over the issue of American nuclear ship visits and nuclear power generally. In this paper, I review the nature of the ANZUS dispute, analyze the impact of this rupture in several different policy areas between the two countries, and discuss the recent events in New Zealand-United States relations that have begun to alter this situation. In particular, I focus on the apparent emergence of a dual track policy of closer political cooperation between the two countries, even as the security relationship remains fissured. Such a policy is hardly without precedent: The United States has long tolerated a dual track policy toward France and NATO. While some initiatives have been undertaken by the Clinton administration, greater efforts by both sides will still be necessary for restoration of full ties between the two nations. Further progress in the relations between New Zealand and the United States, however, will likely have to await the 1996 elections in both countries.

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Comments
Healing the American Rift with New Zealand
James M. McCormick*

OVER THE PAST TEN YEARS, political and military relations between New Zealand and the United States have been ruptured over the issue of nuclear-armed ship visits and, more generally, as in the case of nuclear-powered ships, over the issue of nuclear power itself. Little progress had been made in resolving the outstanding political-military issues between the two countries or restoring the functioning of the ANZUS (Australia-New Zealand-United States) defense pact. In 1994 and early 1995, however, the Clinton administration took some steps to begin to heal this relationship. In doing so, the Clinton administration seems to be pursuing a dual track policy of closer political cooperation between the two countries, even as the security relationship remains fissured. Such a policy may well assist in stabilizing the Asia-Pacific region and is not necessarily a dramatic departure from that pursued by the U.S. in another area of the world: The United States has long tolerated a dual track policy toward France, with that country retaining its membership in NATO even as it refused to participate in the nuclear (and conventional) planning activities of the alliance.

The recent American foreign policy initiative toward New Zealand may be maintained and expanded with continued efforts on both sides and, arguably, at relatively low costs: Each side would enhance its international standing by continuing to undertake measures to resolve this festering issue. While the National government in New Zealand took several actions seemingly to prod the United States toward accommodation from 1990 onward, the Clinton administration then made the key policy changes in 1994 and early 1995 to advance the process. With Republican majorities in Congress skeptical about America’s global role and with a

* A good deal of the information for this paper was gathered during a three-month Fulbright lecturership at the University of Waikato in Hamilton, New Zealand. During that visit, I was fortunate to be able to conduct a series of interviews at the New Zealand Ministry of Defense, the New Zealand Ministry of Foreign Affairs and Trade, and the U.S. Embassy in Wellington. In addition, I taught a course on international conflict resolution to New Zealand army officers at the Waiouru army base and gained additional insights into defense relations between the two countries from that experience. Finally, I am especially grateful to my colleague, Jorgen S. Rasmussen, for several key suggestions on the paper.
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slim ruling majority government in New Zealand, the burden for more immediate progress will likely fall to the Clinton administration itself. In reality, however, with elections scheduled in both countries in 1996, real progress in ties will likely await those votes.

In this paper, I explore the evolution of the dispute, and begin by providing some background on the origins and nature of the disruption in ties. Next I analyze the impact of this rupture in several different policy areas between the two countries. Finally, I discuss the prospects for future restoration of ties between New Zealand and the United States.

ANZUS AND THE RUPTURE IN RELATIONS

The historical importance of the ANZUS (Australia–New Zealand–United States) pact cannot be understated in New Zealand foreign policy. The treaty was the “first New Zealand signed with a foreign power, without the United Kingdom.”1 In many ways, it was seen as a mark of independence for New Zealand, and it was also an important avenue for New Zealand to play a role in global politics.

At the same time, the ANZUS pact was a source of controversy within New Zealand politics, almost from its inception.2 While the 1950s and 1960s movements associated with “banning the bomb” and the Vietnam War surely raised questions about the ANZUS pact, the activities of the 1970s brought the issue to the forefront. A recent analysis makes this point succinctly:

The rise of the anti-nuclear movement in the 1970s increased the salience of the anti-ANZUS critique (SEATO now being moribund) in political life. The shift in the focus of anti-nuclear protest from a preoccupation with the French in the South Pacific, to a preoccupation with the presence of any nuclear weapons in the South Pacific, to a preoccupation with visits by nuclear-powered ships to New Zealand ports, brought the movement closer and closer to a point of difference with the United States and with New Zealand’s membership of the ANZUS alliance.3

Throughout the 1970s and early 1980s, moreover, the Labour party struggled with the issue of ANZUS. In fact, in 1977, the party conference called for a “positive non-aligned foreign policy and withdrawal from all military alliances with nuclear weapons states,” and in 1980, the party conference voted to withdraw from ANZUS.4 The party leadership, however,

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2 Ibid., pp. 178–204.
3 Ibid., p. 193.
4 Ibid., pp. 195 and 204.
continued to support ANZUS, even as it struggled with the antinuclear sentiment within its own party. The Muldoon government, despite some personal and political friction with the Carter administration, continued its support for ANZUS. Yet, political stirrings were evident, and some questioned continued slavish adherence to the pact. Moreover, these concerns were sustained throughout the early to mid-1980s.

