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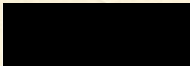
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A 1st.

ROYAL COMMONWEALTH SOCIETY

1960 ESSAY COMPETITION

CANDIDATE NO. 82 -

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Examine the position in world affairs  
of any Commonwealth country, indicating  
the particular responsibilities and  
opportunities which accrue from being  
a part of the Commonwealth.



## P R E F A C E

### INTRODUCTION:

New Zealand - member of Commonwealth - importance of being unimportant - New Zealand policy - freedom of action in world affairs.

### FOREIGN AFFAIRS:

Diplomatic service - United Nations - member of the Economic and Social Council - United Nations International Children's Emergency Fund - Special United Nations' Fund for Economic Development - International Bank of Reconstruction and Development - International Monetary Fund - trustee in Samoa - joint trusteeship of Nauru - South Pacific Commission - South-East Asia Treaty Organisation - A.N.Z.U.S. - trade relations - possible effect of European Common Market.

### COMMONWEALTH:

New Zealand attitude to Commonwealth - responsibilities as Member - to preserve link with Britain - to maintain example of racial equality - to continue friendly relations with Malaya - S.E.A.T.O. and Colombo Plan - opportunities which accrue - Imperial Preference - membership of Sterling area - British investment - responsibility to preserve these relations, chiefly with Britain - further opportunities -

PREFACE (Continued):

co-operation in defence - information from Commonwealth Relations Office - meetings of Commonwealth Prime Ministers - educational and scientific co-operation - "Commonwealth" organisations.

CONCLUSION:

New Zealand's position in world affairs.

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The most southern of all the Commonwealth countries and traditionally strongly attached in sentiment to Britain, New Zealand is a small country with a broad participation in world affairs. In today's world of uncertainty and indecision, New Zealand has the comforting knowledge that no country, Western or Communist, has any reason whatsoever to fear her. This situation is due to the maintenance by the New Zealand Government that because of her small size, New Zealand's importance rests with her being unimportant.

New Zealand's policy can be summarised thus: support for the charter of the United Nations, its structures and its procedures; support for and close co-operation with the British Commonwealth; incessant insistence on the closest collaboration between the British Commonwealth and the United States; the pursuance of "good neighbour" policies towards the Asian countries; the encouragement of the development of the world's peaceful trade, including New Zealand's own with other countries; and the justification of the co-operation of other nations by accepting obligations and doing what is necessary at home to make possible the fulfilment of these obligations.

Like all the other Commonwealth countries, New Zealand is free, to determine her own foreign, domestic, financial and fiscal policies; to define her citizenship and immigration regulations; to negotiate and sign treaties with other nations; to maintain her own diplomatic service and to decide for herself the issues of peace and war; to join

international organisations; and she has complete freedom on international issues. New Zealand has fully accepted this freedom of action and much of her participation has been developed along these lines.

New Zealand has built up an efficient, though not large, external affairs service. She has Embassies only at Washington and Bangkok. She has Legations only in Paris and Tokyo and has confined her High Commissioners to London, Canberra, Ottawa and Kuala Lumpur. Until the recent appointment of the High Commissioner to Kuala Lumpur, the Ambassador in Bangkok had a roving commission in South East Asia.

Given the small scale of New Zealand diplomacy, the main field of operation of her foreign policy has been at the United Nations. From the meeting at Dumbarton Oaks in 1945, New Zealand has always expressed precisely her opinions and policies, and although only a small country, she has a representation and voice in the General Assembly of the United Nations far out of proportion with her size and population, and the General Assembly has always given careful consideration to her views. However, on most matters New Zealand has played the part of a small nation with a determination to retain her self-respect while not offending her main connections, Britain and the United States. On small matters New Zealand has sometimes taken an independent line. She has shown enthusiasm for and given support to most United Nations projects; her representatives are anxious to



show that New Zealand is still a believer in international institutions.

Over the past few years New Zealand has been wanting a broader participation in United Nations work in the economic and social fields. In 1959, New Zealand was elected by the General Assembly to membership of the Economic and Social Council (E.C.O.S.O.C.) for the three-year period 1959-61. This Council is responsible for carrying out the functions of the United Nations in economic, social, cultural, educational, health and related matters, and for promoting the observance of human rights and fundamental freedoms. Thus, while supporting most of the specialised agencies, New Zealand also has a large share of the work carried out by the Economic and Social Council.

