THE LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE

‘Staying Alive’: New Zealand, Britain and European Integration, 1960-85

By Hamish McDougall

A thesis submitted to the Department of International History of the London School of Economics and Political Science (LSE) for the degree of Doctor of Philosophy, London, September 2021.

Declaration

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I certify that the thesis I have presented for examination for the PhD degree of the London School of Economics and Political Science is solely my own work other than where I have clearly indicated that it is the work of others (in which case the extent of any work carried out jointly by me and any other person is clearly identified in it).

I declare that my thesis consists of 99,945 words.

Abstract

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The thesis examines the Anglo-New Zealand political relationship as Britain joined the European Community in the 1960s, 1970s and early 1980s. It assesses and explains New Zealand's influence in Britain and Europe during the negotiations and the effect this had on the terms of Britain's entry. It also looks at the extent that Britain's entry into the European Community accelerated New Zealand's decolonisation, using New Zealand as a case study to better understand the relationship between Britain and its former colonies in the second half of the twentieth century. The study is placed in the broader context of the Cold War, European integration, economic and social change. For the first time in relation to this topic, the research uses official and political sources from the United Kingdom, New Zealand and the European Community, as well as multilateral institutions such as GATT.

The thesis concludes that, using New Zealand as a political case study, the 'shock and betrayal' narrative, with European enlargement accelerating decolonisation, is overstated. Despite being a small country as far from Western Europe as it is possible to be, the New Zealand Government exerted disproportionate influence over Britain's two failed entry attempts in 1960-63 and 1967 and won important trade concessions during eventual accession in 1973. This influence continued through the renegotiation of British membership terms and the referendum in 1975, adding sheepmeat to the Common Agricultural Policy in 1980 and beyond. New Zealand's influence materiality altered the terms of European Community enlargement and was derived in large part from the political situation in the United Kingdom and the European Community, as well as broader geo-political processes and events. Far from an irreconcilable rupture, British accession arguably strengthened pan-partisan political and diplomatic links between Britain and New Zealand (and the Community and New Zealand), at least in the short to medium term.

Acknowledgements

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A PhD is both a solitary pursuit and collaborative endeavour. This one is no exception; it comprised selfish and mostly enjoyable graft from me and the exceedingly unselfish and invaluable input of a considerable number of others. I am enormously thankful to those named here, with apologies for any omissions. Of course, any errors in the following document are my own.

Firstly, I need to thank Piers Ludlow, my PhD supervisor at the London School of Economics and Political Science (LSE). From our first meeting he saw potential in a research project featuring a small, distant, idiosyncratic country squaring up to more powerful counterparts in Western Europe. His enthusiasm, sage advice and job references have been free flowing, and for that I owe him many thanks. The LSE International History Department's Paul Keenan supervised my Masters dissertation and has been a referee, mentor and convivial companion in the pub and on the cricket pitch. I would not have started without his help and the finished product was made much better by his proofreading efforts. Also at LSE, David Stevenson employed me as a teaching assistant on two of his twentieth century international history courses, during which I benefitted tremendously from his encyclopaedic knowledge and conscientious approach to students and colleagues. For similar reasons I am also very grateful to Matthew Jones and Anna Moran for hiring me to co-design the University of London online course *International History Since 1945*.

Tanya Harmer and Vladislav Zubok oversaw the LSE International History PhD programme in supportive ways. In Tanya's case, she was tremendously helpful to myself and others grappling with restrictions imposed by the Covid-19 pandemic. Nayna Bhatti's administrative support was always much appreciated. Matthew Jones and Nigel Ashton insightfully examined my upgrade viva after the first year. Others in the Department to have provided help and advice include Megan Black, Victoria Phillips, Imaobong Umoren, Susana Carvalho and Taylor Sherman. My roles co-convening LSE International History Seminars and separately, LSE-Sciences Po Contemporary History Seminars exposed me to some of the best emerging scholarship on the 1960s and 1970s, for which I appreciatively acknowledge the co-convenors and presenters.

In the past four years I have benefitted from many conversations with fellow PhD students at LSE. Katherine Arnold has been the collegial heartbeat of the Department and an inspiration to keep going, especially in the dog days of the pandemic lockdowns. We enjoyed many joint study sessions and conversations at the Ye Olde White Horse pub, becoming good friends. Other LSE PhD students convened reading groups, organised social events or shared advice, ideas and teaching resources, including Molly Avery, Bastiaan Bouwman, Will King, Eline van Ommen, Alex Mayhew, Tommaso Milani, Grant Golub, Tom Wilkinson, Caroline Cox, Mairead Costello, Liam Connell and Marral Shamshiri-Fard – thanks to all.

Scholars outside LSE to have kindly informed my efforts include Lindsay Aqui at University of Westminster, who reviewed a draft of Chapter Five. Stuart Smedley from Kings College London usefully pointed out relevant polling data from the 1960s and 1970s. Victoria University of Wellington's Claire Timperley was greatly encouraging, and I had several fruitful conversations with other Victoria scholars Charlotte Macdonald, Jim McAloon, David Hall, Steven Loveridge and Roberto Rabel. Others to have made helpful suggestions include Felicity Barnes at University of Auckland; James Belich, Rita Ricketts and Ashley Jackson at University of Oxford; Mario del Pero at Sciences Po; Corinna Ungar and Federico Romero at European University Institute (EUI); James Ellison at Queen Mary University of London; and Michael Kandiah at Kings College London. I also owe a long overdue thanks to my secondary school history teacher, Jim Graydon.