An integral part of American policy action in support of the ANZUS alliance (and the eventual source of friction and dispute) was the periodic visits of American naval vessels to New Zealand ports. According to The Safety of Nuclear Powered Ships, the official New Zealand government study on nuclear propulsion, the United States Navy visited New Zealand ports 148 times from 1960 to 1984. Only ten of the U.S. Naval vessels were nuclear-powered during that time and constituted only thirteen of the total number of visits. Throughout this period, however, the official policy of the United States on whether these ships were nuclear-armed was captured in the elegant phrase of “neither confirm nor deny (NCND).” This policy meant that the U.S. government would not address the question of whether nuclear weapons were aboard the visiting ships and used this ambiguity as a way to support its overall deterrent strategy. Such a policy position, however, was a real catalyst for galvanizing those opposed to nuclear weapons and nuclear power in New Zealand domestic politics. This opposition reached a peak in 1985, a year that proved critical to U.S.-New Zealand political and military relations. That year, in fact, marked the beginning of the formal rupture in ties between the two nations over nuclear issues and American policy.

Early in 1985, the Labour government of David Lange rejected the visit by the USS Buchanan, when the Reagan administration refused to provide information on whether the ship was nuclear-armed or not. The Reagan administration immediately proceeded to end political and military contacts with New Zealand and excluded it from the ANZUS alliance meetings as well. Yet, the administration did not go further. On the one hand, the American administration seemed determined to make an example of the New Zealand government over its policy position and sought to halt the “Kiwi disease” from spreading to other countries with a similar fear of nuclear weapons. After all, other countries (e.g., Japan and

5 Ibid, pp. 200-08.
6 This study was initiated by the National government in December 1991 and it reported in December 1992 on the question of nuclear safety and the dangers posed by nuclear-powered vessels and nuclear energy generally to New Zealand. The full citation of the study is as follows: Special Committee on Nuclear Propulsion, The Safety of Nuclear Powered Ships (Wellington, N.Z.: Department of the Prime Minister and Cabinet, December 1992). The data on U.S. naval visits is described on pp. 183–87 with the summary data on nuclear-powered ship visits on p. 183.
South Korea) had an aversion to American ship visits, although they often simply neglected to enforce it. On the other hand, it did not want to destroy fully its ties with a long-time friend in the South Pacific by invoking even harsher measures (e.g., the use of economic sanctions). Indeed, the American administration stood firm against efforts by some members of the U.S. Congress to impose economic sanctions.

In 1987, the rupture took yet another turn as the Labour government policy was now enacted into law, and all ships — which were either nuclear-armed or nuclear-powered — were prohibited from visiting New Zealand ports. Specifically, the New Zealand Nuclear Free Zone, Disarmament, and Arms Control Act of 1987 authorized the prime minister the right to “grant approval for the entry into internal waters of New Zealand by foreign warships if the Prime Minister is satisfied that the warships will not be carrying any nuclear explosive device upon their entry into the internal waters of New Zealand.” The same discretion was afforded the prime minister regarding the landing of any foreign military aircraft in New Zealand as well. The act also took one other step against any nuclear presence in New Zealand by prohibiting nuclear-propelled ships from visiting the country as well: “Entry into the internal waters of New Zealand by any ship whose propulsion is wholly or partly dependent on nuclear power is prohibited.”

In March 1990, a further entanglement in the relationship occurred. Undoubtedly with an eye to the upcoming election, the National party adopted an antinuclear stance, despite it being a long-time supporter of ANZUS and of close New Zealand-American ties. Still, when National actually won the 1990 election, the expectation was that the government would begin to move to shore up its ties with the Americans.

The transference of the issue from a government policy to a legislatively mandated action, however, complicated the rupture and made any

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7 For an excellent discussion of the rupture in relations and the possible impact of the New Zealand policy shift on nuclear ship visits on Japan, see Stuart McMillan, Neither Confirm Nor Deny (New York: Praeger, 1987), especially pp. 106–07 and pp. 140–41. Also see the discussion of nuclear ship policy of Norway, Iceland, and Japan on pp. 64–69.

8 This action was in keeping with an understanding that American Secretary of State George Shultz had with Prime Minister David Lange after the 1984 elections. See McMillan, Neither Confirm, p. 96 on this point.


immediate change remote. Moreover, one of the initial — albeit not the only — requirements for accommodation and resolution of this issue for the American side has now become the repeal of this legislation. In this sense, accommodation or settlement of the issue would require more than a change in stated government policy; it would also require parliamentary action.

THE IMPACT OF THE RUPTURE ON NEW ZEALAND AND THE UNITED STATES

The rupture in ties has had a discernible impact on both countries. This impact can be seen in military and political arenas for both countries with the greater impact falling on New Zealand than on the United States. Interestingly, economic relations seem to have been less affected by this rupture.

