Name: COLIN FRANK AMODEO.
Address: 8 BRETTS ROAD, ST. ALBANS, CHRISTCHURCH N.I. NEW ZEALAND.
Date of Birth: [redacted]
Name of school attended: ST. ANDREWS COLLEGE, CHRISTCHURCH.

This candidate's essay is particularly strong on an aspect of the question so often neglected—"responsibilities and opportunities". As a "Specially Commended" candidate last year who has presented a sound "commentative" (rather than analytical) essay of a type different from many others, I would suggest he be considered for a Prize and he is placed in my final assessment.
Examination of New Zealand's position in World Affairs today, indicating the particular opportunities and responsibilities which accrue from being a part of the Commonwealth.

New Zealand today is a small primary-producing country depending largely on overseas markets for the sale of her meat, wool, and dairy produce.

New Zealand's position in world affairs today, and her position as a senior member of the Commonwealth, therefore depends on her export economy, as her size and limited population prevent her becoming a major power. This economy is threatened by the current price depression of her exports to Europe and the loss of markets for beef in the United States. Furthermore, her economic balance may be upset if Britain is forced to join the Common Market. Consequently, while Britain may be one of the most articulate of the smaller nations in the United Nations Assembly, she depends for this position on an expanding export trade. To assure this, she must help bind the Commonwealth into a solid economic bloc, and take advantage of all opportunities presented to herself and the Commonwealth.

New Zealand is bound by economic, if not political ties to Britain and the Commonwealth in general. She enjoys Commonwealth preference, but in return she must extend economic privileges to other Commonwealth countries. This is often a restrictive responsibility, but only by means of reciprocal trade agreements such as this, can she utilise the bargaining power possessed by the whole Commonwealth, to expand her markets and the volume of her trade.
New Zealand in World Affairs.

Much of New Zealand's present prosperity is due to the invention of refrigeration, whereby the surplus of meat, wool, and dairy produce can be exported quickly to overseas markets. However, New Zealand is a small country with a small population, and is economically and technically underdeveloped under her present technology. The necessity to import finished articles demands that she find extensive and reliable markets for her agricultural produce. New Zealand therefore, must play the unenviable role of mediator in order to maintain good relations with the other nations, both inside and outside the Commonwealth, which form the chief source of her material prosperity.

New Zealand exports approximately two thirds of her agricultural surplus to Commonwealth countries, and the United Kingdom is by far the largest market for her produce. The present stability of the New Zealand economy depends on the right of entry of duty-free goods into Commonwealth countries and subsequent high prices at the markets. On this basis, national solvency may be assured while New Zealand's overseas credit remains acceptable. If however, New Zealand's export trade was to collapse, the country could no longer afford to act as a beneficent nation as her overseas deficit already amounts to over £16 million sterling. As a result her prestige would suffer, and the stagnation of trade would produce a national crisis.

New Zealand does have a relatively important position in world affairs today, because of her size and population, paradoxical as this may seem. As she is a small country herself, she cannot be accused of selfish motives when offering aid to poorer countries. As a nation with no material basis for imperialistic aims, New Zealand can voice considered opinions on major world issues. As a model welfare state, New Zealand has made important contributions to world health programmes, food and clothing relief organisations, and educational standards. Nevertheless, only
increasing gold reserves and overseas credit can maintain this position as a most articulate nation. In practice too, New Zealand cannot influence major world issues in any considerable way, as she has neither the capital to finance huge international loans nor the manpower to maintain large strategic bases. New Zealand's position in world affairs then, is only of relative importance. Her dependence on foreign markets leaves her vulnerable to all fluctuations in world trade and movements of capital.

New Zealand's opportunities as a member of the Commonwealth.

New Zealand exports of dairy produce and meat to Europe have, over the last few months, met with stiff competition from United Kingdom and European producers. The excellent producing season enjoyed by most European countries has built up stocks everywhere, and New Zealand produce is fetching relatively low prices. One example of the way in which New Zealand is at the mercy of her overseas markets has been the London dock strike, which has been blamed for the lowering of New Zealand profits on the United Kingdom market. Heavier production in the United States has meant that less New Zealand beef has been sold there and New Zealand producers have been forced to seek markets further afield.

