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NZ SUBJECT: CORRECTED COPY -- SCENESETTER  
FOR SECRETARY CLINTON'S NEW ZEALAND VISIT  
REF: 10 WELLINGTON 1 DERIVED FROM: Derived from  
previous message. 1. (SBU) Secretary Clinton, Embassy  
Wellington and Consulate General Auckland extend a warm  
welcome to you for your January 15-17 visit to New  
Zealand. We have worked closely on preparations with your  
""Kiwi"" hosts and share their excitement about your trip.  
Your visit to New Zealand, a small Pacific nation of 4.3  
million, will further energize bilateral relations, which are  
already on an upward trajectory. Washington is reviewing  
our decades-old policy stemming from disagreements over  
New Zealand's nuclear-free legislation in the mid-1980s  
and we expect that much closer military-to-military relations  
will result. Our intelligence relationship was fully restored on  
August 29, 2009 (which should not be acknowledged in  
public). New Zealand is eager to work with the U.S. on non-  
proliferation issues and Prime Minister (PM) John Key is  
openly excited about being invited by President Obama for  
a bilateral visit to Washington in March 2010 and to the

April Nuclear Security Summit. New Zealand depends on international trade (the U.S. is its second largest trading partner, after Australia) and influential constituencies across the society reacted enthusiastically to President Obama's November 2009 announcement on the Trans-Pacific Partnership (TPP). New Zealand Special Air Services (SAS) combat troops are deployed in Afghanistan, and the NZ Defense Forces run a Provincial Reconstruction Team (PRT) in Bamyan province. Your Hosts ----- 2. (SBU) Your official host for this visit is Foreign Minister Murray McCully, but PM Key--consistent with his strongly personal pro-American outlook and that of the National Party-led coalition government he heads--has involved himself heavily in your visit. Key will lead the official bilateral meeting, hold a joint press availability with you, and be your host for an informal dinner. While delegating most foreign policy responsibilities to FM McCully, PM Key keeps a close watch on bilateral relations with the United States. PM Key and the rest of the New Zealand government celebrates your visit as evidence that New Zealand is a welcome partner of the United States and a reaffirmation of the positive bilateral developments between our countries in recent years. We do not anticipate that the New Zealand Government will raise any contentious issues in your meetings. PM Key's National-led Government - Riding a Wave of Popularity -----

----- 3. (SBU) On November 8, 2008, The John Key-led National Party won the General Election ending the eight years of Labour party rule. Key, a former investment banker who only entered politics in 2002, announced the formation of a National-led minority center-right government after he had signed separate agreements with the ACT Party, United Future and the Maori Party to secure their respective support. The governing arrangement with the three parties is not a formal coalition.

Rather, each party negotiated with National an agreement that will enable National to survive no-confidence votes in Parliament. PM Key and his governing National Party are now extremely popular with voters with ratings well above 50 percent. The opposition Labour Party, with a 30 percent rating, and its leader, Phil Goff (8 percent), have struggled to be politically relevant since losing the 2008 election. The Key Government recently dealt with minor scandals involving two support parties that briefly raised the specter of Government instability, but faded rapidly. Hot Domestic Issues: Maori Land Rights and Emission Trading Scheme --

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----- 4. (C) While domestic politics will have little influence on your WELLINGTON 00000003 002 OF 005 visit, there are several issues that currently are at the forefront of New Zealand politicians' minds. The most critical legislative decisions since the National Party took office in 2008 are the recent repeal of the controversial Foreshore and Seabed Act, which permits Maori to pursue in court their customary rights to the coastline and its natural resources, and the Government's Emission Trading Scheme (ETS) bill, a contentious environmental measure introduced to cap carbon emissions. Opposition parties derided the ETS bill as incomplete and roasted the Government for the speed with which it passed into law. Another issue of note is the Government's plan to consolidate Auckland's eight existing councils into one Super Council with a single mayor. This is a significant undertaking as Auckland is New Zealand's biggest and politically most important city. New Zealand's Economy - On the Rebound -----

-- 5. (U) New Zealand's economy suffered a recession from the global economic crisis, but is now on the road to recovery with real GDP data showing signs of improvement. Economic forecasts suggest that economic growth will

return in 2010 with 1.6 percent growth in real GDP. However, unemployment is still expected to top 7 percent in early 2010. After substantial restructuring and sale of government-owned enterprises in the 1990s, New Zealand is now one of the most open economies in the world and is ranked 5th in the world on the Heritage Foundation's economic freedom index. Close economic ties with Australia are also a key part of the New Zealand economy. New Zealand and Australia are partners in the "Closer Economic Relations" (CER) agreement, which allows for free trade in goods and most services. There is a free flow of labor between the two countries with little to no impediments to migration, and the two countries also consult closely on fiscal and monetary policy. Trade is Vital to the Economy -----

6. (U) Trade is a vital part of the New Zealand's economy, particularly trade in agriculture, which represents about half the country's exports. New Zealand's four top trade partners are Australia, the United States, China, and Japan. To boost trade, the country has vigorously pursued free trade through the WTO and the Trans-Pacific Partnership Agreement (TPP), as well as bilateral agreements with other countries and regional organizations, including Australia, China, Singapore, Thailand, Malaysia, Hong Kong, ASEAN, and the Gulf Cooperation Council. New Zealand is the first OECD country to sign a free trade agreement with China, and it now pursuing FTAs with Korea, Japan, and India. In general, the country's trade policy generally enjoys bi-partisan support. The U.S. is a Major Trade and Investment Partner -----

----- 7. (U) President Obama's announcement on November 14 of U.S. engagement with the TPP countries was warmly welcomed and has generated a great deal of enthusiasm among New Zealand Government officials and the media. The U.S. is currently

New Zealand's second largest individual trading partner and second largest individual export market, with the top four exports of frozen beef, dairy products, sheep meat and wine. The U.S. is New Zealand's third largest source of imports with the top four imports of aircraft, aircraft parts, medical equipment and motor vehicles. The U.S. is also the top destination for New Zealand investment abroad (close to \$1 billion) and New Zealand's second largest source of FDI (11.5 percent of the total FDI in NZ). New Zealand has a vibrant U.S. business community of approximately 400 companies, including well-known companies such as 3M, Citibank, Microsoft, and Mobil. New Zealand's American Chamber of Commerce, based in Auckland, has over 160 members. WELLINGTON 00000003 003 OF 005 Supportive of the U.S. Internationally, Especially in Multilateral Fora -----

----- 8. (C/NF) New Zealand, as a small country, places great store in multilateralism and is a strong proponent of the UN system. It generally supports the United States at the United Nations and other international fora, only differing on a few issues such as Cuba. When the U.S. Administration decided in March of 2009 to seek a seat on the UN Human Rights Council, New Zealand, which was also on the ballot, withdrew its name so the United States could run uncontested. New Zealand has also been supportive of the U.S. position on nuclear issues in Iran and North Korea and generally desires to keep their policies towards North Korea in sync with our objectives. On Iran, New Zealand supports our position, but their trade relationship with Tehran and overall approach to the Middle East precludes them from taking as tough a line with Iran as they have with North Korea. New Zealand is also an active participant in other fora, such as of Asia-Pacific Economic Cooperation (APEC), Organization for Cooperation and Development (OECD), Pacific Island Forum (PIF) and

Proliferation Security Initiative (PSI). New Zealand's Special Relationship with the Pacific Islands -----

----- 9. (SBU) The United States continues to draw on New Zealand's deep experience and unique connection with the Pacific Island region. New Zealand has a strong leadership role in the South Pacific and views itself as having a special connection with the island nations. Currently there are around 270,000 Pacific Islanders living in New Zealand (about 6 percent of the population), many of whom live in the Auckland region. There are also many Pacific Islanders who come to New Zealand for temporary work through the Recognized Seasonal Employer (RSE) Policy. New Zealand established the program in October 2006 as a way to assist employers in horticulture and viticulture, as well as provide development assistance in the Pacific Island region. New Zealand has a strong aid and development presence in the region and is eager to collaborate closely with USAID, which is looking to return to the South Pacific. We cooperated closely with New Zealand in the aftermath of the recent earthquakes, tsunamis, and volcanic eruptions in the South Pacific. New Zealand was one of the first countries on the scene after the September tidal wave in Samoa, providing aid and relief. 10. (C) We also cooperate and share concerns in the region on political stability, climate change, energy and food security, and protection of fisheries and marine environments. In the past several years, New Zealand has played an active role in helping to maintain the security environment in Timor Leste, the Solomons, and Tonga. Likewise, we are unanimous in the need for a quick return to democracy in Fiji. The New Zealand Government has had a particularly rocky relationship with the interim Government in Fiji and would like the United States to take a stronger position. In November 2009, the New Zealand Acting High

Commissioner was expelled from Fiji after New Zealand delayed the issuance of a medical visa for the sick child of a Fijian judge. We also share concerns over the competing agendas of other actors and donors in the region, such as China and Cuba, and their impact on stability, governance, and sustainable development. We also share a concern with the New Zealand Government over the need to help the Pacific Islands control their Exclusive Economic Zones (EEZ) from illegal fishing and to protect marine environments. A Strong History of Collaboration on the Environment, Science and the Antarctic -----

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-- 11. (SBU) Science cooperation forms one of the longest threads of the bilateral relationship; it dates back to the late 1950s in the Antarctic. The United States and New Zealand continue to work WELLINGTON 00000003 004 OF 005 together closely on scientific research in the Antarctic. Christchurch is the staging area for joint logistical support operations serving U.S. permanent bases at McMurdo Station and South Pole, and New Zealand's Scott base (located just six miles from McMurdo Station in the Ross Sea region). Collaboration between the U.S. National Science Foundation and New Zealand to install wind turbines in Antarctica to power McMurdo/Scott Bases is a part of the joint logistical agreement and will eventually supply up to 90 percent of our electricity needs for the two bases. There is also collaboration on the Energy Development for Island Nations (EDIN) project, which aims to develop renewable energy resources for Pacific Islands and reduce their dependence on fossil fuels. A Science and Technology cooperation agreement between the US Department of Homeland Security and New Zealand, relating to enhancement of each country's domestic and external security capabilities, is slated to soon be signed. In addition, we are working together on greenhouse gas

reduction in the agriculture sector through the Global Research Alliance on Agriculture Greenhouse Gases. New Zealand's unique position of being a developed country with roughly 50 percent of its carbon emissions stemming from agriculture production will give it a unique perspective and leadership role in this endeavor. Defense Cooperation - Moving Around the Rock in the Road -----