A four-year LSE Studentship allowed this project to happen financially. The International History Department also generously helped with grants for travel and language training. In addition, I am grateful to the Historical Archives of the European Union for a Vibeke Sorensen grant to spend three exquisite months researching in the Tuscan hills, at probably the most beautiful archival setting in the world. The staff there were ever helpful, including Dimitri Lazzeri and Laura Burgassi. The same can be said for archivists and librarians at Archives New Zealand, National Library of New Zealand, Alexander Turnbull Library, and the UK National Archives. Paul Horsler and the team at the LSE Library have been responsive throughout, as have staff at the LSE PhD Academy.

Current and former New Zealand Ministry of Foreign Affairs and Trade officials generously provided information, interviews, and contacts. The Ministry's Research Advisor Charlotte McGillen was remarkably helpful in suggesting sources and accessing documents in

the Ministry's files and at Archives New Zealand. Others to have helped with interviews or feedback on draft chapters include Reuben Levermore, Simon Murdoch, Richard Nottage, Neil Walter, Terence O'Brien, Brian Lynch and David Evans. In 2020 Ian McGibbon and the New Zealand Ministry of Culture and Heritage's Elizabeth Cox commissioned me to write a chapter for the official history of the New Zealand foreign service. This was a useful task to undertake at a critical time. I thank them and the book's Editorial Committee for their patient guidance and feedback, some of which informed this thesis.

Chapter Two formed the basis of an article published in *The International History Review,* for which I thank the Editor and anonymous peer reviewers. My research was also presented at a variety of conferences, seminars and workshops. I am especially grateful to the organisers, chairs and audiences at the 'British International History Group Annual Conference', Lancaster, UK; 'Europe Between Colonisation and Globalisation Interdisciplinary Workshop', Villa Vigoni, Italy; 'New Historians' Conference', Victoria University of Wellington; 'Contemporary British History Seminar', Institute of Historical Research, London; 'New Directions in Commonwealth History Workshop', Institute of Commonwealth Studies, London; 'Global History Conference', Freie Universität, Berlin; 'LSE International History Seminar', London; and 'CIVICA Summer School for Doctoral Researchers on European Integration', EUI, Florence.

Friends, including the long-running Bantermail Lions chat group, have been a source of levity and encouragement throughout. My family, especially my parents Beth and Andrew, have been most supportive, not least in providing accommodation on my extended research trips to Wellington. My 100-year-old grandmother Helen Morton passed away shortly before completing this work. Her last words to me (among the last to anyone) were 'I hope you do well in your exam'. I hope I have done her and the rest of the family proud.

Lastly, I need to thank Laura Young, who I met while undertaking this research. She is a talented diplomat at the New Zealand High Commission in London and the possessor of much knowledge on contemporary foreign affairs, trade, and politics. Far more than that, Laura has become a partner in life. She deserves the most thanks of all, and much love besides.

Ngā mihi maioha, Hamish McDougall, September 2021.

Acronyms and abbreviations used

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ANZ – Archives New Zealand, Te Rua Mahara o te Kāwanatanga, Wellington, New Zealand

ANZUS - Australia, New Zealand, United States Security Treaty (1951)

ATL – Alexander Turnbull Library, Wellington, New Zealand

AUEW – Amalgamated Union of Engineering Workers

BBC – British Broadcasting Corporation

Britain / UK – United Kingdom of Great Britain and Northern Ireland

CAP – Common Agriculture Policy of the European Community

CER - Australia–New Zealand Closer Economic Relations Trade Agreement (1983)

CFM – Commonwealth Finance Ministers' Meeting

CHOGM – Commonwealth Heads of Government Meeting

COREPER - The European Community's Permanent Representatives' Committee

CSCE – Conference on Security and Cooperation in Europe

DGSE - Direction Générale de la Sécurité Extérieure (external security service of the French Government)

ECJ – European Court of Justice

EID - European Integration Department, United Kingdom Foreign and Commonwealth Office

EU – European Union (formed in 1993)

European Community – In 1967 the European Economic Community (EEC), European Coal and Steel Community (ECSC), and European Atomic Energy Community (EURATOM) were merged to form the 'European Communities'. For ease and following wide usage at the time, this thesis uses 'European Community', 'the Community', or occasionally 'Common Market' throughout.

FCO – United Kingdom Foreign and Commonwealth Office (nb. It was the Foreign Office prior to 1968, when it was merged with the short-lived Commonwealth Office, which itself succeeded the Dominions Office. Today it is called the Foreign, Commonwealth and Development Office).

FRG – Federal Republic of Germany

GATT – General Agreement on Tariffs and Trade

GDP – Gross Domestic Product

HAEU – Historical Archives of the European Union, Fiesole, Italy.