As a member of the Executive Board of the United Nations International Children's Emergency Fund (U.N.I.C.E.F.) and at the same time as a non-beneficiary country, New Zealand's role is primarily one of assisting the proper discharge of the functions and responsibilities of U.N.I.C.E.F.

New Zealand has long recognised the desirability of stimulating the flow of capital to under-developed countries and therefore welcomed the establishment of the Special Economic Development Fund (S.U.N.F.E.D.).

In the financial field, nationalist qualifications have proved stronger than internationalist principles. New Zealand has not ratified the Bretton Woods agreements nor become a member of the International Bank of Reconstruction and Development or of the International Monetary Fund.



In Samoa New Zealand has been a model trustee and the Trusteeship Council of the United Nations has expressed satisfaction with the New Zealand policies there. Western Samoa is one of New Zealand's major responsibilities in the international sphere and has therefore assumed for this country an importance out of proportion with its limited size and population. By her care for the Samoans and their constitutional economic and social progress, New Zealand has more than justified her position on the Trusteeship Council.

New Zealand has also shown her ability to co-operate with other countries in the joint control of a Trust Territory. Together with Australia and Britain, New Zealand is responsible to the United Nations for the island of Nauru. Although she takes no part in the day-to-day administration of the phosphate island which is controlled by Australia, under an agreement between the three administering powers, she does her share in looking after the Islanders' welfare.

The South Pacific Commission has a restricted but valuable role to play in assisting the economic and social development of the South Pacific region in those matters which can best be pursued through co-operation and co-ordination between the Governments responsible for the administration of Pacific territories. New Zealand has been a strong supporter of the Commission and has both contributed significantly to the work of the organisation and drawn considerable assistance from the services it has rendered to her territories in the area.



Events have shown that the United Nations cannot yet provide the security that New Zealand requires. Hence she has joined the regional defence pacts S.E.A.T.O., and A.N.Z.U.S., an action which is not really incompatible with work in the United Nations.

The amount of military and economic aid which New Zealand can provide for S.E.A.T.O. activities is small, but she has contributed as much as possible, primarily, to repel communist infiltration and subversion in the countries of South East Asia, and especially in Malaya.

Since the War, New Zealand has wanted some guarantee of American protection. The fact that, until recently New Zealand's only Embassy was at Washington is indicative of the importance placed upon co-operation with the United States. The A.N.Z.U.S. Agreement, signed in 1951, is an agreement by which each of Australia, New Zealand and the United States can rely on military aid from the other two, should her territories in the Pacific be attacked. However this does not mean that Australia and New Zealand must support the United States in Formosa. The American help is necessary but in some respects not entirely welcome. For Australia and New Zealand, the traditionally "British" members of the Commonwealth, it has proved difficult to reconcile with continued adherence to the British connection. However the exclusion of Britain from the agreement does not mean that "loyalty" to Britain has diminished, in the sense of loyalty to the Crown; it is much more a matter



of the discovery of separate national interests which demand separate policies.

The high standard of living in New Zealand rests upon favourable prices for exports of wool, meat and dairy products. At present New Zealand exports to and imports from nearly all the Commonwealth countries, especially Australia and Britain, and this flow accounts for almost seventy-five per cent of New Zealand's trade. The progressive consolidation of the economies of the six Common Market countries of Western Europe is a development which New Zealand has been watching with interest and concern. Britain cannot be unaffected by the movements in Europe towards integration, and New Zealand, while realising this, has also been steadily and keenly aware of the implications closer British ties with Europe may have for the economic interests of a primary producing country, such as New Zealand. Hence during the last two years a barter system, on a large scale, has been developed with Japan. Just recently a trade agreement was concluded with Yugoslavia. The Philippines provides a limited but increasing market for New Zealand meat and dairy produce. This shows the present tendency of New Zealand to develop trade relations with countries outside the Commonwealth in order to provide alternative markets to that of Britain. However, the impression should not be gained that the volume of trade with Britain has decreased. It has not. These other markets are merely, at present, accepting New Zealand's overflow of exports, but in the future they may take some trade which has previously been with Britain.