----- 12. (C/NF) New Zealand-U.S. relations have improved significantly over recent years as both countries agreed not to allow the historic anti-nuclear dispute to unnecessarily damage the overall bilateral relationship. New Zealand's legislation prohibiting visits of nuclear-powered ships continues to preclude a security alliance with the U.S. Certain restrictions on bilateral military cooperation still remain, such as ship visits, but official visits and multilateral cooperation is ongoing. Admiral Keating visited in September 2009, and Secretary of the Navy Ray Mabus is set to come in February 2010. Anti-nuclear legislation enjoys broad public and political support in New Zealand, and there is no sign it is likely to change. There is a perception among the New Zealanders that the decision to prohibit nuclear ships has cost them economically through lost trade opportunities. Despite suspension of U.S. security obligations, the New Zealand Government reaffirms the importance it attaches to continued close political, economic, and social ties with the United States and Australia. The Mission looks forward to an increase in frequency and complexity of joint and multilateral military-to-military training involving New Zealand when final decisions in a current review are made. Shoulder to Shoulder in Afghanistan -----

- 13. (C/NF) New Zealand is an active member of the global coalition in the fight against global terrorism, and deployed both Special Air Service (SAS) and regular armed forces

personnel to Afghanistan. In September 2009, SAS began its fourth deployment to Afghanistan. PM Key also announced that the NZ Defense Force contingent of the NZ-run provincial reconstruction team (PRT) in Bamyan province will be drawn down in the medium term, which he defined as three to five years. As the NZ military contingent in the PRT draws down, the civilian contribution will increase and focus on rebuilding local capacity in agriculture, education and health. PM Key promised that NZ's efforts in Bamyan province would "be aligned with the new policy of the U.S. Administration," which includes building the capacity of the Afghanistan central government and provincial governments. PM Key also announced that New Zealand will establish a permanent diplomatic presence in Afghanistan. Presently, New Zealand's Embassy in Tehran covers Afghanistan. The SAS is slated to return to support internal security requirements during New Zealand's hosting of the World Rugby Cup in 2011, and future rotations to Afghanistan are undecided at this time. WELLINGTON 00000003 005 OF 005 Intelligence Cooperation Is Back on Track -----

----- 14. (S/NF) Despite the ANZUS break in 1985, New Zealand remained a member of the Five Eyes intelligence community, but with access to certain types of intelligence curtailed. Our intelligence relationship was fully restored in August 29, 2009. While you should mention intelligence restoration in your private bilateral with PM Key and other New Zealand officials, this is a "no comment" issue when the media inevitably raises it. New Zealand has been a strong advocate of the Proliferation Security Initiative (PSI) in the East Asian region and hosted its first PSI exercise (Operation Maru) in September 2008 with 30 USG experts participating. New Zealand is also an active participant in the Global Initiative to Combat Nuclear Terrorism (GICNT). Resources Needed As the Relationship

Expands -----

15. (S) The Mission to New Zealand and Samoa is staffed by 149 employees (50 Direct Hire Americans, 99 Locally Engaged Staff) across three posts and including the Department, DOD, Agriculture and Commerce. With the recent rapid growth of our bilateral relationship on key global issues the demands on this small Mission have increased significantly. Over the past 10 years, non-ICASS positions have grown by close to 200 percent and the ICASS position growth has hovered around 22 percent. We need three additional Locally Engaged (LE) ICASS positions to support the increased staffing demands. The Defense Attache Office has requested an additional permanent billet (U.S. Military officer, Major) to support the demands of the two programs headed by DIA's Defense Attache System and the Office of Security Assistance and redeveloping the U.S. and New Zealand's military-to-military engagement after years of hiatus. State needs an additional officer in the Political/Economic Section to further expand on science and technology, nonproliferation, and political-military programs and allow the Economics Officer to focus on preparations for Trans-Pacific Partnership trade negotiations. Embassy and Consulate General -----

----- 16. (SBU) The government-owned Chancery in Wellington recently went through three projects - Information Programs Center (IPC) upgrade, roof renovations and installation of new heating, ventilation and air conditioning (HVAC) systems. Those upgrades brought the Chancery closer to compliance with ADA laws and long needed upgrades. Located in Auckland, the Consulate General (CG) offices are on the third and fourth levels of a commercial office building in downtown Auckland. The offices were refurbished in 2004-2005 and remain in good condition. The Embassy in Apia is also located in a commercial office building. The Consulate General in

Auckland and the Chancery in Apia are both short term leased facilities. The new government-owned Principal Officer's residence in Apia is currently under construction and due to be completed by the end of 2010. 17. (U) Madam Secretary, we look forward to your visit and are doing all we can to make it a complete success.  
CLARKE",6/01/2010

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Senior Officials. In reality, she has a broader agenda as well: to improve the tone of her dialogue with us and to send a message to the NZ electorate that cooperating with the U.S. is normal and advances New Zealand's interests. Now in her third term in office, Clark has over the years developed a deeper understanding of the breadth and benefits of the US-New Zealand relationship. She recognizes that sound bites matter, and in response has begun to modulate her public statements to be more positive about the relationship. She also strenuously avoids saying anything critical about U.S. policy. Although a strengthened centrist domestic political opposition may motivate Clark to be more open to us, most of her efforts to improve bilateral cooperation have not been made public, indicating genuine commitment. Over the past year, she has quietly filled a number of key positions with officials who are well disposed towards the United States, and she and her Ministers now treat official meetings with us as opportunities to advance common agendas rather than either public relations coups or something to deny. The PM closely monitors and supports the "Matrix" process as well as deeper US-NZ cooperation in intelligence and other issues. She particularly appreciates our cooperation in the Pacific and Antarctica. End Summary. 2. (C) A micro-manager, Clark will come to Washington extremely well briefed on the issues. She will likely suggest small but concrete ways to cooperate within the boundaries of the Presidential Directive, such as by regularizing our dialogue on scientific and Pacific Island issues. She will probably announce that New Zealand will extend its military deployments in Afghanistan through September 2009. Clark will not seek any dramatic changes to bilateral policy, which she recognizes would be more than either side's system could bear. Nor will she make a heavy pitch for an FTA as she did during her 2002 visit, instead leaving that for Trade

Minister Goff's trip to Washington later this year. 3. (C) We should use this visit to urge continued tangible commitments to the improving bilateral cooperation and NZ's defense modernization. We should also elicit a greater willingness to publicize our successes where possible. Clark will be setting the pace for improving U.S.-New Zealand relations for the foreseeable future. This visit provides us an opportunity to encourage her to stay the course and to resist negative pressures from those in her party who prefer to keep us at arm's length. -----

----- MOVING UP THE LEARNING CURVE: WE MATTER -----

4. (C) With over seven years in office, Clark is now the longest serving Labour Prime Minister in New Zealand history. Although she has no clear successor and may run for an unprecedented fourth term, she is clearly already focused on her legacy. Arriving in office well to the left of the political spectrum, Clark began her tenure by stressing New Zealand's role as a small but principled player favoring multilateral (ideally UN-based) solutions to the world's problems. Since then, she has witnessed such events as 9/11, cooperation between NZDF and US troops in Afghanistan, and shortcomings of the UN system (such as its inability to react to the 2005 Tsunami). As a result, she has over time focused more on New Zealand's role in the Pacific region and its relations with Australia and other bilateral allies. 5. (C) Through learning on the job, Clark has clearly developed a more sophisticated understanding of the breadth and importance of the US-New Zealand relationship. Her desire to improve relations with the Administration may be due in part to the influence of Foreign Minister Winston WELLINGTON 00000194 002 OF 004 Peters, but we see evidence that Clark herself wants to improve US-New Zealand ties. Contacts tell us she has especially valued our close cooperation following the coup

in Fiji, and during her recent meetings with PM Howard she praised EAP DAS Davies' trip to the Solomons. The Ambassador reports that Clark is obviously impressed by our dedication to environmental protection and generous support for New Zealand activities in Antarctica, which she witnessed first hand during this year's celebrations of US-NZ cooperation on the ice. 6. (C/NF) Recognizing that her Government had initially resisted improving the U.S. relationship, Clark has since the 2005 election appointed to key positions a number of officials well disposed towards working with the United States. In addition to Foreign Minister Winston Peters (arguably a marriage of convenience), she has appointed Warren Tucker as Director of the NZ Security Intelligence Service (NZSIS), Bruce Ferguson as Director of the Government Communications Security Bureau (GCSB), Roy Ferguson as NZ Ambassador to Washington; and John McKinnon as Secretary of Defence. Together with Peters and Simon Murdoch, second in command at the Ministry of Foreign Affairs, these officials have improved their agencies' coordination on U.S. policy and instructed staff to be helpful to us wherever possible. For example, NZSIS had for months resisted housing equipment needed to implement a possible HSPD-6 agreement with the United States. Soon after his arrival, Tucker ordered NZSIS to be the host, paving the way for negotiations. 7. (C) Clark has been more mindful of the public side of our relationship as well. She participated in the Embassy's 4 July reception even though she never attends national day events. She was also gracious guest at a media-covered reception at the Ambassador's residence last May in honor of her favorite Kiwi composer. Mindful that her 2003 remarks about the Iraq war have not been forgotten, Clark now slaps down her Cabinet Ministers for similar offenses. When on January 12 Duty Minister Jim Anderton issued a blistering critique of

the President's plan to send more troops to Iraq, Clark quickly disavowed the comments and removed Anderton from duty within the day. She was roundly criticized in the media for her actions, but did not budge. After confirming her visit to Washington on March 1, a reporter asked what Clark would say if the President asked her views on the war. Clark merely said she doubted that would happen, adding that New Zealand is not in Iraq and it would be "gratuitous to offer any advice."