KGB – Security Service of the USSR

LSE – London School of Economics and Political Science

MAFF – United Kingdom Ministry of Agriculture, Fisheries and Food

MCA – Monetary Compensation Amount

MEP – Member of the European Parliament

MFA – New Zealand Ministry of Foreign Affairs (nb. This name applies from 1969-1988. It was Department for External Affairs from 1943-1969, Ministry of External Relations and Trade from 1988-1993, and Ministry of Foreign Affairs and Trade thereafter).

MP – Member of Parliament (used in the United Kingdom and New Zealand)

MTN – Multilateral Trade Negotiations

NATO – North Atlantic Treaty Organisation

NFU – National Farmers' Union (UK)

NLNZ – National Library of New Zealand, Te Puna Mātauranga o Aotearoa, Wellington, New Zealand

NRC - National Referendum Campaign (an Anti-Common Market campaign organisation in the UK during the 1975 referendum)

NZ – Aotearoa New Zealand

NZHC – New Zealand High Commission

OECD - Organisation for Economic Co-operation and Development

PPS – Personal Private Secretary (civil servant in the United Kingdom)

PRC – People's Republic of China

Protocol 18 – the special arrangement included in the Treaty of Accession 1972 for the European Community's imports of New Zealand dairy products

SEATO - Southeast Asia Treaty Organisation

SWPD – Southwest Pacific Department, United Kingdom Foreign and Commonwealth Office

The Six – The six original members states of the European Communities from the signing of the Treaty of Rome in 1957 to enlargement in 1973; namely, Belgium, Federal Republic of Germany, France, Italy, Netherlands and Luxembourg.

TNA – The National Archives of the United Kingdom, Kew, England

UKHC – United Kingdom High Commission

UKREP – United Kingdom Permanent Representative in the European Community

UN – United Nations

UNCTAD - United Nations Conference on Trade and Development

US – United States of America

USSR - Union of Soviet Socialist Republics, also occasionally called the Soviet Union.

VRA – Voluntary Restraint Arrangement/Agreement

WEU – Western European Union

WTO – World Trade Organisation

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Introduction

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A fight for life?

'In the past New Zealanders have come to Europe to fight and to die; today we are here to fight to live'.[1] That was how New Zealand Trade Minister and Deputy Prime Minister John Marshall put it in 1962. Marshall was fond of a martial metaphor. His speeches and texts are sprinkled with them, likening New Zealand's campaign to retain export markets in the enlarged European Community to a life and death battle.[2] Marshall's memoirs explicitly link the country's Second World War contribution to continued trade access, suggesting the New Zealand Expeditionary Force's occupation of Trieste in 1945, in which he participated as a Major, explained Italian Government support for New Zealand's case in 1971.[3] Marshall's colleagues also used 'fighting' talk, with Prime Minister Keith Holyoake saying in 1970 that 'New Zealand is facing the most testing period in its history and fighting for its economic life'.[4]

These statements jar in the present day, when it is widely presumed that New Zealand's economic, cultural and political independence from the United Kingdom were beneficial, inevitable and largely complete as British accession to the European Community took place in 1973.[5] Historians' interpretations of the 'fight for life' rhetoric have mostly been split into two camps. On the one hand, it is seen to convey the sense of shock, betrayal and helplessness faced by New Zealanders as Britain joined the European Community. On the other, such statements have been seen as self-serving hyperbole; that Britain's entry to the European Community made little substantive difference to New Zealand. In this view, the

[1] John Marshall, *Memoirs: Volume Two 1960 to 1988,* (Auckland:1989), 89-90.
[2] For example: Telegram, UKHC Wellington to FCO London, 'New Zealand and the EEC', 24 May 1971, BT 241/2354, The National Archives, Kew, United Kingdom (TNA); 'Marshall speech opening the debate in the House of Representatives on the special arrangements for New Zealand in connection with Britain's application to join the EEC', 1 July 1971, MS-Papers-1403-166-2, Alexander Turnbull Library, Wellington (ATL).
[3] Marshall, *Memoirs: Volume Two*, 112.
[4] 'Speech by Holyoake at a Parliamentary luncheon in honour of Mr Rippon', 22 September 1970, MS-Papers-1403-162-4, ATL.
[5] See below for historians making these arguments. Although not strictly accurate, following common use in the historiography this thesis uses 'Britain' and 'United Kingdom' interchangeably throughout, referring to the United Kingdom of Great Britain and Northern Ireland (and sometimes the Government thereof). In 1967, the European Coal and Steel Community (ECSC), European Economic Community (EEC) and European Atomic Energy Community (EURATOM) were merged to form the 'European Communities'. For ease and following the vernacular of the time, this thesis mostly uses 'European Community' to refer to these before and after 1967. The European Union was formed in 1993, so EU is used from this date.

former colony was diversifying its economy away from Britain, establishing itself as an independent nation irrespective of European integration.

Both interpretations tend to view the UK-New Zealand relationship in either cultural 'national identity' or economic terms, and they draw heavily on the dominant historiographical motifs of British 'decline' and New Zealand 'independence'. However, when an international political interpretation is applied, Marshall and Holyoake's statements start to make more sense. The economic risks of Britain joining the European Community without safeguarding New Zealand's interests were substantial and this point needed to be made to British ministers, but it would have been more accurate for Holyoake to have said 'we are fighting for our *political* lives'.