(a) Military Effects

The military effects of the ANZUS rupture are probably the most immediate and observable over the past decade. For New Zealand, the crucial military impact has been the loss of training capabilities for its armed forces. Because New Zealand has been kept outside of the ANZUS exercises, such as the “Kangaroo” and “Blackpitch” exercises in Australia, it does not have the ability to make certain that its forces are maintained at as high a quality as those of similar countries. Indeed, in the view of many, the most effective military forces are those that operate within an alliance because it allows for the maintenance of performance standards across nations. Without the ANZUS pact, New Zealand is unable to apply those standards — standards that would place the military forces on an equal footing with those of NATO. Similarly, the interoperability of military equipment and personnel has been lost through this rupture in the relationship. Fewer operational standards — comparable to those of Britain or the U.S. — can now be systematically applied to the New Zealand military. In short, a legitimate concern is whether New Zealand’s

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armed forces are “up to speed” with other Western nations, in the words of one official, both in personnel and hardware performance.

Closely associated with the loss of joint military training have been three other losses: the inability to obtain new and evolving defense doctrines from the Western powers, the loss of American intelligence sharing, and the downgrading of New Zealand military training at American command and staff schools. Since the break in military ties, New Zealand is prohibited from receiving U.S. military and intelligence information. In turn, Australia, the other member of the ANZUS pact, is restricted from sharing with New Zealand any information that the United States shares with the Australians. Changes in doctrines and changes in strategies that have been adopted by the U.S. will no longer be shared with New Zealand. As such, sea patrols and air flights by New Zealand forces, for example, would not have the same kind of information that may make them a more effective force in the South Pacific region. Finally, New Zealand military officers also were initially denied access to the command and staff colleges operated by the U.S. military (e.g., U.S. Army Command and General Staff College at Fort Leavenworth, Kansas). In 1990, the Bush administration eased up on this restriction a bit by inviting one or two officers a year to go to these schools. One New Zealand air force officer, for instance, reportedly attended the Air War College at Maxwell Air Force Base, Alabama in 1994. Still, the level of cooperation in this area remains modest.

A further military impact for New Zealand has been the loss of ready access to resupply of needed military materials. As a member of an alliance, New Zealand was in a preferred position for such resupply, but this is no longer the case. Ready resupply was particularly important for a country like New Zealand which traditionally has kept low inventories and which has generally relied upon its ability to get “on the phone” to the U.S. — in the words of one New Zealand official — if an emergency arose. Now, New Zealand must spend more on purchasing larger supplies, increase its stockpiles, and “get in line” with other countries for military procurements.

The final military change for New Zealand has been the greater reliance on Australia and on its Five Power Defense Pact for its principal security needs. While relations are surely friendly and cooperative between New Zealand and Australia, New Zealand is now much more

15 See The Defence of New Zealand 1991: A Policy Paper
dependent for its security on Australia through both the development of the Closer Defense Relationship (CDR) and through the purchase of military equipment from Australia. Important in this connection, of course, has been the development of the joint Australian-New Zealand frigate project. While that project did receive approval in the late 1980s from the Labour government, the project generated considerable controversy at the time.\textsuperscript{16} As recently as July 1993, the project generated more controversy as well, when former Prime Minister David Lange called for the rejection of the two frigates that New Zealand was to purchase from Australia.

The Five Power Defence Arrangement among Australia, New Zealand, Britain, Malaysia, and Singapore remains an important component of its defense policy, but its benefits are limited compared to those that accrued from the ANZUS pact. While Singapore has been a major exercise area for the New Zealand military, the New Zealand government’s decision to bring home its battalion stationed on Singapore has further eroded the degree of military cooperation and integration with other forces.

Although the immediate military effects from the rupture in the ANZUS alliance fall more on New Zealand than the United States, the U.S. does feel some military fallout from this change.\textsuperscript{17} To be sure, the immediate, direct military impact to America’s security interests or influence in the Asia-Pacific region is only minimally affected by the rupture in ties. The real impact on the U.S. is more in the realm of the intangible than the tangible. At a time in which the United States is trying to convey to the rest of the world, and to the Asia-Pacific in particular, that it wants to remain both a global power in general and a Pacific power in particular, one important South Pacific link remains seriously weakened. While the American government likes to cite its ties with Australia and with members of the Five Power Defense Arrangement as a crucial link in the region,\textsuperscript{18} some gaps in an American presence still exist with the rupture in the ANZUS pact. As limited as U.S. ship visits were to New Zealand, they did have the tangible effect of “showing the flag” and the intangible effect of demonstrating America’s global and Asia-Pacific posture. This opportunity has been lost since 1985.


\textsuperscript{17} It should be noted that, despite the rupture in military cooperation between the two states, the U.S. continues to use facilities in Christchurch, New Zealand for its Antarctic activities. American military planes continue to land and take off from Christchurch, and New Zealand does not seek direct compliance with its nuclear weapons policy. See “New Zealand Overview” (Washington, D.C.: U.S. Department of State, November 1992).