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CLARK REALLY DOES WANT CLOSER TIES -----

----- 8. (C) Some observers claim Clark only wants to mend fences with the United States to wrest center ground from the opposition National Party, which is gaining in the polls. We doubt this is her main motive. For one thing, polling suggests up to half of all Kiwis believe New Zealand does not need a closer relationship with the United States, and the anti-American sentiment in the left side of her own caucus is well known. Although Labour is losing ground in opinion polls, Clark is far from being in such crisis that she needs to change her foreign policy to get votes. New National leader John Key is charming and confident, but has been in Parliament for only five years and his practical agenda remains fuzzy. In contrast, while many Kiwis consider Clark cold and some question her integrity, we have yet to meet any who regard her as anything less than competent. The majority seem proud of the way she has helped forge a new, modern identity for the country: clean, green, multicultural, multilateral, creative, and yes -- nuclear free. Nor is there a chance of the type of leadership putsch within Labour that has plagued National in recent years. ----- WE

BENEFIT FROM STRONGER COOPERATION, TOO -----

----- 9. (C) New Zealand is small, but concrete improvements in WELLINGTON 00000194 003 OF 004 bilateral cooperation over the past year, including

via the "Matrix" process initiated in Bangkok last year, have brought tangible, positive gains for U.S. interests. We continue to cooperate closely on events in Fiji and have come to value the views of Kiwi officials regarding events in E.Timor, the Solomon Islands, and Tonga. We are increasing behind-the-scenes dialogue on N.Korea and Iran, both of which have diplomatic relations with New Zealand. The "Matrix" process has also been helpful in enabling both sides to stay joined up in response to other events, such as ensuring that the recent fire on board a Japanese whaling vessel in Antarctic waters would not lead to an environmental disaster. 10. (S/NF) Improvements on the defense and intelligence side have also borne fruit. As Minister in Charge of the NZSIS and GCSB, Clark is read into all major operations involving U.S. intelligence. She understands the implications of a post-9/11 world for New Zealand's security. She also realized after the Fiji coup that New Zealand had become too reliant on Australian intelligence. Clark grasps that NZ must "give to get" and that some of our cooperative operations -- such as monitoring radicalizing Kiwi jihadists -- strengthen her country's security. But she also has been willing to address targets of marginal benefit to New Zealand that could do her political harm if made public. Over the past year, she has supported increased counterterrorism cooperation with us. 11. (C/NF) While the Presidential Directive still limits our defense relationship, New Zealand's push since 2004 to modernize its forces have improved our ability to work together in those areas in which we can cooperate. In support of NZ military activities in the Pacific Islands, Timor Leste, Afghanistan, and elsewhere, there have been more high-level U.S. military visits to New Zealand over the past 6 months than in the previous two years. This March alone, there will be visits by two Admirals for maritime security consultations with New Zealand, France, and the UK, as

well as a yearly call by PACAF Commander General Hester. There have been more U.S. military waivers for multilateral exercises including the NZDF as well. Unlike in the past, the PM and her Government have focused on the substance behind these visits and exercises instead of touting them to the press as a sign that NZ's nuclear ban no longer matters to the United States. New Zealand continues to be an active participant in the Proliferation Security Initiative, has helped explain the importance of this effort to Pacific Island states, and will for the first time host an Operational Experts Group Meeting in Auckland March 26-28. ----- Key Issues ----- 12. (C/NF) Regional/Global Security: In her public statements announcing the visit, Clark has said that she hopes to discuss with senior US officials common interests in counter-terrorism/Afghanistan; regional security and good governance in the PICs and E.Timor; and DPRK, Iran and other nonproliferation issues. Although she told a journalist that Iraq is unlikely to come up, MFAT staff tells us that she knows that this is a major issue on the mind of the Administration. They also say she is likely to raise concerns over China's role in the Asia Pacific region. Clark will likely announce during her visit that New Zealand will extend its deployments to Afghanistan through September 2009, the longest extension since the Afghan war began. She may also propose that both sides agree to regular consultations on Pacific Island issues. We agree this could send a positive public signal about our joint work in the region, although in reality fast moving events make it a certainty that we will continue to communicate in real time as well. We would also have to ensure that the search for agenda items and ""deliverables"" did not overwhelm our constructive dialogue. 13. (S/NF) Intelligence: Although it will be obviously impossible to publicly highlight the exact nature of NZ's WELLINGTON 00000194 004 OF 004 intelligence cooperation during

Clark's visit, she undoubtedly would appreciate having it acknowledged behind closed doors. We should also encourage New Zealand to agree to some public recognition of the HSPD-6 MOU that we understand will be signed during the visit. A public signing ceremony the Embassy hosted when we concluded the US-NZ Regional Alert Movement agreement received positive press play here, which indicates that not all intelligence cooperation issues are tabu to Kiwis.

14. (C) Environment and other issues: Since the Antarctic celebrations in January, Clark has become more aware of the close level of cooperation between US and NZ scientists both on and off the ice. She may propose new areas for cooperation in Antarctica and suggest both sides review the US-NZ Science and Technology Agreement to consider possible new joint research efforts. GNZ officials were struck by parallel references to climate change and sustainable energy in both the President's and PM's opening statements to their legislature this year, and Clark may raise this as well. She may also propose cooperation on efforts towards sustainable fisheries. Clark will almost certainly acknowledge U.S. leadership in WTO Doha negotiations.

15. (C) The Public message: Clark will deliver three speeches while in the United States. Unlike her speech there in 2002 on New Zealand's desire for an FTA, Clark's address in Washington will present a more positive focus on overall US-NZ relations. This reflects both her understanding that an FTA is not possible for now and her desire to speak to the broader relationship. Clark will deliver a second speech in Chicago covering WTO and economic issues (including a soft FTA pitch) and a third in Seattle on innovation in New Zealand. ----- COMMENT -----

16. (C) PM Clark will continue to set the course for improved US-NZ relations. It is clear there will be no change in New Zealand's anti-nuclear policy in the medium term; even the

new opposition leader John Key has announced that the National Party wants to maintain the ban. National also continues to be vulnerable to accusations of being too close to the United States, which cost it significant support at the 2005 election. If elected in 2008, the Nats will have more political room to work with us if they can build on progress made under this Government towards better US-NZ ties. A re-elected Labour Government will do the same. This visit provides a chance to encourage Clark to set the bar high. We may have setbacks along the way, but the better our mutual understanding of what each side can expect from each other, the less likely that these hiccups will undermine our progress. End Comment. Keegan",2/03/2007

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10/23/2018 TAGS: PINR, PREL, NZ SUBJECT: A/S FORT'S OCTOBER 9-10 VISIT TO NEW ZEALAND

Classified By: Pol/Econ Counselor Margaret B. McKean; Reason 1.4 (b), (c), (d) 1. (C) Summary. During an October 9-10 visit to New Zealand, INR A/S Randall Fort met with members of the External Assessments Bureau (EAB), the Chief Executive of the Prime Minister and Cabinet's Department, Ministry of Foreign Affairs and Trade Deputy Secretary Caroline Forsyth, and officials with New Zealand's Government Communications Security Bureau (GCSB). GNZ officials praised USG efforts to improve intelligence sharing, particularly with respect to imagery. GNZ interlocutors acknowledged that New Zealand gains enormous benefits from being part of the Five Eyes intelligence community. A/S Fort's message focused on the increasing sophistication of commercial search engines and the growing number of open source analyses available to policymakers. In the future, the intelligence community must find ways to differentiate their products and provide value added to policy makers, argued A/S Fort. He also discussed the issues surrounding cyberspace and national security. Key issues for GNZ officials centered on the recent Georgia/Russia conflict, Iran, Iraq, Pakistan/Afghanistan, North Korea and the Pacific region. End Summary. Security of Public Sector Computers is Key Concern ----- 2. (C) INR Assistant Secretary Fort visited New Zealand on October 9-10, accompanied by other INR staff. Meetings with GNZ officials included calls on Gregory Baughen, head of New Zealand's External Assessments Bureau (EAB), working sessions with EAB officials, a meeting with Bruce Miller, Deputy Director of New Zealand's GCSB, and a call on Michael McBurney, Deputy Director of New Zealand Security Intelligence Service (NZSIS). Discussions with EAB working level staff and analysts from other government

offices focused on the recent Russia/Georgia conflict, North Korea and northeast Asia, China, Iran/Iraq, Afghanistan, and the Pacific region. 3. (S/NF) During his visit, Fort called on Chief Executive of the Department for Cabinet and Prime Minister's Office, Maarten Wevers, who manages a staff of 120, including Domestic and External Security groups, the PM's policy group, and Wevers also oversees New Zealand's intelligence committee. Wevers likened his Department to the National Security Council in terms of breadth of coverage and responsibilities. He noted that EAB's operations are highly compartmentalized and EAB reports are tightly held within Cabinet, with few Ministers seeing them. He explained that New Zealand's contribution to the Five Eyes intelligence community consists of two monitoring stations; one in the northern end of the south island, and the other on the north island near Wellington. Wevers offered that the GNZ recognizes that it is a "enormous beneficiary" of the Five Eyes community and lauded the good bilateral relations on intelligence sharing, including recent strides in imagery sharing. He added that New Zealand was "well past the military issues" of the past. A/S Fort hoped the additional access would prove useful to New Zealand; the amount of information and management of the information can be a challenge. Wevers commented that intelligence and assessments may mean something different to New Zealand than to other Five Eyes partners. Often there are significant differences with Australia, he added, as New Zealand is a more Pacific country than Australia and the latter is not always attuned to Pacific developments. 4. (C) A/S Fort spoke about the challenges for intelligence analysts posed by the rapid growth of commercially available analytic services outside government and the sophistication of search engines such as Google and Yahoo. The information needed by policymakers is increasingly available outside government,