As a political history drawn from international sources, this thesis builds on revisionist economic and cultural histories, but takes a different tack. Firstly, it suggests that the widely held notion that New Zealand was 'shocked', 'betrayed' or 'abandoned' by Britain during European Community enlargement in the 1970s causing a 'brutal snap' in relations and accelerating New Zealand's decolonial independence, has been over-emphasised. Over at least two decades the British Government went to extraordinary lengths to negotiate continued trade access for New Zealand within the European Community, sometimes at considerable expense to the Exchequer. Because of such efforts, the terms agreed for New Zealand when Britain joined the Community were reasonably good, helping to maintain much of its traditional trade, although problems remained.

In helping New Zealand, the British Government was not primarily motivated by sentiment, altruism, or the personal interest of its leaders. Nor were the special arrangements secured for New Zealand solely a result of persistent and effective New Zealand diplomacy. Rather, they stemmed from domestic political considerations in Westminster. This encouraged Harold Macmillan's Government to prioritise New Zealand's concerns in 1961-63, Edward Heath's Government to negotiate a special arrangement for New Zealand (known as Protocol 18 of the Treaty of Accession) to avoid parliamentary defeat in 1971, and Harold Wilson's Government to extend the arrangement in 1975 to help its referendum chances while uniting a fractured Labour Party. Margaret Thatcher's Government stood up for New Zealand within the Community in 1979-81 because it gained approval from her political base and was seen to help secure budgetary concessions and Common Agricultural Policy (CAP)

reform. Throughout, there were considerable intersections between British and New Zealand interests, including the desire to control food inflation and liberalise international agricultural markets.

The European Community also played its part. The decade after enlargement in 1973 has often been characterised as 'Eurosclerosis', with an introverted Community beset by crises and the problems of enlargement. Using New Zealand as a case study, we can see there were significant interests in the Community seeking coherent foreign and trade policies, building relations with third countries especially in the context of the Cold War, decolonisation and US and British retrenchment from their global roles. This made the European Community more receptive to Britain's advocacy for New Zealand, despite the considerable obstacles presented by the French Government and the CAP.

The thesis also argues that, although the British market for traditional New Zealand goods in Britain was diminishing and Britain had a greater foreign policy focus on Europe post-accession, there were other centrifugal forces encouraging continued bilateral collaboration between New Zealand and Britain. At a basic level, this included the structure of New Zealand's special arrangement negotiated in 1971, which required almost continuous engagement in London and Brussels to retain quotas and improve price returns. Although it was simultaneously trying to diversify its economy, the New Zealand Government's need for continued access to the British market was sustained by a series of global economic crises in the 1970s, continued agriculture protectionism elsewhere around the world, and the influence of domestic farming interests on electoral prospects. In the context of the Cold War, as Britain reduced its direct involvement in the South Pacific and Southeast Asia it sought and largely gained New Zealand's (and Australia's) help in taking a greater aid, security and economic role in these regions. New Zealand also supported Britain and the European Community in multilateral institutions such as the United Nations (UN), Commonwealth forums, General Agreement on Tariffs and Trade (GATT) and Organisation for Economic Co-operation and Development (OECD). Britain continued to see New Zealand as an important export market throughout the 1970s.

This is not to deny that in Britain, New Zealand and elsewhere in the former empire, a new kind of cultural nationalism emerged from the 1960s. Advocates of this nationalism seized on European integration as evidence of British decline and New Zealand independence;

however, this thesis argues that such causality is tenuous. Similar cultural and political processes were at work in both Britain and New Zealand from the 1960 onwards. In this sense, the Anglo-New Zealand political and diplomatic relationship *evolved.* It did not *dissolve.*

Methodology

The following pages document attempts to facilitate New Zealand and British trade in commodities, particularly dairy and meat products. However, this is not an economic history about quantities and prices. The thesis argues that such trade was inherently political. The maintenance, extension or removal of such commerce could (in real or imagined terms) enable pressure groups to exercise political power, make or break political careers and even bring down Governments. Wrapped up in each pound of New Zealand butter on a British shop shelf was not only churned milk fat and salt, but a large dollop of politics. This connection between food trade and political power is not a new one. Nazi Germany was said to have entered the Second World War with 'a philosophy of guns and butter', and Joseph Goebbels used increased butter rations (fraudulently augmented with margarine) as a propaganda tool to boost morale.[6] If the Third Reich could understand the political potency of butter, then so too could the political leaders of Britain, New Zealand and continental Europe in the 1960s and 1970s.