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This argument about the gap in American presence may have some more immediate relevance in the Asia-Pacific and at home. The Clinton administration has recently tried to address the issue of nuclear proliferation in Northeast Asia and has sought to produce a united front among its allies against North Korea. Yet it would surely be more reassuring to its principal allies there (South Korea and Japan) if its ties with the Pacific region were solidified, and the ANZUS dispute addressed.

In this sense, by continuing to move to shore up its ties with New Zealand (as the Clinton administration has now initiated) and provide tangible signs of alliance cohesion, South Korea and Japan (and others in Asia) will be more inclined to give credence to the administration’s pledge to remain an Asia-Pacific power. In short, alliance stability across the Asia-Pacific region has suffered somewhat from the continued fissure in ANZUS.

(b) Political Effects

The political effects on the rupture over the ANZUS pact have been quite widespread and perhaps fall more equally on both countries than do the military effects. In the words of one New Zealand official, the impact has been “extensive and across the board” for his country. It has caused problems with Australia, with countries in the South Pacific (e.g., Fiji) and Asia and South Asia (e.g., Japan, Korea), and even problems with traditional friends in Europe.

Many of these countries cannot fathom how New Zealand would allow its access to the U.S. and, in turn, its access to a global posture to be undermined by its nuclear policy stance toward ANZUS. Some countries (e.g., Japan and Korea), too, are particularly anxious over this alliance break because of what it might portend for alliances and their reliability in the future. They, too, seem to have “a degree of puzzlement,” in the words of one official, over why New Zealand and the United States have been unable to sort out their differences. Further, one New Zealand official allowed that the lack of progress seems to reflect more on New Zealand than on the United States.

The specific political impact can be placed into two major analytic categories: (1) New Zealand government officials (until early 1995) had no direct political access to the highest levels of the American government; and (2) these same officials also lacked routine access to lower levels of the U.S. government. The former kind of political effect can be summarized by one simple statement: No New Zealand prime minister had been received by an American president in Washington from 1984 until early 1995. Not until March 27, 1995, when Prime Minister Jim Bolger was received by President Clinton at the White House, was this pattern broken.
The effect of this eleven-year hiatus can perhaps be conveyed more fully by recalling the experience of the late Prime Minister Sir Robert Muldoon, the last New Zealand prime minister to visit the White House prior to Bolger. Not only did Prime Minister Muldoon lunch with President Reagan and spend the afternoon talking with the president at the White House, but the morning had been spent by Muldoon and his aides with Secretary of State George Shultz and Secretary of the Treasury James Baker. In the view of one high New Zealand official wholly familiar with the visit, he proudly noted that the small island nation of New Zealand and its top officials were afforded the entire day by key U.S. foreign policy makers during their brief Washington visit, an opportunity foreclosed for more than ten years by the ANZUS rupture.

During this period of estrangement, New Zealanders are quick to point out, their prime minister was treated less well than the heads of many other nations, including many unfriendly ones. Even those heads of government were rather routinely received by a U.S. president and accorded appropriate diplomatic protocols. New Zealand, however, was not. In this sense, the symbolic and practical significance of such American actions is not lost on New Zealanders, and it created some surprise, and more, for many New Zealanders.

To be sure, the New Zealand foreign ministers had the opportunity to visit Washington and to be received at the State Department. Deputy Prime Minister and Foreign Minister Don McKinnon, for instance, was received in Washington in March 1993 and met with officials at the State Department regarding important matters. Earlier, External Relations and Trade Minister Mike Moore and U.S. Secretary of State James Baker consulted in 1990. Still, the lack of consultations at the highest levels of the two governments has caused some uneasiness on the part of both sides. Yet the American embassy in Wellington makes clear that relations between the two countries operate very smoothly on a day-to-day basis, despite the rupture in ANZUS ties.

Still, the political impact of this rupture for the U.S. mirrors some of the problems that New Zealand faced. Although the American position was to convey the notion that alliance is not free and that “free riders”

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19 There have been over the years some meetings where the U.S. president and the New Zealand prime minister were in joint attendance. The latest example of such joint participation was the APEC (Asia-Pacific Economic Cooperation) meetings in Seattle during November 1993. The same had been the case for the postministerial meeting of the Association of South East Asian Nations (ASEAN) and at the United Nations.

Healing the American Rift with New Zealand cannot be tolerated, the attempt in some ways may have backfired. Some wondered why the United States continues to treat a friendly nation in such a high-handed way. The imagery of the large and powerful United States treating a small island nation like New Zealand so cavalierly was a point of considerable concern to many. Furthermore, the inability of the United States to negotiate a settlement over some time apparently had some effect on ties throughout the region and even beyond. As I noted earlier, the political effect was at least to raise considerable curiosity among Asian and Pacific partners of both nations.