and the size of outside companies or groups is not a factor. Smaller can be very nimble; the quality of the analysis is key and the intelligence community must increasingly look to match outside services and provide additional value added to remain relevant, affirmed the A/S. 5. (C) Fort turned to issues involving cyberspace and the Comprehensive National Cybersecurity Initiative (CNCI), which will begin with the Five Eyes and then move to NATO countries. Security is part of the issue, but the A/S also stressed the relevance to finance and defense. Even small countries can benefit with a relatively small contribution towards equipment and personnel. Regarding deterrence, he mentioned that there are analogues to nuclear deterrence but the international community is only beginning to think about cyber threats in similar fashion. Wevers noted that the GNZ is seized with the issue of cybersecurity, and f is working with the PM's Department to protect the public sector computer system and analyze the range of risks. 6. (C) In discussing the Pacific and Chinese activities in the region, Wevers said that China has recognized that their competition with Taiwan is not helpful, but their foreign affairs officials are not always aware of what others in the Chinese government are doing in the region. Venezuela and Cuba are now coming into the Pacific, and Wevers likened their interest to that of the Russians in the past. A/S Fort mentioned that the backtracking of democracy in the broader Pacific region (Fiji, Thailand, Philippines, Malaysia) was a Washington concern. The region is more fragile today than 10 years ago, he opined, and urged a coordinated approach by the stronger and healthier democracies. Wevers offered that APEC remains an important regional mechanism and the East Asia Summit, which includes India, is another good venue for raising issues. Wevers added that China is only now realizing the very significant law and order problem

within China, as people are making money illicitly without any sense of the rule of law. The metamphetamine problem in the region can be traced to China, continued Wevers, and the precursor chemicals are coming into New Zealand and other countries in large containers that are difficult to stop. Meeting with MFAT Deputy Secretary Caroline Forsyth -----

7. (S/NF) DepSec Forsyth welcomed A/S Fort's visit, stating that the GNZ values its contacts with the Washington intelligence community. The twice-weekly CIA-Commonwealth briefings are very useful, but the Five Eyes provides greater depth. She added that intelligence reports go to the PM's office, who ""absorbs"" the paper. A/S Fort explained that the State INR Bureau is relatively small, and therefore focuses on core issues. Currently, Washington policymakers are focused on the longer term implications of the recent Russia/Georgia conflict and what it holds for Russia's future and adherence to international norms. With North Korea, the Six Party Talks are the central issue, but also Kim Jong Il's health and possible successor. Afghanistan's trend lines are worrisome, he added, particularly due to the link with the Federally Administered Tribal Areas (FATA) in Pakistan. Pakistan's transition to civilian leadership is being watched closely in Washington, noted the A/S. He and Forsyth discussed Iranian nuclear pretensions and possible Israeli reaction. A/S Fort offered that Israel is likely to strike if the government of Israel believes Iran has met their red lines; an Israeli strike against Iran would be more complex than those launched against Iraq and Syria, he said. A/S Fort added that the US-India nuclear deal was an historic diplomatic achievement for the Secretary. Responding to Forsyth's question, Fort downplayed Venezuela as a threat to USG interests and characterized Chavez as more of an annoyance with limited political influence within the region.

8. (S) Forsyth praised the US-New Zealand bilateral

relationship, noting that the highlight of the year had been the Secretary's visit to New Zealand and onward travel to Samoa, which had provided a window into the challenges facing the Pacific, particularly to the micro-states of the region. New Zealand views the situation in Fiji as "acute," and appreciates USG support for the Pacific Island Forum (PIF) position on Fiji. A/S Fort commented that GNZ sigint had been critical to USG understanding of the 2006 coup. Forsyth offered that New Zealand sees an arc of instability in Melanesia, as there is a great deal of money but little to no capacity to use it wisely. The Solomon Islands are under control at the moment but there are still significant problems in terms of governance and corruption. The GNZ is weighing the necessary structural changes needed to make a long-lasting improvement in the SI society so that RAMSI security forces might depart. Vanuatu is coping for the moment, she added, and New Zealand is putting significant assistance towards agricultural projects there. 9. (S/NF)

Moving to North Korea, Forsyth asked if the stalled progress on the Six Party Talks was linked to a DPRK assessment that the U.S. election aftermath might offer a better deal. A/S Fort replied in the negative, noting that foreign policy continuity is the norm. Oscillation is part of the DPRK strategy, he added, and the current situation is complicated by Kim Jong Il's health issues and the succession process. Kim Jong Il played off the former Soviet Union and China to his benefit and may be trying to use the U.S. in the same way as the Soviets. China's role has been constructive, continued Fort, largely because Beijing does not want to see a nuclear Korean peninsula and the ramifications of a northeast Asian arms race. The A/S mentioned that North Korea faces a food crisis despite World Food Program assistance. Forsyth said that the New Zealand high commissioner in Seoul would be going soon to North Korea for a periodic visit. 10. (S/NF) The MFAT

Deputy Secretary asked for A/S Fort's assessment of Afghanistan and Pakistan. New Zealand has troops stationed in Bamiyan province and the GNZ is concerned over the malevolent influence from the tribal areas of Pakistan, particularly since the international community has been trying to transform Afghanistan into a state since 2001. Fort responded that Afghanistan will be an enduring challenge for generations requiring cultural changes. The U.S. is determined to be more aggressive in addressing Taliban cross-border operations, and is weighing the political costs with Pakistan. Forsyth and Fort discussed prospects for the Indian government to improve its relations with Islamabad to ease pressure on the Pakistan army to fight insurgents in the FATA. Comment ----- 11. (C) GNZ interlocutors were pleased to have the opportunity to discuss a range of global issues of bilateral concern. All meetings focused on GNZ support for the intelligence sharing partnership and, in particular, the singular role of Prime Minister Clark in ensuring good cooperation. As of this writing, the New Zealand HC based in Seoul has already returned from her trip to the DPRK; we will try to get a readout from MFAT. End Comment. 12. (U) A/S Fort has cleared this message. MCKEAN",24/10/2008

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MARR, MOPS, PREL, US, NZ SUBJECT: NEW ZEALAND  
ACCEPTS U.S. PROPOSAL ON DEFENSE

ENGAGEMENT Classified By: Embassy Wellington

Ambassador William McCormick, reasons 1.4 (a), (b) and (d) 1. (C/N) SUMMARY. DCM contacted MFAT to express once again our concern at New Zealand's continuing delay in formally accepted the proposed U.S. streamlining of our mil-mil relationship. On February 21, MFAT responded with a non-paper formally welcoming the U.S. proposal, and promising that NZ Ambassador Ferguson would call on DASD James Clad shortly to provide additional detail. The New Zealand response emphasized that it is committed to avoiding publicity and it remains concerned that the high "ops tempo" of its military may make it difficult for them to expand their activities. Clearly NZ domestic political sensitivities could make it increasingly difficult to consider any high-profile bilateral activities; this limitation could actually help give both sides the space to build patterns of operational cooperation out of public and political view.

END SUMMARY U.S. Discomfort at NZ Delay -----

----- 2. (C/N) On February 20, I spoke to Deputy Secretary John MacArthur of New Zealand's Ministry of Foreign Affairs and Trade (MFAT) about the importance the U.S. side attaches to receiving GNZ acceptance of the change in our mil-mil relationship we first proposed in October, 2007. It has become clear that the problem is no longer, to the extent it ever was, getting a paper through the PM's in-box. John MacArthur referred repeatedly to the

need to complete "the process" of developing New Zealand's response. I noted with John and later with Carl Worker, MFAT Americas Division Director, that U.S. internal discussions in preparation for the AUSMIN had raised to senior levels awareness of New Zealand's continued non-response. I suggested that this risked tarnishing what should be a real positive for the relationship. They both acknowledged this point with some discomfort. Clearly they would have liked to see things move more quickly. I made it clear that now is the time to provide an answer and dispel any concerns at senior levels of the USG. They promised to do what they could to provide a response before the AUSMIN. 3. (C/N) DCM was called back to MFAT Thursday afternoon, February 21, to meet with John MacArthur and Carl Worker and receive the following response to the paper DASD James Clad presented to the New Zealand Embassy on October 25, 2007. DCM was told that this response had been cleared with MFAT CEO Simon Murdoch, who is currently in Canberra, and therefore represents an official response. o Ambassador Roy Ferguson has been back in Wellington for consultations during the last week and will be conveying New Zealand's response to the US advice of the outcome of its "internal review of defense and security policy with New Zealand" on return to Washington next week. In response to the US request for guidance ahead of the AUSMIN meeting this weekend, we are pleased to convey the key points of the response that the Ambassador will outline in Washington in more detail. o In the context of the major improvement that has taken place in the bilateral relationship through the joint efforts of both sides, and as a further contribution to that effort, New Zealand welcomes that such a review was undertaken and that the outcome has been a positive US decision to introduce additional flexibilities into the operation of its waiver system applying to defence

cooperation with New Zealand with a view to encouraging and facilitating scope for new cooperation initiatives in a range of multilateral areas to mutual benefit. o We understand that this has been undertaken and remains within the existing overall framework set by relevant US policy guidelines. o New Zealand's welcome of the new flexibilities and potential opportunities also is framed within the current realities of the very high operating tempo of our defence forces and the contingencies within our immediate region for which we need to remain prepared. o We share the US assessment that there is no requirement for the advice of the outcome of the US review to enter the public domain. Our own broad public comment has been confined to recent speeches by the Minister of Trade and Defence (Speech to Christchurch/Seattle Sister City Association, Seattle, 7 November 2007) and the Secretary of Defence (Speech to 4th Annual Armistice Day Symposium, Auckland, 9 November 2007). (NOTE: DCM has forwarded to EAP/OSD and OSD/ISA Powers relevant excerpts of both speeches. END NOTE.) o In the event that public comment at any stage nevertheless were required, we have taken note of the US defensive talking points and would expect to consult closely at that time on the shape of any public comment. 21 February 2008 4. (C/N) As John MacArthur summarized this paper, it comes down to three points. -- New Zealand agrees to and welcomes the U.S. proposal and is eager to work within it. -- New Zealand is eager to avoid any publicity about this new approach, will only say anything under ""extreme duress,"" and will coordinate closely with the U.S. side before saying anything. -- New Zealand is very conscious that its forces are stretched thin and does not want to mislead the U.S. about its ability to undertake new missions. 5. (C/N) DCM thanked MacArthur and Worker for their efforts to secure this response. He noted that the extended delay in