Methodological foundations are required to progress a political history of Anglo-New Zealand relations in the context of Britain's entry to the European Community. This thesis is an international history in the sense laid out by Marc Trachtenberg, showing how multiple sovereign states interacted with each other and their own domestic publics and pressure groups to try to advance their own political interests.[7] Additional complexity is added by the array of inter-governmental and supranational institutions making up the European Community. Such international relations were subject to significant global processes and events in the 1960s, 1970s and early 1980s, including decolonisation and the global Cold War (which itself twisted through nuclear brinkmanship in the early 1960s to the quagmire in Vietnam, détente in the 1970s, and renewed Superpower tension in the early 1980s). Overlaying such processes were a series of economic and social problems, including the world

[6] Alan Milward, *The German Economy at War,* (London:2015), 6; Richard Overy, *War and Economy in the Third Reich,* (Oxford:1994), 285.
[7] Marc Trachtenberg, *The Craft of International History: A Guide to Method,* (Princeton:2009), 35.

food crisis, oil price 'shocks', revolutions in the Global South, social activism and debilitating inflation from the late 1960s. Keeping this broader context in mind, the thesis addresses several research questions. Namely, what effect did New Zealand have on the terms of British entry into the European Community and why did it have this effect? What were the consequences of Britain's entry into the European Community for its political and diplomatic relationship with New Zealand? Lastly, what can this case study tell us about Britain's broader political relationship with its former colonies and European Community partners from 1960-85?

International politics do not exist in a de-historicised vacuum, divorced from cultural and economic settings in which they existed. To take one example, the title and chapter headings of this thesis are derived from the lyrics of a popular song of the period called *Stayin' Alive,* written and performed by the Bee Gees, an Anglo-Australian pop group that achieved international fame in the 1960s and 1970s. In 1977 *Stayin' Alive* was released as the soundtrack to the movie *Saturday Night Fever,* which temporarily made disco music immensely fashionable as well as portraying the economic, political, racial and sexual degradation besetting urban America at the time.[8] It reminds us that the 1970s, by many measures, was not a particularly happy time. Contemporary archival sources, including official documents from national Governments, are strewn with references to economic, political and social problems. These created a sense of unease among the general public, political and business elites alike. As much as European Community enlargement appears to be a significant historical milestone for the UK, western Europe and elsewhere, it is important to understand that there were other arguably more important events and processes at play which need to be understood.

In recent years there has been a historiographical move towards 'world', 'global' or 'transnational' history, which seeks to 'decentre' national narrative histories and illuminate sources from beyond the imperial metropoles. Such histories often disavow use of official documents for fear of perpetuating narratives advanced by the nation state.[9] These histories

[8] Marsha Kinder, 'Review of Saturday Night Fever', *Film Quarterly,* 31:3, (1978), 40-42.

[9] Among the many challenges to national narrative history, see James Belich, John Darwin, Margret Frenz and Chris Wickham (eds.), *The Prospect of Global History,* (Oxford:2016); Tony Ballantyne, *Webs of Empire: Locating New Zealand's Colonial Past,* (Wellington:2012); Christopher Bayly, *The Birth of the Modern World, 1780–1914: Global connections and comparisons* (Oxford, 2004); Antony Hopkins, (ed.), *Globalization in World*

have made a valuable contribution to understanding colonial and end-of-empire histories in the nineteenth and twentieth centuries. Among their achievements is helping to integrate studies of predominantly white settler colonies into broader imperial histories. However, for several reasons neither global nor world history has been used here. As Rachel Dilley and Andrew Bright point out, when writing of a 'British world', there is a propensity to homogenise cultural and social experience and attributes across geographical locations. There is also a danger of under-appreciating the importance of power and politics.[10] Future comparative study of the decolonial experience in former settler colonies would be fruitful; however, this thesis argues that elements of the New Zealand experience were distinctive, making it worthy of discrete study. As one example, New Zealand was the only developed Commonwealth country to be given a special arrangement for its trade when the European Community was enlarged in 1973. Over at least two decades New Zealand retained a prominence and influence in Britain's negotiations with the Community vastly out of proportion to its size, location, economic value and strategic importance. This 'New Zealand' paradox runs contrary to widely held conceptions of international relations, meriting explanation.[11]

For the first time in relation to this topic, this thesis uses sources from multiple geographic and institutional perspectives; namely the UK, New Zealand and the European Community. Co-ordinating sources beyond this (to include, for example, comparators from Australia or Canada) could have been useful but was not pursued because of complexity and time and resource constraints, some of which were exacerbated by the Covid-19 pandemic. Instead it seeks, as John Darwin suggests, to understand history of decolonisation from the perspective of the metropole and periphery, while taking the wider international context into account.[12] In doing so, it takes a broad definition of decolonisation, suggesting that even though by the late 1960s the 'hardware' of the British international power system had largely disappeared, the business of ending the imperial metropole's political, cultural and economic

History (London, 2002); Richard Drayton and David Motadel, 'Discussion: the futures of global history', *Journal of Global History,* 13:1, (2018).

[10] Rachel Bright and Andrew Dilley, 'After the British World', *The Historical Journal*, 60:2, (2017), 547-568.

[11] W. Julian Korab-Karpowicz, 'Political Realism in International Relations', *The Stanford Encyclopedia of Philosophy,* (Summer 2018), online at https://plato.stanford.edu/archives/sum2018/entries/realism-intl-relations/.