Indeed, a key American official does acknowledge that the situation between these two friendly nations was "absurd" and "uncomfortable." Yet, that official was also rather adamant in noting that alliance partners must be willing to share the burdens of security, including the presence of American military ships in New Zealand waters. While the U.S. would "welcome" New Zealand back to the alliance, the official said, the passage of the 1987 legislation, as opposed to only a statement of government policy, has made the prospect of a quick settlement of the rupture much more difficult. As such, a full resolution of the dispute remains more long-term than immediate. Until the recent action of the Clinton administration, the United States has not been willing to ease up pressure on New Zealand. According to the official policy position, any easing of political and diplomatic pressure would not make New Zealand confront the hard decisions necessary to resolve the dispute.

(c) Economic Effects

In the economic area, neither country seems to have suffered greatly from this dispute, but the degree of expansion in economic ties might have been even greater without this fissure in political and military relations. While some members of the U.S. Congress talked about the use of economic sanctions as a retaliatory tool, the level of trade between the two countries has actually increased over the past decade. At the end of June 1985, for example, the N.Z. dollar value of exports to the U.S. was about $1.6 billion, while imports from the U.S. totaled about $2.1 billion. By 1989, exports had risen to $2.0 billion and imports were about the same at $2.1 billion. By 1992, the exports were at about $2.3 billion and imports were at about $2.6 billion.21 By about mid-1994, moreover, the U.S. received 12 percent of New Zealand exports, and New Zealand imports from the U.S. constituted roughly 18 percent of all foreign products.22

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While not directly linked to the ANZUS Crisis, trade relations have not been conflict free, however. New Zealand has been unhappy with the U.S. Export Enhancement Program (EEP), a program in “which the U.S. government subsidizes agricultural exports in an effort to compete with the EC and thus pressure the European states to change their subsidy system.” By one assessment, this program has “been the most significant single issue on the bilateral economic agenda in recent years” between the U.S. and New Zealand. Similarly, the U.S. had been unhappy with New Zealand’s actions on the GATT Subsidies Code, but this dispute was seemingly resolved by 1990.

A larger, lingering question has been over agricultural subsidies. New Zealand has now eliminated all forms of subsidies on its farm products and sees American farm support policies as giving the U.S. an unfair trade advantage. As such, New Zealand would prefer that the U.S. and other states follow its policy of free trade in agriculture. The recent completion of the Uruguay Round of GATT — a long time goal of New Zealand — may solve some of these differences, but frictions will likely remain.

While the ANZUS effect on economic ties has been more indirect than direct, the rupture has had a direct impact on trade relations in one crucial way. “As a result of the ANZUS rupture,” two analysts noted recently, “there is now no formal mechanism for regular high-level consultations on any issues, economic or otherwise.” To be sure, lower level exchanges occur regularly, and some higher-level contacts did take place in 1990 and 1991, but no routine high-level discussions take place. With the recent openings in high-level consultation in 1995, however, this situation may now be changing.

(d) Australia-New Zealand and the Rupture

Although the U.S.–New Zealand effects of the rupture within ANZUS have been most notable, the third party in the alliance has not gone unaffected. In one sense, Australia has gained from the rupture in that now the United States is even more reliant upon that nation for anchoring its alliance policy in the South Pacific area. As such, military ties between the U.S. and Australia are even stronger than before the rupture. In another sense, of course, Australia has also suffered for, even as it seeks to provide

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support to New Zealand and the New Zealand military, Australia needs to be careful not to share any intelligence information gained from the U.S. with New Zealand and is prohibited from allowing the Kiwis to participate in any exercises with the Americans. Thus, even greater responsibility is placed on Australia with New Zealand now outside of active participation in the alliance activities.

**RECENT EFFORTS AT HEALING THE RIPT**

Since the election of the National government in 1990, efforts have been made by New Zealand to begin to heal the rift between the two states. At least three major attempts in progress are important to identify and discuss in some detail: (1) the use of a government-appointed committee to investigate the safety of nuclear ships as a prelude to a reconsideration of the questions of port visits; (2) tangible efforts at cooperating with the West, including the United States, as a demonstration of their friendship with those states; and (3) a political initiative, largely led by Foreign Minister Don McKinnon and Prime Minister Jim Bolger, to separate political and military differences with the U.S.

**Ship Safety Report**

An initial effort that the New Zealand National government undertook to reconsider this whole policy question was the establishment of a "Special Committee on Nuclear Propulsion" in December 1991. The charge given this committee was to investigate the relative safety of nuclear-powered vessels and to consider the consequence of a release of radioactive material from them. Presumably, if nuclear-powered vessels were shown to be safe, an important element of the argument over ship visits would be weakened, and the prospect of progress with the U.S. could be enhanced. (The likelihood of this approach succeeding, moreover, was more fully enhanced when the Bush administration announced that it was removing nuclear weapons from all naval surface ships.)