receiving a response could only make those on the U.S. side wonder what lay behind the delay. Each of them said privately in the course of the day how frustrated they had been by the delays in securing consensus for this response. It was clear that even saying that much was sufficiently sensitive that neither wanted to say it in front of the other. 6. (C/N) DCM assured both MFAT officials that we completely shared their interest in avoiding publicity. On the issue of ops tempo, He suggested that one outcome of this new approach would be cooperation in training and exercises that would actually assist NZDF in improving its capabilities with less expenditure of time and resources. Without anticipating too much the specific outcomes of this new approach, we all agreed that the NZ Navy might benefit from USN experience in bringing its new multi-role vessel the Canterbury up to full capability. The Political Atmosphere ----- 7. (C/N) In a side conversation, John MacArthur noted that those working on this response were particularly conscious that both sides are moving into a political year, and it would be best to focus on improving cooperation in areas which remained below the level of political visibility. DCM agreed, observing that we had found Simon Murdoch's summary to A/S Hill at the Partnership Forum in September to be very thoughtful and persuasive. 8. (C/N) It remains clear though unstated that negotiating this response to our proposal was not as easy as we had thought it might be. Clearly there were those who were hesitant, either for political or operational reasons, and needed to be brought along. With that in mind, it will be important that we find ways to demonstrate that this new arrangement is working, because that will help those within the New Zealand government who want to improve relations with us and who want to cooperate operationally with us to the benefit of both sides.

MCCORMICK",25/02/2008

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02/17/2016 TAGS: PREL, PGOV, NZ SUBJECT:  
NATIONAL CONTEMPLATES CHANGE ON NUCLEAR  
BAN STANCE REF: 05 WELLINGTON 702 Classified By:  
Acting DCM Katherine B. Hadda, for reasons 1.4 (b) and (d)  
1. (C) Summary: The opposition National Party is  
considering changing its policy regarding New Zealand's  
anti-nuclear ban, hoping to thereby remove one of Labour's  
strongest weapons against National. Senior Party officials  
have explained to us behind the scenes that the  
modification would only clarify existing policy by removing  
any reference to a possible referendum on whether to  
repeal the legislation. While at first glance the potential  
change seems significant, in reality it was always unlikely  
National could meet the current policy's pre-condition of  
public support for a vote. It was even less likely the result

would be a majority vote in favor of removing what many see as an iconic piece of legislation. End Summary. 2. (SBU) At a recent National Party caucus retreat held prior to the start of the parliamentary year, two issues dominated the agenda: a possible challenge to the current leadership and a proposed change to the party's anti-nuclear policy. Although the eye of the media was fixed upon the leadership issue, a more critical issue largely flew beneath the radar: During the caucus retreat, National's Foreign Affairs spokesman Murray McCully moved that the party drop its current nuclear ban policy, which states that a National Government would only support a change to the anti-nuclear legislation if it had a clear public mandate by means of a referendum. 3. (C) McCully has, at this stage, only sought caucus approval for a discussion on the nuclear ban issue at a later date. However, he has told DCM and others that he wants National's policy to grant unconditional support to the status quo, i.e. to say the party supports maintaining the anti-nuclear legislation. Despite party leader Don Brash refusing to publicly state where he stands on the proposal, Post believes that he supports removing the possible referendum from the party's policy. Why the potential change? ----- 4. (SBU) National rightly believes that the referendum provision has been deliberately misrepresented by Labour to create confusion and doubt in the public's mind. The strategy of constantly attacking National over the issue was largely successful for Labour during the last general election, as it repeatedly put Brash on the defensive when he tried to explain his party's policy. Although Brash insisted National had "no intention of removing the ban," confusion remained as to why the party was mooting the possibility of a referendum if they did not intend to change the law. Brash's difficulty in mounting a convincing argument was also compounded by Labour's repeated (and deliberately misleading) claims that Brash

told a visiting CODEL that the nuclear ban would be "gone by lunchtime" if National were returned to power under his premiership. 5. (C) The resulting confusion over the referendum pledge has led much of the public to forget that National's policy actually supports maintaining the existing nuclear legislation absent a referendum called as a result of public demands. Confusion mounted when National also said that it would consider it had a mandate to change the legislation if elected on a platform to do so. After Labour made hay from that policy as well, National hastily added it had no intention of including a proposed nuclear ban change in its platform any time soon. Pragmatic rationale ---

----- 6. (C) The proposal to re-calibrate National's nuclear position is part of a broad review of the National's election campaign. McCully confided to visiting EAP/ANP Director Howard Krawitz that the party's polling shows the nuclear issue definitely cost it votes. 7. (C) McCully says the policy change is not a done deal, and apparently the party has not laid down a timetable for addressing the issue. But any change to National's nuclear policy would probably have to come sooner rather than later. Some senior National MPs fear that if this and other policies are changed closer to the election year (now scheduled for 2008) it will look like public pandering rather than strategic thinking. McCully has also conceded that a protracted delay could create further confusion in the public's mind. National committed to remain pro-US despite policy shift. -----

----- 8. (C) McCully has hastened to reassure us that change to National's nuclear policy will not dilute National's commitment towards improving the bilateral relationship. He has argued that despite the move to unreservedly uphold the nuclear legislation it is possible to "still have a positive view about the United States." McCully told EAP/ANP Director Krawitz that his party wants to focus attention on ways New

Zealand can advance its relations with the United States in a nonpartisan way. He said if National and Labour both agree that the ban should remain in place, National can better focus attention on Labour's gratuitous anti-American statements and overall failure to improve relations with the United States. McCully claimed that former National PM Jim Bolger was encouraging the change in policy, apparently arguing that the New Zealand public will only support removal of the ban if compelled by a crisis. (Comment: McCully did not articulate what this would be, but presumably a natural disaster requiring an air carrier to enter New Zealand's waters or a terrorist attack. End Comment.) Until then, the party gains nothing by pushing for a change. 9. (C) McCully also says that in the short term, National will criticize Labour's failure to improve bilateral relations and will also seek ways to build on US-NZ cooperation in a variety of areas. In the medium-term, it will try to move public opinion to be more supportive of the United States. Although the policy has not yet changed, McCully tried out National's new strategy in a radio debate last week with Defense Minister Goff, who called National's shift a "flip flop" and said the party can't be trusted. McCully responded that Labour was unwilling to improve its relations with the U.S. because many in Government are anti-American. Labour's response to the proposed change.

----- 10. (C)

Predictably, Labour has tried to capitalize on National's plans. Before the National caucus had even discussed McCully's proposition, Defence Minister Phil Goff went to the media to turn the issue from being about whether National would keep New Zealand nuclear-free into the wider question of National's overall credibility. He asserted that given that National had made so many reversals on the issue of nuclear ship visits, the public would surely not believe the party had really changed its mind this time. Goff

has since repeated this line of attack within the Parliamentary debating chamber. Comment: ----- 11. (C) While on the surface National's possible change in policy seems significant, in reality there is less there than meets the eye. Although the party has previously commissioned studies questioning the logic of the anti-nuclear legislation, and many of its MPs have privately told us they support removal of the ban, National's official policy always was to retain the law absent a voter referendum to repeal it. Given the strong and widespread support for the anti-nuclear legislation, such a referendum would almost surely fail. 12. (C) We know only one National MP -- the newcomer Chris Finlayson -- who thought a National Government should change the legislation right after winning an election, without a referendum. But he also thought the Government should then shelve the issue by not encouraging or allowing any ship visits for a number of years. Significantly, following the recent caucus even Finlayson seems resigned to the impossibility of changing the legislation any time soon. 13. (C) As we reported during the election campaign (reftel), a National Government would be unable to change the nuclear legislation over the shorter term because of strong public opinion in favor of the ban and because of the party's own reduced credibility on the issue after repeated Labour attacks. But we also continue to believe a National Government would be better able to rebuild much of the trust that has eroded US-NZ relations over the past years. For our part, Post will continue to tell National and others that we welcome the chance to build stronger bilateral relations, even if the extent of the improvement will remain constrained by the significant ""unfinished business"" that still remains between us. End Comment.

McCormick",17/02/2006

62574,5/03/2006 4:53 AM,06WELLINGTON341,Embassy Wellington,UNCLASSIFIED,,This record is a partial extract of the original cable. The full text of the original cable is not available., "UNCLAS WELLINGTON 000341 SIPDIS STATE FOR EAP/PD-AGRIMES, EAP/ANP-DRICCI, EAP/P-KBAILES, ECA/PE/V/R/F-TBlatt, JHathaway E.O. 12985: N/A TAGS: OTRA, KIRC, OIIP, MNUC, KPAO, KMDR, OPRC, NZ SUBJECT: NEW ZEALAND IVs EMERGE AS MEDIA LEADERS 1. BEGIN SUMMARY: While some New Zealand participants in the IV program remain in their same influential roles, others have had diverse experiences, including being offered employment by Al Jazeera, becoming the host of a radio show, and being promoted to management. Until recently we were able to send two journalists per year on IV programs, but recent cutbacks are making this increasingly difficult. We hope that any negative impact will be offset by the establishment of programs like the Edward R. Murrow program. From our experience there are few programs that make as much impact on present and future decision-makers as the first-hand understanding gained through participation in the International Visitor Program. END SUMMARY. 2. PARTICIPANT UPDATES (Participation date in parentheses): CLIFF JOINER (October 2002): Cliff Joiner was recently offered a job working for Al Jazeera International but turned it down because of concerns about his daughter's schooling. Since Cliff's participation as an IV he left TVNZ to work for rival network, TV3. Cliff now works in Christchurch, where he often acts as bureau chief with responsibility for the network's entire South Island coverage. (Note that we are about to launch a Virtual Presence Post for the South Island to increase our impact there.) Both television news networks regard Cliff as a possible future political editor. KATHRYN RYAN (July-Aug 2004): Next week Kathryn will

cease to be Radio New Zealand's political editor because her talents have been recognized and rewarded with her own daily three-hour program, Nine-to-Noon. Nine-to-Noon has a nationwide audience and rates second only to the network's flagship breakfast program, Morning Report.