[12] John Darwin, 'Decolonisation and the End of Empire', in William Roger Louis et al. (eds), *The Oxford History of the British Empire: Volume 5, Historiography* (Oxford:1999), 552; Stuart Ward, 'The European Provenance of Decolonization'', Past & Present, 230:1 , (2016), 227-60.

influence on the periphery (and vice versa) was still 'unfinished business'.[13] Former predominantly white settler colonies including New Zealand are considered 'periphery' here, although this is contested.[14]

Historiography of Britain and European integration has been criticised for being too heavily focussed on official Government sources and 'high politics'.[15] While at risk of similar criticism, this thesis justifies its focus on nation state actors on the following basis. The terms of Britain's (and other nations') entry into the European Community were negotiated by Government ministers, working on advice from officials, who then executed decisions. Sometimes these choices were subject to scrutiny and approval by Parliaments and the broader public. As shall be seen, such decisions were made for political reasons. Analysis of the official sources, along with political and private papers, can expose this process. Moreover, this is an era that produced a tremendous number of documents, making the official record rewarding for the diligent and critical reader.

Additionally, the period under study was notable for integral central government management of economies and commerce, which in turn significantly affected people's lives. Government involvement was particularly important in the international trade of commodities, which obliged ministers and officials to negotiate access with other states, sometimes via multilateral inter-Governmental institutions such as GATT. Trade access determined the viability of international businesses and in large part prescribed which products consumers could purchase and what prices they paid. Decisions about import barriers, including levels of tariffs and quotas, were made by national Governments; (in the European Community's case, this function was largely decided at an inter-Governmental level by ministerial councils, acting on policy proposals made by the European Commission).[16] National governments also supported or protected their producers in myriad other ways including currency and price manipulation, storage facilities, subsidies, tax breaks, trade

[13] Karl Hack, 'Unfinished decolonisation and globalisation', *The Journal of Imperial and Commonwealth History,* (47:5), 2019, 818-850.
[14] Bright and Dilley, 'After the British World', 547-568; Deryck Schreuder and Stuart Ward, 'Introduction: what became of Australia's empire?', in idem and idem (eds.), *Australia's Empire*, (Oxford:2010), 11; Phillip Buckner, 'Introduction', in idem (ed.), *Canada and the British Empire,* (Oxford:2008), 12–13.
[15] Wolfram Kaiser, *Using Europe, Abusing the Europeans,* (Basingstoke:1996), xxix-xxx and 190.
[16] A 'tariff' is a tax or levy imposed by one jurisdiction on goods and services imported from another country. A 'quota' is a government-imposed limit on the quantity or monetary value of goods that can be imported or exported across international borders.

promotion and finance. Trade policies were often used to project state power in both domestic and international contexts, particularly during the Cold War when they were used for coercion, bargaining or retaliation.[17] When nation states were not firing bullets and bombs at each other, they launched trade policies. Sometimes the casualties were enormous, as with the World Food Crisis of 1972-75 which may have killed as many as two million people in Bangladesh, Ethiopia, and west Africa.[18]

This thesis builds on the now large body of literature emphasising the agency of those in the colonised periphery in the processes of colonisation and decolonisation. This approach is most associated with cultural history, where John MacKenzie has pioneered a body of work showing how Empire is woven into the cultural fabric of the metropole.[19] Such cultural history helps explain the disproportionate political influence that New Zealand ministers, officials and industry representatives had in Westminster and Brussels during British accession. As Felicity Barnes shows, in the twentieth-century New Zealanders assumed themselves to be 'co-owners' of the British imperial capital.[20] It can be argued that to some extent they were also co-owners of Britain's accession to the European Community, as well as aspects of British Cold War and decolonial policy.

Political and diplomatic exchanges between Britain and New Zealand were buttressed by shared cultural practices. These were riven with hierarchies, stereotypes and prejudices. As much as New Zealand ministers and officials (sometimes rightly) complained of the patronising and condescending attitudes of their British counterparts, this was not comparable to those experienced by representatives of former British colonies in Asia, Africa or the Caribbean, who had systematic and institutional racial prejudice to deal with in the metropolitan capital.[21] In this sense New Zealanders interacting with Britain benefitted from a long running conception of 'Greater Britain', sometimes referred to as the 'Anglosphere' from the 1990s and most often describing the UK, Australia, New Zealand and Canada. This

[17] Ka Zheng, *Trade Threats, Trade Wars: Bargaining, Retaliation and American Coercive Diplomacy,* (Ann Arbor:2004), 1-25.
[18] Christian Gerlach, 'Famine responses in the world food crisis 1972–5 and the World Food Conference of 1974, *European Review of History: Revue européenne d'histoire*, 22:6, (2016), 929-939.
[19] John M. MacKenzie, 'Introduction', in idem (ed.), *Imperialism and Popular Culture* (Manchester:1986), 9-12.
[20] Felicity Barnes, *New Zealand's London: A Colony and Its Metropolis*, (Auckland:2012), 2, 273-278; MacKenzie, *Imperialism and Popular Culture*, 9-12.
[21] Ian Sanjay Patel, *We're Here Because You Were There: Immigration and the End of Empire,* (London:2021), 210-11.