The committee's investigation was an exhaustive and comprehensive one, covering many aspects of the issue. During the course of the investigation, the committee met "more than 20 times" and traveled to the United States, Canada, the United Kingdom, and Vienna (headquarters of the International Atomic Energy Agency) to talk with knowledgeable personnel about this issue. As a result of these extensive scientific and technological deliberations, the committee issued its report in December 1992, reaching this central conclusion:

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27 The Safety of Nuclear Powered Ships, p. 6.
The presence in New Zealand ports of nuclear powered vessels of the navies of the United States and the United Kingdom would be safe. The likelihood of any damaging emission or discharge of radioactive material from nuclear powered vessels if in New Zealand ports is so remote that it cannot give rise to any rational apprehension.\textsuperscript{28}

The report also noted that no other country hosting visits by nuclear powered vessels of these two countries had detected any release of radiation “to either the atmosphere or the sea.” The United States and the United Kingdom have accepted “absolute liability for injury, death, or damage to or loss of property resulting from a nuclear accident in one of its vessels.” Most powerfully, too, the report concluded its list of findings by noting that “there is a serious lack of understanding and knowledge, and much misinformation, in the minds of the public concerning safety and technical issues related to nuclear powered vessels.”

The findings of this report thus raised several different possibilities for policy shifts. Since the National party had changed its position on nuclear weapons and ANZUS prior to the October 1990 election, a reversal would be necessary. This report might facilitate and provide the necessary political cover for just such a change. Similarly, this report might be used by the National government to facilitate a change in government policy, including a change in the 1987 New Zealand Nuclear Free Zone, Disarmament, and Arms Control Act.

These possibilities for change soon evaporated. The New Zealand public continued to support the nuclear ban.\textsuperscript{29} Peace activists, even if they acknowledged the accuracy of the report, continued to oppose any lifting of the ban.\textsuperscript{30} Divisions within the National party, too, made it difficult to change course. Further, with an election looming, the prospect for policy change appeared remote.

By June, 1993, moreover, Prime Minister Jim Bolger had apparently dropped the idea of using the committee’s findings to reverse course. Instead, he reaffirmed National’s commitment to the ship ban, and parlayed another strategy, one discussed below, for dealing with the rupture. In short, this first attempt at altering the New Zealand policy had largely proved stillborn.

\textit{Cooperative Actions with the West}

The second approach by New Zealand was less a specific approach to facilitate policy change between the U.S. and New Zealand and more an effort to demonstrate that it was a dependable friend of the West, includ-

\textsuperscript{28} This quotation and the quoted materials in the next paragraph are from ibid., p. 173.
\textsuperscript{29} Jane Clifton, "Nuclear-free Policy Founded on ‘Campaign of Fear,’” \textit{The Dominion}, June 18, 1993, p.2.
\textsuperscript{30} James, “Glowing Report,” p. 22.
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ing the United States. Hence, over the past several years, New Zealand has sought to support U.S. and other Western countries, whether it be in UN peacekeeping missions or in U.S.-led actions (e.g., the 1991 Persian Gulf War). In this way, New Zealand might be in a better position to negotiate some resolution to the ANZUS rupture with the United States.

The cooperative actions where New Zealand and the United States have participated during the past decade have been considerable. They have cooperated in the UN Security Council (especially during the 1993–1994 session when New Zealand assumed a seat in that body) and on peacekeeping efforts in several far-flung places — the Sinai, Cambodia, Angola, Somalia, and Bosnia. The two countries have worked together on multilateral efforts in the former Soviet Union, on security dialogue in the Asia-Pacific area, and within the APEC (Asia-Pacific Economic Cooperation) organization. More recently, New Zealand joined the emerging organization to implement the U.S./North Korean framework to address the nuclear threat in Asia. Similarly, too, New Zealand has been an advocate of unrestrictive renewal of the Nuclear Non-Proliferation Treaty, scheduled to expire in 1995.31

For New Zealand, the aim of all these activities was to rebuild political trust and cooperation as a prelude to dealing with the ANZUS rupture. To some extent, these activities undoubtedly set the stage for the Clinton administration initiatives in 1994 and 1995. The United States apparently took cues from these cooperative measures to begin to alter the political climate, as we shall discuss shortly. Nonetheless, these activities have not yet yielded a full resolution to the dispute.

McKinnon-Bolger Initiative

In May 1993, Foreign Minister Don McKinnon gave a public address in which he called for the renewal of ties with the United States, and the return to ANZUS by New Zealand. A month later, McKinnon spoke to the same issue in Parliament and gave a scathing indictment of the present policy. As he noted, “People do feel New Zealand has done something spectacular. I don’t necessarily agree with that... We’ve sacrificed some very dramatic linkages New Zealand had had for more than 100 years, and we are still feeling the costs. When it all was done, the world was deafening in its silence. Who congratulated us? The Soviet Union and Vanuatu.”32