**GUYON ESPINER (August-Sept 2001):** When Guyon went on an IV program, he was the political editor of the weekly newspaper, The Sunday Star Times. Soon after returning to New Zealand Guyon switched media. Guyon left The Sunday Star Times and joined TVNZ as their deputy political editor. He has since been promoted to become the political editor of the nation's most-watched television network.

**AUDREY YOUNG (May 2004):** Audrey continues to be the Political Editor of New Zealand's largest daily newspaper, The New Zealand Herald.

**NICK VENTER (October 2002):** When he participated in his IV program, Nick was the Dominion Post's political editor; he has since been promoted to management by becoming the newspaper's Assistant Editor. He is also responsible for writing most of the leader content (editorials) for the newspaper. Nick's latest editorial was on the bilateral relationship and was entitled, "'Let's Make Up and Be Friends.'"

**GARTH BRAY (October 2004):** Since his return to New Zealand, Garth has worked on TVNZ's flagship current affairs program, Sunday, and has been the fill-in/back-up presenter and interviewer for Agenda, TVNZ's weekly half-hour program on diplomatic and political happenings. In June Garth will become TVNZ's Australian Bureau Chief, a role reserved for the network's rising stars. In his new job Garth will continue to investigate New Zealand's role in regional security and the relationships between the three former ANZUS allies.

**ALI IKRAM (June 2005):** Ali is now regarded as so integral to TVNZ's coverage that the network has made him a prominent face in advertising for the network. TVNZ also asked him to

move from Wellington to their head office in New Zealand's most multi-cultural city, Auckland. He is widely regarded as the New Zealand journalist with the best contacts in the Islamic community; and while he continues to cover a wide variety of issues, he has increasing responsibility for the channel's intercultural and religious coverage. JUSTINE SHORT (June-July 2002): Justine continues to be Chief of Staff at TV3 the country's second-largest television network. The network's ratings are sky-rocketing, and viewer numbers in the influential Auckland market have overtaken their more established competitor, TVNZ. 3. Open-mindedness, field of influence, and the multiplier effect of potential candidates are prime considerations during our selection process, and investment in Embassy contacts outside the media have also yielded positive, sustained results. For example, NZ Labour Member of Parliament and former IV, WINNIE LABAN (November-December 2002) recently requested an Embassy meeting for her entire staff. Ms. Laban wanted to challenge her staff's perceptions of America and American foreign policy. 5. We repeat that we regard IV programs as exceptionally influential and maintain that the impact of such programs should not be underestimated. We underscore our appreciation and gratitude to the team in the EAP International Visitor Bureau. Thanks and regards, McCormick",3/05/2006

40332,9/11/2005 7:56 PM,05WELLINGTON696,Embassy Wellington,CONFIDENTIAL//NOFORN,05WELLINGTON695,This record is a partial extract of the original cable. The full text of the original cable is not available., "C O N F I D E N T I A L SECTION 01 OF 03 WELLINGTON 000696 SIPDIS NOFORN STATE FOR D (FRITZ), EAP/ANP,

EAP/RSP, EAP/EP, INR/EAP NSC FOR VICTOR CHA AND MICHAEL GREEN SECDEF FOR OSD/ISA LIZ PHU PACOM FOR J2/J233/J5/SJFHQ E.O. 12958: DECL: 09/09/2015 TAGS: PGOV, PREL, NZ SUBJECT: NZ'S ""PRESIDENTIAL RACE: "" FOCUS ON PM CLARK AND DON BRASH REF: WELLINGTON 695 Classified By: Charge D'Affaires David R. Burnett, for reasons 1.4 (b) and (d) 1. (C) Summary: As reftel notes, in this undecided campaign, the personality of the major parties' leaders may really influence voters' decisions. The following are two brief snapshots of what's on offer. End Summary. -----

----- Prime Minister Helen Clark -----

2. (C) Clark is the consummate career politician, who has been accused of acting with the sort of arrogance that can come with being the largely uncontested leader of the country for the last two terms. She often contrasts her depth of political experience with that of Brash, whom she tries to portray as a political neophyte. Indeed her capability to run the country's affairs is widely recognized, but this is not to say that her personality wins over the voters. Her length of political service is also both a liability and an asset: Kiwis begrudgingly respect her experience, yet at the same time are suspicious of her ability to shield herself from association with her Government's errors. 3. (C) Clark's grasp of policy detail is positively Herculean and has been put to good use at her weekly press conferences and now in the election debates. Her political instincts are widely recognized, despite some recent decisions clearly being on the wrong side of public opinion, notably the woefully received 2005 Budget which failed to provide much anticipated and desired tax relief to the middle class. Clark is faithful to the concept of centralized power within government. All policy is vetted by her office and is tightly controlled, as is the campaign. Very few are allowed into the inner circle. As Prime Minister she is a very controlling

manager, bordering on obsessively so. 4. (C) Clark avoids obvious falsehoods and has by and large supervised a more open government and disciplined erring ministers. Yet she also habitually shies away from close-to-the-bone truth, as evidenced with two noted incidents. In the first, she signed a painting donated to charity as her own during the last election campaign, even though it later came to light it was the work of another. This campaign season, the country witnessed the trial of a number of police officers accused of rushing the PM's motorcade at dangerous speeds to catch a flight to a rugby match. In both instances, Clark was less than forthcoming with taking responsibility for her actions or that of those who ultimately fell under her command. She very quickly cut support from Labour MP John Tamihere when he was implicated in financial improprieties. One gets the feeling that she is not the sort of leader to have a Truman-esque the buck stops here, plaque on her desk. 5. (C) Clark is no shrinking violet. Even before hard-edged, grizzled union men put her through the fire in her early days in the Labour Party, she was a forthright and resolute student activist. Clark was at the forefront of a group of iron-willed feminist MPs who stormed the Labour party in the early eighties despite their male counterpart's skepticism. Many of these MPs remain in politics and sit at the right hand of Clark. 6. (C) Clark is goal orientated and usually meticulous in her planning. A demanding taskmaster, she exacts high standards and a work ethic from staff and colleagues. Despite the Labour Party having a history of turning on their young, Clark has a very loyal following and her inner circle has been notably cohesive since she became leader of the party (her Chief of Staff, and gatekeeper, Heather Simpson, has been at Clark's side since she was a backbencher. Simpson, often referred to as the second most powerful person in New Zealand, would walk across hot coals for Clark and is so close to her that

she can often speak on the behalf of Clark, privately of course). 7. (C) Clark carefully weighs her arena, timing, message and the appropriate messenger. For the first, head-to-head debate with Brash, Clark nixed planned, dual radio-television coverage, favoring instead only the radio format. While Brash is no fashion plate, Clark is universally recognized as not "camera friendly." When the media pressed her for weeks on an election date, Clark obstinately responded in refrain that she would make the date known "in due course." When queried in Parliament, Clark routinely repeats limited, scripted points, and refuses to be pushed into further explanation or into ground that she does not control -- quite different from Brash's manner in which he appears compelled to explain. However, Clark is quick and sharp with criticism if she believes she has either evidence to back her up or sufficient cover that evidence is unnecessary, such as citing confidential meeting notes which Labour claims shows that SIPDIS Brash has a secret agenda to eliminate the anti-nuclear legislation. When she has neither evidence nor sufficient cover, Clark deploys Labour ministers to make the accusations and avoids potential, personal blow-back. Recent examples include Education Minister Mallard's unsubstantiated claims of U.S. financing of the National campaign and recent posters from Young Labour depicted President Bush alongside Brash, conveying that Brash would take New Zealand into Iraq. 8. (C) Although Clark is often viewed as cold and somewhat remote to the aspirations of families - she has no children - Clark and husband Peter Davies have a close bond. Furthermore, she is very close to her parents, sisters and their children and often holidays with them. Her physical appearance is often mocked as dowdy and drab, despite periodic efforts, especially at election time, to inject some glamour into her looks. Clark does not appear to take such mockery to heart and appears to succumb to such