Furthermore, pressures on the United Kingdom government to join the European Common Market, or at least to make concessions sufficient to maintain Britain's trading position on the Continent, have mounted. New Zealand is now facing a problem which strikes at the very heart of Commonwealth cooperation and preferential trade. Is she to assume that the privileges of free entry and preference she has enjoyed for so long on the British market, will be maintained indefinitely in the face of the advances of the members of the Common Market? In other words, is she to assume that the bonds of the Commonwealth association are strong enough to prevent Britain, who is her largest market at present, from abandoning Commonwealth preference and joining the Common Market, thereby setting up tariffs on New Zealand goods?
However, New Zealand has one great advantage - she is a senior member of the Commonwealth, of the Commonwealth which is quickly realising that the system of Commonwealth preference is practically obsolete. Many of the Commonwealth exports pay at least a nominal duty on the United Kingdom market. In fact, the only part of the preferential system of any real value to New Zealand and other Commonwealth members, is the unrestricted right of duty-free entry. Therefore, Commonwealth Finance Ministers may consider that it is better for Britain to enter the Common Market and withdraw the protection on Commonwealth goods. This would leave the Commonwealth free to join the Common Market on the possible basis of tariffs on imported agricultural produce, but no quantitative restrictions. The Commonwealth could trade with Britain on the same basis but would withdraw any protection previously afforded to imports from the United Kingdom.

Economic growth in the countries of the Common Market since the war has been the most rapid in the world. French, German, and Italian output has increased by over 60%, while United Kingdom output has increased by only 20%. It is obvious that Britain will ultimately have much closer economic links with Europe in order to preserve her own economic stability. Therefore the time is ripe for the Commonwealth to make a definite move towards greater trade with the whole of Western Europe, and not just the United Kingdom.

New Zealand has made a serious error in not maintaining a permanent representative at Common Market headquarters and she can only hope to gain access to the Common Market at this stage, by pressing for a joint approach by all members of the Commonwealth. This is a great opportunity for all Commonwealth members to expand their overseas trade, and for New Zealand it may well be her greatest trading venture of the century. Western Europe is a market with which New Zealand has had no
traditional ties and it does not at present buy our produce. Western Europe will provide a desirable diversion of trade for the whole Commonwealth even if it means initial difficulties and hardship in changing from the old system of Commonwealth preference to a system of a common external tariff imposed by the Common Market, and the abolition of British preference on Commonwealth markets.

New Zealand, as a senior member of the Commonwealth has a great opportunity to create future markets for herself by giving technical and educational aid to her poorer African and Asian associates. As a small country she cannot be accused of having selfish aims when offering aid to other countries in the Commonwealth. This is very much to her advantage as many of the new autonomous countries view approaches by Britain as an extension of the old imperialism and are wary of United Kingdom aid. New Zealand must help the poorer countries to help themselves and create self-supporting industries. In this way, New Zealand will have created markets for her wool if not for her meat and dairy produce. Thus the circle is completed. New Zealand aids a poor country, which in turn provides her with markets, which increase both the prosperity of the receiver and New Zealand, and further enable New Zealand to continue giving aid to poorer countries.

New Zealand has the opportunity for forging closer links with the tropical producers in the Commonwealth. Greater imports of cocoa from Ghana, coffee from Kenya, cotton from India and Pakistan, raw rubber from Malaya could pave the way for assured markets for New Zealand wool and temperate agricultural produce.

Obviously, to increase the New Zealand wool clip or the tonnage of her butter and cheese, new methods and more scientific research are needed. As a member of the Commonwealth, New Zealand already benefits from
the latest methods of increasing land production and yields, and has made important contributions herself in the field of aerial topdressing techniques. New Zealand research workers are sharing the Commonwealth knowledge of the techniques of blow fly extermination, crop disease prevention, and tussock eradication. Furthermore, New Zealand industrialists are realising the need to develop more fully New Zealand's huge hydro-electric and thermal power potential. The technical knowledge of the Commonwealth pool gives New Zealand a great opportunity to expand her secondary industries and overcome complete reliance on her agriculture as her means of prosperity. The construction of an aluminium smelter in Southland by Consolidated Zinc of Melbourne, is one example of this fund of engineering and technological experience which New Zealand has, and will continue to tap in her economic expansion.

Since the war, New Zealand has built up a small secondary industry. The efforts of the last Labour government to protect the small New Zealand textile and light engineering industries gave sufficient proof that the country was beginning to realise the importance of an industrial and agricultural economy. It will be a long time before New Zealand becomes a workshop of the world like Japan or the Low Countries, and her primary industry is of the utmost importance. Yet, New Zealand is benefiting from the South African mining techniques, the Canadian pulp and paper making techniques, and the United Kingdom textile and light engineering knowledge. Huge hydro-electric dams like Roxburgh, Benmore, or Karapiro, the hard and softboard industry centred at Mataura, are two indications that New Zealand has not been slow to exploit the opportunities already offered by Commonwealth financiers and technologists.