saw parts of the British polity prioritise relations with the white former settler colonies (and vice versa) because of perceived shared values, culture, language, history, and implicit or explicit belief in the superiority of political and economic models.[22]

The cultural links between Britain and New Zealand were gendered. Almost all official and ministerial roles were held by men, although it is also true that the (mostly women) partners of officials and ministers played an important, if largely underappreciated role in diplomacy.[23] Whether from Britain or New Zealand, these men frequently talked about women in patronising and heavily gendered terms. This included plentiful mentions in the sources of the stereotyped 'British housewife', who supposedly did the household food shopping and cooking and whose vote was believed have an influential role in elections. Such women were, in real or imagined terms, seen to uphold cultural practices such as dining on a roast leg of New Zealand lamb, followed by pudding made with New Zealand butter. Children may have been packed off to school with a sandwich filled with New Zealand mild cheddar cheese, which was preferred to stronger and softer French varieties. As such, they were connected to a vast global food supply chain, including that from New Zealand.[24]

Cultural aspects are not the only explanation for the Anglo-New Zealand relationship. Others can be found in the realm of political science. Andrew Geddes describes British policy towards European integration as 'historical institutionalism'. That is, decisions made in the 1950s set British Government institutions on a relatively rigid path of 'consenting dissensus', providing continuity of policy right up until the twenty first century.[25] This helps explain the endurance of British policy advancing New Zealand's case in the European Community, even when it was not always in Britain's interests to do so. However, it is important to think about which institutions we refer to. As shall be seen, British public servants in some ministries and departments were more inclined to advise against the long-established pattern of advocating

[22] Duncan Bell and Srdjan Vucetic, 'Brexit, CANZUK, and the legacy of empire', *The British Journal of Politics and International Relations,* 21:2, (2019), 369.
[23] Joanna Woods, *Diplomatic Ladies: New Zealand's Unsung Envoys,* (Dunedin:2012), 12; Helen McCarthy and James Southern, 'Women, gender and diplomacy: a historical survey', in Jennifer Cassidy (ed.), *Gender and Diplomacy,* (Abingdon:2017), 15-32.
[24] Among many examples of invoking the stereotyped British housewife, see 'Record of meeting between Prime Minister and Frank Onion, Chairman, New Zealand Dairy Board', 17 February 1971, PREM 15/558, TNA; 'Notes for Talboys Address to the Royal Commonwealth Society, 'Britain's entry to Europe: The challenge for New Zealand', September 1972, R20759164, ANZ; and Richard Evans, 'Poor Cow: She's too fat for us', *London Evening News,* 18 July 1969.
[25] Andrew Geddes, *Britain and the European Union*, (London: 2013), 8-11.

for New Zealand in Community contexts, while their political masters were generally more predisposed to support.

A further explanation can be found in Wyn Grant's grouping of political pressure groups into 'insiders' and 'outsiders'. Grant saw these distinctions applying in domestic British politics, and they were used by Lindsay Aqui to characterise the two main campaign groups in the 1975 UK referendum for membership in the European Community.[26] However, these categories can also be applied to external nation states if they are considered in Grant's terms. As 'insiders', New Zealand ministers and officials were recognised by the British Government as 'legitimate spokespersons for particular interests', and therefore allowed to engage in regular dialogue. The New Zealand Government achieved this status by 'implicitly agreeing to abide by certain rules', which among other examples, meant a reticence by New Zealand ministers to publicly criticise the British Government's decision to seek entry to the European Community. The New Zealand Government also offered the British Government implicit and explicit support in international forums. In contrast, other countries displayed the characteristics of 'outsiders', and either by choice or necessity, were less inclined to follow the rules. At times this could include the Australian Government, which was more inclined to criticise European Community policies and Britain's decision to seek membership. Grant's analysis has limits, oversimplifying the role of pressure groups. As shall be seen, New Zealand also benefitted from an implicit (and occasionally explicit) threat of criticism of the British Government. Nevertheless, it remains useful to consider the New Zealand Government's role as a perceived 'insider' in Westminster, contributing to its enduring ability to influence British policy towards Europe. It is also worth considering New Zealand's diplomatic efforts to achieve a similar status in Brussels, and the limits of their effectiveness.

Historical sources

The research draws on a combination of official sources, private and political papers, news articles and oral interviews. Sources include documents held by the National Archives at Kew generated by British Government ministries and departments, and Archives New Zealand in Wellington which houses historic New Zealand Government documents. Files at the

[26] Wyn Grant, 'Pressure Politics: the changing world of pressure groups', *Parliamentary Affairs,* 57:2, (2004), 408-409; Lindsay Aqui, *The First Referendum: Reassessing Britain's Entry to Europe, 1973-75,* (Manchester:2020), 9.

Alexander Turnbull and National Libraries in Wellington have been consulted, particularly the private papers of John Marshall, oral histories of key officials, and the *New Zealand Foreign Affairs Review* (named the *New Zealand External Affairs Review* before 1970), comprising a monthly selection of published primary documents. The author has interviewed current and former New Zealand diplomats, who are listed in the acknowledgements and bibliography. Documents from the European Commission and other European Community institutions and member states, along with private papers of key officials, have been reviewed at the Historical Archives of the European Union (HAEU) in Fiesole, Italy. Official documents produced by multilateral institutions such as GATT have also been studied. Among other political papers, those from pro- and anti-European pressure groups held at the LSE Library have been consulted.