"extreme makeovers" only at the behest of her image gurus. But by and large, she gives the impression that she is very comfortable in her own skin and is more interested in substance over style. Still, Clark's exterior armor is not without its chinks, and her rare political missteps often flow from her personal than her political side. She has complained that National's billboards portray her as "sleepy and grumpy." Two weeks following a debate, Clark publicly lamented abuse suffered from National supporters among the studio audience. Recently, she entered a cockpit of an Air New Zealand flight to confront a pilot who -- incorrectly -- blamed her for the flight's delay. 9. (C) Perhaps a holdover from her upbringing in a very frugal household, Clark exhibits a Presbyterian streak in her determination to run balanced budgets. Arguably, Clark's greatest strength is in her intellect (recognized by Brash himself during a recent leader's debate). She has also demonstrated coolness under pressure and steely ability to withstand assaults that would have felled most mere mortals. Clark's greatest weakness is her reserve. Coupled with her mental agility and her passion for elite or solitary recreations (opera and cross-country skiing) and her childlessness, ordinary folk sense distance. Despite this, many who know her intimately maintain that the private Clark can be funny, warm and open, and we at the Embassy have found the same. These traits, however, often do not come across on television. ----- Dr. Don Brash ----- 10. (C) Brash portrays an awkward humanism that opens the door for the middle ground vote. In campaign footage, he always wears a tie -- a sometimes striking contrast such as when he awkwardly slipped behind the wheel of a dragster or when he has appeared side-by-side a hard-hat wearing contingent to promote his party's tax cut policy. While his wire-rimmed glasses, tie and overall professorial demeanor suggest that he lies

somewhat removed from the "mainstream" Kiwi voter that he courts, he is nevertheless present and engaging these mainstream -- or more precisely, swing voters. Is it having an effect? Recent polling suggests movement of "modest" income voters (NZD 21 to 33 thousand; USD 15 to 24 thousand) from Labour to National (a swing as much as 15 points by one poll). 11. (C) Brash can exude authority, gravitas and, very nearly, power. Embassy officers have been struck how much more confident he has become about his own political skills during this campaign. However, all this can be washed away when Brash is cornered by a difficult question requiring a succinct and straight forward answer. In such cases, he often flounders and in doing so loses some of the key qualities many look to in a leader, thus devaluing his currency. In particular, Brash has fumbled, repeatedly, on matters of policy and recollection of events concerning foreign relations, asset sales, and the influence of outside interests, such as business and religious groups. His bumbling results from -- among other things -- his relatively limited experience with political campaigning and the political fray; his apparent, compelling need to explain (often with too much detail) as demonstrated on his equivocating on asset sales in a recent debate; and remnants of old-fashioned (though not necessarily outmoded) values. As such, he has in part lived up to Labour's label of him as an amateur. On the other hand, Brash portrays a campaign and policy platform based on values personally held rather than policy objectives based on polls. Kiwis respond to this, even when Brash expresses himself ineptly. Comments that he took it easy on Clark in a debate because she was a woman and that he is not a feminist, have, ironically, seemed to capture several points of the woman vote from Labour. Brash's gentlemanly way may also portray his general distaste of and aversion to negative campaign politics.) 12. (C) Opinion

is split on whether Brash is brave or just plain naive in the way he at times acts contrary to the conventional wisdom of a politician. (He entered politics only in 2003.) Despite Labour trying to paint him as dishonest and duplicitous, Brash has made the "honest" appraisals of New Zealand's current state of affairs a hallmark of his leadership, such as the state of race relations as articulated in his speeches on Maori issues ("Orewa I and II"). Brash has even said that he will be honest "even if it hurts politically," although ironically this week he belatedly admitted he had in fact known of plans by a Christian group to distribute anti-Labour and Greens pamphlets, despite having denied this. Even so, in his short time in politics Brash has made forthright, even courageous, remarks on many issues considered sacrosanct in New Zealand politics (again race relations and, although less explicitly, the anti-nuclear legislation).

13. (C) Another interesting aspect of the campaign has been National's repetition of a clip following Brash's January 2004 Orewa I speech. The clip shows a bit of turf striking him in the face -- literal mudslinging. The image would likely portray leadership weakness to the American eye, but curiously, the "average" Kiwi appears to perceive this as testament to Brash's willingness to highlight the need to address the hard issues of race relations rather than to white-wash the differences around the edges.

14. (C) Recently, Helen Clark, Don Brash and several other candidates appeared in a series of photographs, each holding the same baby. Brash happily kissed the baby, but Clark nearly held the baby at arm's length. The collection of photos exhibited what is a silent theme in the election, important to many New Zealanders -- that Brash better understands the dilemmas of families. He has spoken openly about the failure of his first marriage, has children from that marriage, and commented freely on his marriage to his Singapore-born wife. His wife has

featured in party materials, and his daughter has appeared on the campaign trail with him. In part, the connection to family is novel because campaigning with family in New Zealand is not traditional. The subtle message is that Brash -- though not of the mainstream -- is very near to it, unlike the relatively distant Clark. 15. (C) An analysis of Brash's core self is by no means a linear exercise. He is somewhat of a paradox. Although a classical liberal, free marketer and economic rationalist, he voted for the bill that decriminalized prostitution. He is divorced and remarried; in fact he cheated on his first wife. Brash's residual Presbyterianism is of the liberal variety, not the stern Scottish brand. And his "Christian socialism," which defined his formative years and is a holdover from his father's politics, lingers in a residual social conscience. Rather than a "no" or even "minimal" government advocate, he is a "limited" government man. The government, he has declared, "has a vital role, including funding education and providing a social safety net." Burnett", 11/09/2005

86862,11/24/2006 3:10,06WELLINGTON928,Embassy Wellington,CONFIDENTIAL//NOFORN,06WELLINGTON924|06WELLINGTON928,VZCZCXRO7393OO RUEHCHI RUEHFK RUEHHM RUEHKSO RUEHPBDE RUEHWL #0928/01 3280310ZNY CCCCC ZZHO 240310Z NOV 06FM AMEMBASSY WELLINGTONTO RUEHC/SECSTATE WASHDC IMMEDIATE 3527INFO RUEHZU/ASIAN PACIFIC ECONOMIC COOPERATION IMMEDIATERUEHBY/AMEMBASSY CANBERRA IMMEDIATE 4621RUEHLO/AMEMBASSY LONDON IMMEDIATE 0150RHEHAAA/NATIONAL SECURITY COUNCIL WASHDC IMMEDIATERUEKJCS/OSD WASHINGTON DC IMMEDIATERHHMUNA/CDR USPACOM HONOLULU HI IMMEDIATERHHJJAA/JICPAC

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12958: DECL: 11/24/2016 TAGS: PGOV, PREL, NZ  
SUBJECT: OPPOSITION LEADER BRASH RESIGNS;  
KEY TIPPED TO TAKE CHARGE REF: WELLINGTON 924

Classified By: DCM David J. Keegan, for reasons 1.4 (b)  
and (d) Summary ----- 1. (C) SUMMARY: New Zealand's  
main opposition party leader, Dr. Don Brash, has resigned  
after weeks of speculation over his leadership. Dogged by a  
series of gaffes and missteps that raised questions over his  
political judgment, Brash announced that the National Party  
will caucus on Monday to pick a new leader. The  
charismatic John Key is the likely contender. A former  
investment banker with Merrill Lynch, Key remains an  
admirer of the United States. He rates high with the NZ  
media and in polling, but many caucus members remain  
uncomfortable with his lack of political experience.

Meanwhile, the gag order has just been lifted on the book  
reportedly containing allegations of National Party  
campaign malfeasance, which served as catalyst to Brash,s  
departure. The author claims it also contains information  
damaging to Key. End Summary. Brash,s often turbulent  
leadership comes to an end -----

----- 2. (SBU) Thursday afternoon, November 23, Brash  
announced his resignation as National Party Leader.  
Brash,s decision follows months of missteps, and there  
have long been rumors he would be removed by his  
caucus. But the speed of his departure was something of a  
surprise. In a hastily called press conference, Brash said he  
could no longer continue as leader because of continuing  
speculation about his future. Although he claimed to have  
been considering his future for some time, it is probable he

knew his caucus would not support him following his latest political misstep over a soon to be published damaging book (reftel) . Brash declined to commit to staying in Parliament, saying it would be up to the new leader to decide if he had a future within the party. Brash,s resignation is effective from Monday November 27 when National,s caucus will meet to decide who among its MPs will become its next leader. And that leader is likely to be John Key ----- 3. (SBU) Even though anything could happen behind the closed caucus doors, Monday,s meeting to pick Brash,s successor is likely to be a straightforward transition to a John Key leadership. Soon after Brash,s resignation announcement Key, National,s Finance spokesman who has long been considered a potential leader, officially threw his hat in the leadership ring. Although former Party leader Bill English has refused to rule out a leadership bid he will probably not mount a challenge to Key as he is unlikely to win. On the day Brash resigned, Key got endorsements from two senior National MPs: Deputy Leader Gerry Brownlee and Industrial Relations Spokesman Wayne Mapp. National will want a smooth transition to the next leader, as a divisive contest could damage the party,s political fortunes going forward (particularly at a time when it is outstripping Labour in the polls). National Front bencher and shadow Trade Minister Tim Goser told DCM Thursday evening that National will move quickly to endorse Key and prepare to challenge Labour. 4. (C) Although the top slot is essentially secured, the Deputyship is wide open. Incumbent Brownlee refuses to say whether he will seek to retain his position. Other contenders are: Law and Order Spokesman Simon Power, Economic Development Spokesman Katherine Rich and Welfare Spokesman Judith Collins. Brownlee has the edge as an experienced street fighter, but National may wish to improve its currently poor standing with female

voters by selecting a woman for the slot. English is not believed to be interested in serving as Key,s deputy, and he may expect to be offered the coveted finance portfolio in return for his support. Labour will be nervous about Key -----

----- 4. (C) Deputy Prime Minister Michael Cullen claims to be bullish at the prospect of facing a potential Key leadership, WELLINGTON 00000928 002 OF 002 but its probable both he and Prime Minister Clark would have preferred the status quo. Labour has often easily exploited Brash,s lack of political savvy, his struggle to perform within the adversarial bear pit of the Parliamentary debating chamber and his tendency towards embarrassing gaffes. Key has none of these weaknesses. In the 2005 campaign Key bested Cullen on the critical tax reform debate, scoring valuable political points for National. Additionally, a former very successful investment banker raised by his Austrian-Jewish widowed mother in NZ state housing, Key is a rags-to-riches story who appeals to New Zealanders. He also offers a more modern, fresh and dynamic leadership which could contrast with Labour, widely viewed as becoming stale and staid after 7 years in power. Clark and co. will try to exploit Key,s relative political inexperience: he entered parliament in 2002. However, Key has learnt the political game fast and will likely prove to be a more dangerous opponent for Labour than Brash.