The present power of the Commonwealth cannot be overlooked in world politics. The older members - Canada, India, Australia, and New Zealand have had an experience of diplomacy which cannot be equalled by
any other group of countries. The Commonwealth has almost a quarter of the world population and possesses great natural resources. It is in the interest of all the members of the Commonwealth - especially the primary-producers like New Zealand - to press for joint action in gaining new markets. The Commonwealth has prospered through its trade, it has built up its position and is respected throughout the world, and it can provide each of its members with great opportunities for economic expansion. And, after all, it is economic expansion which is the basis for all improvements to the national standard of living.

New Zealand's responsibilities as a member of the Commonwealth.

New Zealand has one of the highest living standards in the world today, and her welfare state has possibly lulled many New Zealanders into a feeling of false security, for her prosperity and position in world affairs have been maintained only by continually expanding her markets. Nevertheless, New Zealand has met the challenge posed by the poorer members of the Commonwealth, and no one can censure her for failure to meet her responsibilities as a senior member of the Commonwealth. There is the obvious moral and humanitarian motive of removing misery and distress in her agreements on plans of Commonwealth assistance. The more material argument of self-interest is also present, for with each act of generosity, New Zealand gains prestige.

It must be noted however, that New Zealand can only fulfil her obligations as long as her own prosperity continues to increase. A slump in her export trade would have disastrous effects on the strength of her aid to poorer countries. Consequently she can and will shoulder her responsibilities as a member of the Commonwealth only as long as she can derive the utmost from the opportunities presented to the Commonwealth.
New Zealand is an active contributor to the World Bank, and a signatory to the Colombo Plan. She is a member of the Commonwealth Development Corporation and the South Pacific Commission. One of her latest acts of generosity has been the grant of £1 million to aid the great Indus Waters Project, which will be of immense value to India and Pakistan. Nevertheless, her responsibilities are not limited merely to giving. New Zealand must be prepared to modify her economy in such a way that she can import from her poorer associates without upsetting her own economic balance. This is essential. While New Zealand may find new markets in Africa or Asia she must import from those markets as well as export to them.

The speed of communications, the spread of knowledge, the extent to which disease is being eradicated — all these add pressure to the demand for economic betterment. New Zealand is taking her responsibilities of increasing educational facilities and health services very seriously. Her Pacific Island dependencies, in particular, receive all possible aid. Yet, unless she can improve the standard of living by trading more extensively with her protégés, she is not completely fulfilling her obligations.

New Zealand, as a senior member of the Commonwealth, has a further responsibility in preparing her dependencies — the Cook, Union, Samoan, and Kermadec island groups — for some sort of independence, ultimately. These island groups will never be economically independent, but they will demand complete constitutional independence. New Zealand universities, technical colleges and offices must therefore train native administrators, in order to enable the island groups to take their place as active members of the Commonwealth.
New Zealand has two other important responsibilities towards the Commonwealth, as a member of that same Commonwealth. She must endeavour to place herself in such a position that her economy may not be damaged by world fluctuations in trade. She must, in other words, have a second string to her bow. She must develop her secondary industries to the point where she is no longer entirely dependent on primary produce for her prosperity, and she must endeavour to gain promising markets in Japan, South East Asia, and the United States, in case she is unable to enter the Common Market on terms favourable to her.

When she has achieved this she is in no danger of depending on Commonwealth finance to set her on her feet if her present trade balance should collapse. She will then be a self-sufficient member of the Commonwealth, prepared for most contingencies world trade may produce.

New Zealand's final important responsibility as a member of the Commonwealth concerns Commonwealth defence. She is an outpost in the Pacific, a small mountainous country, yet her contribution to the war effort in 1914-18 and 1939-45 was considerable. Today she is a member of the A.N.Z.U.S. and A.N.Z.A.M. pacts as well as S.E.A.T.O. She forms an important link in the Commonwealth weather information services, and close cooperation with Australia over defence problems is a feature of her acknowledgement of the difficulty in defending a commonwealth covering many thousands of square miles of sea as well as land.

The fact that Australia and New Zealand have entered pacts such as ANZUS and ANZAM without British participation, shows the completeness of their independence. New Zealand is indeed an independent member within the Commonwealth, but her lifeblood is trade, and only as a staunch member and supporter of the Commonwealth can she turn her
responsibilities to her economic advantage, and exploit to the full the opportunities presented to her as a member of the Commonwealth.

BIBLIOGRAPHY.


Department of Agriculture magazine.

Relevant articles from 'The Economist', 'The Press'.