32 Quoted in Clifton, “Nuclear-free Policy,” p. 2.
On June 8, 1993, Prime Minister Jim Bolger took a different tack, albeit with the goal of trying to improve ties between the two countries. Speaking to the American Chamber of Commerce in Wellington, Bolger reaffirmed New Zealand's commitment not to abandon its nuclear-free policy, but he suggested that a two-track policy approach be adopted by the U.S. and New Zealand to improve ties. In particular, he proposed a security track — where the U.S. and New Zealand would agree to disagree over nuclear ships — and a political track — where the two nations would seek to improve their ties with one another. The latter track would imply high-level consultation among political officials of the two countries: "It is therefore understandable that we look forward to the day when the New Zealand Prime Minister is also welcome in Washington." Further, he noted that "New Zealand has been a loyal and true friend of the United States — and we would like to see that fact recognised in political spheres, as it has been in the commercial sector."33

The Clinton administration's reaction to this proposal was surely less than what New Zealand had wanted. At a news conference shortly after Prime Minister Bolger's proposal, President Bill Clinton was asked, "Would you consider meeting now with a New Zealand leader and discussing the situation? Isn't there some way that a compromise can be reached so that you can agree to disagree but still restore the political and security relationships?"

President Clinton's response was instructive on the nature of the relationship at the time: "I've given absolutely no thought to that question. And I'm afraid if I give an answer to it, I'll be in more trouble than I can figure out."34

Despite this response, Prime Minister Bolger placed an upbeat interpretation on the President's answer by indicating that he was glad that President Clinton had not rejected the proposal. Deputy Prime Minister and Foreign Minister Don McKinnon, however, said the Clinton response was the result of New Zealand not having full access to the U.S. government.35 The more formal U.S. embassy response to the Bolger proposal was hardly reassuring. It simply reaffirmed the fact that American policy toward New Zealand was "under review." As a result, no formal movement occurred on this proposal in the run-up to the 1993 election.36

36 The only stir in the policy debate seems to occur over out-going American Chargé d'Affaires David Walker's statement in August, 1993 that he hoped that a New Zealand prime minister would be able to visit the White House. As Walker later clarified this matter, he claimed that he was largely speaking in an optimistic way, rather than trying to signal any change in policy.
To some the 1993 election was thought to be the best opportunity for some change in policy between the two countries. If National were returned to power with a large majority, the government might have been in a position to change policy courses. Indeed, in the run-up to the election, several signs seemed to be pointing in the direction of National winning, albeit with a scaled-down majority: the economy was improving, inflation was low, and the New Zealand dollar was strengthening. Moreover, the New Zealand share market was rising as well.

The November election results were undoubtedly shocking to National. It retained power by a razor-thin margin (50 seats for the government, 49 for the opposition) and had to make substantial changes in the cabinet to hold its power together. Further, the choice of Helen Clark, a staunch supporter of the antinuclear policy, as the new opposition leader further lessened any prospect for immediate change in New Zealand policy.

Another factor made greater immediate New Zealand initiatives on this rupture more remote as well: the selection of mixed-member proportional (MMP) in the 1993 election as the electoral system for the future. Modeled after Germany, this system provides that a party could gain representation in parliament by winning single constituencies (half of the seats in the parliament) and by winning at least 5 percent of the vote (the other half of the seats in the parliament). With speculation rife over the splintering of National and Labour and with two smaller parties (the Alliance and New Zealand First) already obtaining support, a coalition government after the next election seemed a real possibility. Prospects of such a government being able to take significant initiatives on the antinuclear policy seem highly unlikely. Since antinuclear sentiment is spread across the parties, albeit differentially, one of the first concessions of coalition partners on foreign policy would likely be on the nuclear policy question.

By the end of 1993, then, all of the McKinnon-Bolger efforts at policy change had apparently come to nought. Efforts for improvement in rela-

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58 In some respect, this coalition process has already begun. A parliamentary undersecretary left National in September 1994 to form his own party, eliminating National's one-seat majority. This member and his new party committed themselves to support the government on several key issues. In this sense, coalition government has already begun in New Zealand. On this development, see Colin James, "Quitting Season," *Far Eastern Economic Review*, September 29, 1994, p. 29.
tions seemed now to rest with the United States and the ongoing “policy review” begun by the Clinton administration after it took office.

AN AMERICAN MOVE

By February 18, 1994, the Clinton administration policy review had apparently been completed. On that day, the administration announced a change in policy toward New Zealand. The United States government decided “to restore senior-level contacts between U.S. officials with their New Zealand counterparts for discussions on political, strategic and broad security matters.” At the same time, the Clinton administration declared that “our decision to restore senior-level contacts does not signify a restoration of our previous alliance with New Zealand nor does it foreshadow adjustments in other aspects of our previous security cooperation that have been curtailed.” Yet, according to an American government official, this policy contact does not include “high-level” officials of the New Zealand government. A short time later, a New Zealand official was even more forthright and indicated that this policy change was hardly any change at all. In this sense, the policy was at best a slight opening-of-the-door for better relations between the two countries, but little else.

Since the likelihood of immediate action on the part of the New Zealand government appeared slim in early 1994, the burden for further movement in restoring U.S.-New Zealand relations still largely fell to the American side. While the February 1994 opening was thus useful and welcomed, it still was not a full and explicit implementation of a two-track policy by the Clinton administration. Yet, the adoption of such a policy course would hardly be without precedent in U.S. foreign policy.