To New Zealand, the Commonwealth is still Britain. New Zealanders think instinctively of Britain as a motherland, rather than an equal partner. In spite of attending Prime Ministers' meetings and participating in the co-operative arrangements of Commonwealth countries at the United Nations (such as occupying the non-permanent Commonwealth seat on the Security Council when her turn comes round) New Zealand does not use the Commonwealth as a diplomatic instrument to the same extent as Britain, Canada, India or Australia.

New Zealand politicians still think of the link with Britain as the determining element in New Zealand foreign relations and their first interest is the preservation of this link, which includes the maintenance of New Zealand's allegiance to the Crown. This link is fostered by New Zealand's economic independence upon the British market, but it is primarily a matter of sentiment and custom. To preserve it, is to preserve an essential strand in New Zealand thinking.

By her excellent record of racial equality in her treatment of the Maoris and Pacific Islanders, New Zealand has shown to the other countries of the Commonwealth, indeed to the whole world, that Maori and Pakeha can live side by side in continual harmony. New Zealand's friendly association is not confined to the Maoris and Pacific Islanders, for during the last three years New Zealand has enjoyed excellent relations with the Government and people of Malaya. New Zealand representation in Malaya has, however, not been direct, but has been an additional responsibility



of the Commissioner in South East Asia. New Zealand's relations with Malaya recently entered upon a new stage with the opening of a separate mission in Kuala Lumpur. This event drew added significance from the fact that Mr. Bennett, the new High Commissioner, is the first Maori to be appointed to a New Zealand diplomatic post.

The Malayan jungle has been the scene of the activities of the New Zealand Army Battalion, which, comprising a large proportion of Maoris, has established a magnificent reputation throughout Malaya, not only by its successes in tracking down Communist guerillas but also by its hospitable attitude to the Malays themselves.

New Zealand has accepted further responsibility in South East Asia through the South East Asia Treaty Organisation and the Colombo Plan. New Zealand's aid to S.E.A.T.O. has been mainly financial aid. The Battalion in Malaya is not controlled by S.E.A.T.O.; it is a part of a Commonwealth Expeditionary Force in Malaya. The element of Commonwealth influence and joint endeavour has remained a strong one in the Colombo Plan, which is an approach to "watching" Communism, laying emphasis on welfare rather than armed defence. There are seven Commonwealth countries involved, Britain, Australia, New Zealand, India, Pakistan, Ceylon and Malaya. New Zealand has trained many students from South East Asia in the field of technical education, social services and rural science, and has also continued to provide experts for service overseas and equipment usually for projects with which



New Zealand experts have been associated. The splendid work carried out by the people sent to South East Asia under the Colombo Plan, the help that New Zealand has given under this plan and the fine efforts of many New Zealanders in technical jobs over the years have contributed to the high standing of New Zealand's name throughout the area.

As a member of the Commonwealth New Zealand has many opportunities, which she would not have if she were not a member. Because it is difficult to diversify New Zealand's exports, the potentialities of Imperial Preference arouse more interest in New Zealand than elsewhere in the Commonwealth. Article I of the General Agreement on Tariffs and Trade forbids an increase in Imperial Preferences. These agreements do not cover New Zealand's principal export, wool. However, many of New Zealand's chief exports pass into other Commonwealth countries at a lower rate of custom duty than do similar exports from countries outside the Commonwealth, owing to the Preference granted. Of all countries in the Commonwealth, New Zealand and Australia benefit most from these preferences.

New Zealand derives further advantages from membership of the Sterling Area. It is an advantage to keep her international accounts in sterling, for sterling is freely transferable within the whole of the Area and is an acceptable means of settling debts in many countries outside the Area. There is a strong unity between the members because it has compelled them to co-operate in trying to solve the problem of balance of payments with the



dollar countries, notably the United States. Where the Sterling Area as a whole requires common institutions is in deciding what general lines of policy are appropriate to its preservation; and it is here that the Commonwealth aspect of the system is of prime importance. The onus for decision about general Sterling Area policy is thus thrown upon Commonwealth Prime Ministers. At meetings to discuss the Area's policy, the New Zealand Prime Minister has the same opportunity as any other Member, for presenting his views and suggestions.