COMMENT: U.S.-National Ties Will Remain Solid -----

----- - 5. (C) Amid the swirl of speculation surrounding National,s next leader, the looming presence of Hager,s book, ""The Hollow Men"", remains (reftel). Among the allegations reportedly contained in the book are ones concerning a clandestine relationship between the National Party and some US neo-conservatives during the 2005 election campaign. Post has not seen an advanced copy of the book but understands that this section will essentially take the form of name and

shame, exercise. If the public reaction to this allegation is found to be politically damaging for the National Party, it may seek to publically place some distance between it and the US. But as reported reftel, we have heard the U.S. portion of the book is not prominent. In any case, Key is an admirer of the United States and friendly to Mission New Zealand, and other National contenders are the same. We anticipate continued good relations with the party no matter who takes up the reins. McCormick",24/11/2006

27552,2/24/2005 6:39,05CANBERRA354,Embassy  
Canberra,SECRET//NOFORN,,This record is a partial  
extract of the original cable. The full text of the original  
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EAP/K, EAP/ANP AND NP/RA E.O. 12958: DECL:  
02/23/2015 TAGS: MARR, PARM, PREL, KNNP, AS, KS,  
KN, IAEA SUBJECT: COMMANDER OF UN FORCES IN  
KOREA GENERAL LAPORTE DISCUSSES NORTH  
KOREA WITH AUSTRALIAN FM DOWNER Classified By:  
CDA BILL STANTON FOR REASONS 1.4 (A, B AND D). 1.  
(C) SUMMARY: In a meeting with Australian Foreign  
Minister Alexander Downer on February 16, U.S. General  
Leon LaPorte, Commander of the UN Command in Korea,  
described the dramatic changes taking place in the ROK, in  
particular at the Demilitarized Zone (DMZ), where the UN  
Command's role is also changing rapidly. He outlined the  
significant transformation of the U.S. and ROK forces and  
gave context to the drawdown of 12,500 troops from South  
Korea, a ""rock solid"" U.S. ally. While agreeing that the  
Six-Party Talks should continue, Downer thought the  
international community ought to do more to pressure the  
DPRK, such as by invigorating Proliferation Security

Initiative (PSI) activities against the North Koreans. As LaPorte described the current conventional war-fighting capabilities of the DPRK military, Downer speculated on the actual number of nuclear warheads Pyongyang might possess. Downer suggested that aid that could prop up the DPRK's failing infrastructure should be withheld in order to bring an end to the regime's tyranny. End Summary.

#### CHANGES ON THE KOREAN PENNINSULA -----

----- 2. (C) General LaPorte briefed FM Downer, at his request, on the current status of the Korean Peninsula. Explaining that he was visiting Australia and New Zealand in his role as UN, and not U.S., Commander, LaPorte noted the significant changes taking place in the ROK. The Demilitarized Zone (DMZ), after 50 years as the world's most heavily defended turf, had also changed dramatically over the past 18 months. While only handfuls of people had traversed the DMZ previously, now hundreds, and potentially thousands, were doing so daily, thanks to the construction of two super highways and railway lines linking the two sides. The UN Command's role was to enforce the armistice and facilitate crossings, so its role was changing as well. This was a result of the Roh Government's outreach policy to the North Koreans. LaPorte praised the ROK as a ""rock solid"" ally of the U.S. RECONFIGURING U.S. FORCES -----

----- 3. (C) Asked by Downer about the downsizing of U.S. Forces in Korea, LaPorte explained that a total of 12,500 U.S. troops would be withdrawn from a total of 37,500 over five years. Five thousand had already departed. Meanwhile, technological capabilities were dramatically improving. The U.S. forces had been spread among 100 camps and stations across South Korea. Where they had once been ""at the end of a dusty trail,"" many of the U.S. bases were now surrounded by urban developments and therefore needed to be reconfigured. As both U.S. and ROK forces transformed

and consolidated their bases to reduce irritants to local communities, certain military tasks were also being transferred to ROK forces. Because the U.S. military was an all-volunteer force, it was significant that the consolidation of bases would enable improvements to the quality of life for the stationed troops, which would in turn facilitate recruitment.

4. (C) Downer agreed that capabilities were more important than numbers of troops in this era, but he asked whether all South Koreans agreed that this was the right time to downsize. LaPorte said some Korean conservatives were concerned, but after 50 years it was time to readjust the U.S. force structure. The USG's commitment and adherence to the 1953 Mutual Defense Treaty with the ROK remained steadfast, and USFK were being transformed in cooperation with the ROKG and the South Korean people. He pointed to a USD 11 billion investment in improving U.S. forces' capabilities in the ROK.

CAPABLE ROK FORCES -----

5. (C) Downer asked for details on ROK forces. LaPorte told him there were 780,000 in uniform, and about 450,000 of those were army. He said the South Korean conscripts were quite well-equipped and trained. Downer asked COL Moug, the Australian Defence Attache in Seoul who attended the meeting, for details of interaction between the Australian Defence Force (ADF) and ROK forces. Moug replied that most interactions were high-level exchanges, although several South Korean exchange students were also at Australian Defence Academies. He noted that the two countries' Special Forces officers had expressed interest in exercising together.

NORTH KOREAN MILITARY CAPABILITIES -----

6. (S/NF) FM Downer asked if it was correct that DPRK forces could unleash artillery shells and missiles into the Seoul basin and inflict tremendous damage before UN forces could neutralize their capability. LaPorte said there were some

250 North Korean underground artillery positions within range of Seoul which could fire high-explosive or chemical-filled shells. DPRK missiles could reach all of South Korea and Japan. However, the North Koreans' ability to win a conventional war was doubtful. Even with 1.2 million under arms, its air force and naval capabilities were limited. The DPRK had 18 MIG-29s; the other airplanes were much older. Its tanks were mostly old T-55s. DPRK pilots averaged 12 hours of flight training per year, while U.S. and ROK pilots received 12 - 15 hours per month. Sustainability and logistics capabilities were "not there," LaPorte stated. The artillery, though old, was the main threat. So the DPRK's leverage, Downer surmised, was the damage it could inflict on Seoul. LaPorte concurred, calling it the "tyranny of proximity." "Not that any of us believe in pre-emption," Downer chuckled, but what could the UN forces do if they thought it was necessary? General LaPorte emphasized that all of the Combined Forces Command (CFC) operational plans were premised on reacting to a North Korean attack. SIX-PARTY TALKS: WHAT ELSE CAN BE DONE? ----- 7. (C)

Downer stated that the universal line that the Six-Party Talks (6PT) had to resume was correct, but they also had to be effective. He thought there ought to be ways to bring additional pressure to bear on the DPRK leadership. He assumed Japan would be the first to apply sanctions; the rest of us needed to have plans in place, he urged. How the North Koreans would react to Japanese sanctions was anybody's guess, Downer said. General LaPorte noted that U.S. Ambassador to Korea Chris Hill had been named to replace EAP/AS James Kelly, and would take over the U.S. lead on the 6PT as well. The General expressed the USG's desire to continue the 6PT process and find a diplomatic solution, pointing out the irony of the accusations about U.S. unilateralism when the U.S. was working hard to keep

the negotiations with the DPRK multilateral. North Korea would like nothing better than bilateral negotiations with the U.S., he remarked. 8. (C) Downer said bilateralizing the talks with the DPRK would be a huge mistake, not least because it was China which had the most leverage on North Korea. He noted that China wanted to play the role of honest broker and that was not good enough; Beijing had to understand that it had to bring its leverage to bear on Pyongyang. In addition, new strategies had to be devised to further constrain the North Koreans. The Foreign Minister called the PSI a worthy initiative, mentioning that Australia was a core player. Perhaps, he suggested, the PSI could be brought to bear more vigorously, although the North Koreans would ""cry blue murder"" in Beijing. NORTH KOREAN NUKES ----- 9. (S/NF) The FM asked General LaPorte how many nuclear warheads he thought the DPRK had: two or three? Downer and his Senior Adviser Haynes mentioned that IAEA DG ElBaradei had said Pyongyang could have as many as six, based on the number of fuel rods the North Koreans possessed. LaPorte thought the DPRK had the capacity to make more than two or three warheads, given the amount of plutonium ""harvested"" before the 1994 agreement and based on the DPRK's own claim of having reprocessed the 8,000 spent fuel rods after the agreement had ended. It was a high-risk strategy, he observed, that the North Koreans thought would lead to a big payoff but most likely would not. Downer agreed, noting it only strengthened the resolve of the international community. LaPorte commented that North Korea's ambiguity about whether it had nuclear weapons had served it well in the past. Now that it had confessed to having them, countries that had been sitting on the fence would have second thoughts. UN COMMAND, DPRK INFRASTRUCTURE AND BLEEDING HEARTS -----  
----- 10. (C/NF) Asked to describe

how the U.S. forces and the UN Command structure worked, LaPorte and COL Kevin Madden of the UN Command's Military Armistice Commission, explained that a U.S. General served as the UN Commander and the U.S. Secretary of Defense served as the UN Command's Executive SIPDIS Agent. The UN Command in Korea reported annually to the UN Security Council and could do so more often if it wished. LaPorte emphasized that the transportation corridors through the DMZ represented the greatest change to the way South Koreans, at least, had lived for the past 50 years. Downer and Madden compared their personal experiences in Pyongyang, with Downer calling the DPRK capital "pathetic" with its darkened streets, cracked pavements and unmowed grass. LaPorte concurred that the DPRK infrastructure, including the power grid and rail lines, was decrepit. In closing, Downer remarked, "let the whole place go to s--t, that's the best thing that could happen." Speaking off the top of his head, he added that aid should not be given that would prop up the infrastructure. If U.S. officials wanted to hear the "bleeding hearts" view of "peace and love" with respect to North Korea, Downer joked, they only had to visit his colleagues in New Zealand. Downer said he personally agreed with President Bush that tyranny had to be ended.

PARTICIPANTS ----- 11. (C) UN/U.S.: Commander of the UN Command in Korea, General Leon LaPorte; COL Kevin Madden of the UN Command's Military Armistice Commission; and Embassy Polmiloff. Australia: FM Alexander Downer; his Senior Adviser Bradley Haynes; Australian Defence Attache in Seoul COL John Moug; and DFAT Korea Section Executive Officer Charles Adamson.

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