America, for example, has maintained good and stable political and military relations with Japan, even as economic disputes have raged for over a decade. U.S. ties with China operate on that same principle: sustained economic ties, “correct,” but hardly cordial, political ties. More instructive, perhaps, is the case of French-American relations over the past three decades. Despite President Charles DeGaulle’s withdrawal from the military structures of NATO, U.S.-French alliance ties within NATO remained intact. In other words, a dual track policy existed between these two allies: sustained political ties, ruptured military ties.

Furthermore, and importantly, such a policy would not preclude the full restoration of military ties as relations begin to warm; indeed, it may well enhance the prospect of achieving that goal. That is, closer interactions between the two countries would be able to tap the reservoir of goodwill toward the U.S. within New Zealand and eventually move toward closer security ties as well. (Once again, increased American-French military cooperation in recent years is instructive.)
Indeed, by mid-1994 and early 1995, the United States had decided to take steps in this direction of a dual track policy. Winston Lord, the United States assistant secretary for East Asian and Pacific affairs, visited Wellington in late July 1994 for two days of talks with New Zealand officials. Six months later in late January 1995, Deputy Secretary of State Strobe Talbott visited Wellington as well. Even more significant was the fact that Deputy Secretary Talbott carried an invitation for New Zealand Prime Minister Jim Bolger to visit Washington. That visit was completed in late March 1995, and Bolger was afforded time with President Clinton, Secretary of State Warren Christopher, and Secretary of Defense William Perry. By accounts from both sides, each was pleased with the visit and the exchange of views.

The discussions held between Clinton and Bolger were indeed wideranging, covering discussions on renewal of the Nuclear Non-Proliferation Treaty, UN peace-keeping activities, the North Korean nuclear issue, and trade and investment matters. At the same time, President Clinton did indicate to Prime Minister Bolger that the New Zealand legislation prohibiting nuclear ship visits still prohibited the United States from having a full security relationship with New Zealand. Secretary of State Warren Christopher put it slightly differently: “We would like to be in a position to resume full military cooperation, and until that small bit of unfinished business is changed, we will not be able to do so.” Yet, the emerging American policy looked more and more like a dual-track approach to New Zealand.

THE FUTURE IN U.S.-NEW ZEALAND RELATIONS

With pressing global problems stretching from North Korea and Haiti to Bosnia and Russia, restoring full ties with New Zealand is not a high priority for the Clinton administration, yet these initial steps seem a clear movement away from a policy that was not cost free, either politically or militarily, for both parties. As we have outlined, New Zealand suffered considerably in political and military terms. While the emerging dual track approach begins to ease some of the political impacts of the rupture in ANZUS relations, the problems in the military area remain unresolved.

Similarly, while some military dislocations remain for the United States, the political costs of the earlier policy are beginning to be

40 Transcript of White House Briefing by Michael McCurry, March 27, 1995, and “Remarks by Secretary of State Warren Christopher and New Zealand Prime Minister James B. Bolger Prior to Their Meeting,” Department of State, Washington, D.C., March 27, 1995.
addressed. No longer will America’s inability to resolve this dispute tarnish the stability of America’s relationship with other countries in the Asia-Pacific region or its efforts to build a “Pacific Community.” No longer, too, will the United States, fairly or not, be characterized as a large state seeking to bully a small state or as using a double standard in its dealing with New Zealand. Finally, too, this emerging policy is now more consonant with the end of the cold war and the drawing down of nuclear (and conventional) forces worldwide.

Any further advancement in completing the restoration of full ties with New Zealand will likely require time and careful building on the beginning that the Clinton administration has now made. The Republican majorities in the House of Representatives and Senate are unlikely to be receptive to further concessions in this relationship on the part of the United States. (It is worth noting, however, that the chairman of the Senate Subcommittee on East Asian and Pacific Affairs issued a warm and receptive statement on the occasion of Prime Minister Bolger’s visit to Washington.) With an American presidential election rapidly on the horizon and with other pressing foreign and domestic issues confronting the Clinton administration, it, too, is unlikely to take any additional initiatives toward New Zealand in the near term.

Because the political and military costs of the past policy are borne by both countries, the New Zealand government must be prepared to seek further support across the major parties for greater accommodation toward the U.S. Some amending of the 1987 law appears to be the obvious step to sustaining better political relations. The emphasis probably should be placed by making that law less a blanket prohibition and more one in which the prime minister — as the law reads — exercises more discretion. With the change in the political system within New Zealand and the next elections scheduled for 1996, any initiatives by the Kiwis will also be delayed until after that vote. Even then, given the continued saliency of the nuclear issue within New Zealand, new initiatives will take some bold leadership. Yet, if the full resolution of this dispute — and full restoration of ties — are to occur, it will probably take nothing less.

*Iowa State University, April 1995*