British investment in the Commonwealth is a matter of considerable importance. Each member has traditionally looked to Britain for a large part of its development capital, in most cases for the greater part of it. Britain is the only country in the Commonwealth which is a net long-term investor abroad. New Zealand, as a member of the Sterling Area, has also been given special facilities for seeking investment from Britain. Since 1945 Member countries have had a preferential position on the London money market and the private sectors of their economies have benefited from the fact that Britain has operated no exchange control on the movement of capital to Sterling Area countries.

It is the British market that means most to New Zealand industries benefiting from Imperial Preference. It is British investment which is made available on special terms to New Zealand and other Commonwealth countries. It is the strength of sterling, the British currency, which provides the backing for the Sterling Area and such advantages as overseas members of the Commonwealth derive from it. Thus New Zealand, in particular,



has an interest and responsibility in preserving these special relations.

In defence New Zealand is free to make her own arrangements, if she wishes, for alliance with Britain and such other powers as she considers to be suitable, and it is inevitable that in the changed strategic situation New Zealand, while continuing to co-operate as closely as possible with Britain, should look more and more to Australia with its growing defence industry and to the United States. New Zealand's defence policy is therefore no longer exclusively oriented to that of Britain although through the military working arrangement known as A.N.Z.A.M., Australian, New Zealand and British military authorities continue to work in the closest co-operation. Britain, as the most experienced and developed Commonwealth member, in warfare as in other fields, is able to provide training facilities, scientific knowledge and discussions of strategy which New Zealand would find difficult to obtain elsewhere. New Zealand also co-operates with other Commonwealth countries, besides Britain, by way of discussions at the highest political level, visits by high-ranking officers of the armed services, exchanges of information and combined exercises which are held annually in the Indian Ocean.

In foreign affairs New Zealand is responsible for her own policy, but she often discusses her policy with other Commonwealth members. New Zealand receives from the Commonwealth Relations Office in London detailed information on every aspect of foreign policy and on all the important developments in foreign countries,



and an indication at an early stage<sup>of</sup> the probable course of British policy. It is in the light of this information from London, which materially supplements what New Zealand receives from her own representatives, that her policies are framed.

The frequency of meetings of Commonwealth Prime Ministers is due to a large extent to the pressure of economic and political events in the world and to the strong desire of the British Government to maintain close contacts with the Commonwealth countries. By his continued attendance at these meetings, the New Zealand Prime Minister shows that he considers that New Zealand derives advantage from these informal discussions, generally on foreign policy, status and economic affairs.

Of great importance to New Zealand is the educational and scientific co-operation with other Commonwealth members, especially Britain. The British Council makes travel grants and, like the Nuffield Foundation, awards post-graduate research scholarships. The Goldsmith's Company London, the Commonwealth Bursaries Scheme and the Rutherford Memorial Scheme assist Commonwealth scientists. The Rhodes Trust and the Association of Universities of the British Commonwealth promote the exchange of university teachers and students between Commonwealth countries.

Many "Commonwealth" organisations have been established and New Zealand derives benefits from most of them. In economic affairs the Commonwealth Economic Committee makes reports on any economic subject submitted to it by any of the Governments and provides economic intelligence services on production, trade and



marketing matters of special interest to Commonwealth countries.

The ten Commonwealth Agricultural Bureaux are primarily concerned with the dissemination of information. New Zealand is represented on the Executive Council, contributes to its finances and provides some of the staff. The Department of Scientific and Industrial Research of New Zealand maintains close relations with the D.S.I.R. of Britain.

Inter-Commonwealth communications are cared for by the Commonwealth Shipping Committee, the Air Transport Council and the Telecommunications Board which are advisory bodies with Headquarters in London. Their function is to co-ordinate the demands and interests of the various member-nations and recommend joint arrangements which may harmonise these. Through these organisations New Zealand's interests in communications receive careful consideration.

Thus as a member of the Commonwealth New Zealand has several obligations to fulfil - the preservation of the link with Britain, the continuance of her policy of racial equality, the maintenance of the existing friendly relations with South East Asia and in particular with Malaya. Imperial Preference, membership of the Sterling Area, British investment, co-operation on defence matters, a supply of information from the Commonwealth Relations Office, the opportunity to participate at meetings of Commonwealth Prime Ministers, educational and scientific co-operation and membership of "Commonwealth" organisations, are some of the advantages which accrue to New Zealand.

In conclusion, New Zealand has a unique position in world affairs and the Government should do its utmost to maintain this position.

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