Historiography – the British perspective

To place this thesis in the historiography it is necessary to distinguish literature largely generated in the United Kingdom with that from New Zealand. For the most part the two have emerged without engaging each other. Assessing the British historiography first, it is useful to apply categorisation by John Lewis Gaddis for patterns of Cold War historiography that delineate into orthodox, revisionist and post-revisionist scholarship respectively.[27] The orthodox school identified by Oliver Daddow is also called the 'missed opportunities' school by James Ellison and referred to as 'missing the bus', a phrase used by Con O'Neill and others.[28]

Such scholarship often examines the reasons why Britain failed to join European unity initiatives in the 1950s and the unsuccessful applications to join the European Community in 1961-63 and 1967. British reticence in Europe has been variously explained by its supposedly unique role and victory in the Second World War, the special relationship with the United States, Commonwealth links, a deep institutional attachment to national and Parliamentary

[27] John Lewis Gaddis, 'The Emerging Post-Revisionist Synthesis on the Origins of the Cold War', *Diplomatic History*, 7:3, (1983); Oliver Daddow, *Britain and Europe Since 1945: Historiographical Perspectives on Integration,* (Manchester:2004), 46.
[28] James Ellison, 'Britain in Europe', in Paul Addison and Harriet Jones (eds.), *A Companion to Contemporary Britain 1939-2000,* (Malden:2005), 518-520.

sovereignty and even its geographical position as an island nation.[29] Such views have permeated general histories.[30]

The orthodox school tends to view both British imperial decline and European integration as progressive and inevitable, often criticising policymakers for lack of foresight and attachment to outmoded policies. The argument runs that had Britain been involved in European integration initiatives earlier it would have shaped institutions to its own advantage and prevented the embarrassing and (for some) inevitable vetoes of British membership by French President Charles de Gaulle in 1963 and 1967.[31] The orthodox school has often been perpetuated in political memoirs and published dairies, including those by Harold Macmillan, Edward Heath and Roy Jenkins.[32] Often allied to the orthodox school is the idea that Britain was a perpetual 'awkward partner' in Europe, or, as Stephen Wall recently put it, a 'reluctant European'. This presents continuity in Britain's detachment from Europe from the 1950s up to the present day.[33]

Closely linked to the orthodox school is the 'decline thesis' portraying the narrative arc of British Empire as a haphazard rise, followed by linear decline and inevitable fall. As well as maintaining a long-held British habit of classicising history, this appeared to reflect the contemporary political situation. As firstly India in 1947, then a flurry of Asian, African, and Caribbean countries achieved political independence through the 1950s and 1960s, historians looked to identify the reasons for the Empire's dissolution.[34] Marxist historians proffered economic determinism and the innate instability of capitalist structures. Others tracked the rise of the new hegemonic superpowers, in particular the United States.[35] Although

[29] Kaiser, *Using Europe, Abusing the Europeans,* xxx-xxxi.
[30] David Reynolds, *Britannia Overruled: British Policy and World Power in the Twentieth Century,* (Harlow:1991).
[31] Michael Gehler, 'At the heart of integration: understanding national European policy', in Wolfram Kaiser and Antonio Varsori (eds.), *European Union History: Themes and Debates,* (Basingstoke:2010), 85-109.
[32] Harold Macmillan, *At the End of the Day, 1961-1963,* (New York:1973); Edward Heath, *Course of My Life* (London:1998); James Callaghan, *Time and Chance* (London:1987); Margaret Thatcher, *The Downing Street Years* (London:1993); Roy Jenkins, *A Life at the Centre* (London:1991).
[33] Stephen George, *An Awkward Partner: Britain and the European Community,* (Oxford: 1990, second edition 1994); Stephen Wall, *A Stranger in Europe: Britain and the EU from Thatcher to Blair* (Oxford:2008); Stephen Wall, *Reluctant European: Britain and the European Union from 1945 to Brexit,* (Oxford: 2020), 3.
[34] Piers Brendon, *The Decline and Fall of the British Empire, 1781-1997*, (New York:2010), 9.
[35] Eric J. Hobsbawm, *The Age of Extremes: The Short Twentieth Century, 1914-1991* (London:1994), 236.

increasingly challenged, such views have proved remarkably pervasive in both historiography and public memory of British accession to the European Community.

Narratives emphasising British decline and 'missed opportunities' have had a deleterious effect on history written about Britain's relationship with its former empire as it entered into the European Community. Such historians have predominantly regarded positive British relations with both Europe and the Commonwealth as mutually exclusive and, in some cases, that the latter had a malign effect on British decision-making. Some present the Commonwealth as something of a 'distraction' when Britain missed the bus. Miriam Camps, Michael Blackwell and David Russell all suggest Britain's attachment to the Commonwealth cost it advantages in responding to European integration.[36] Likewise, British Prime Minister Edward Heath and FCO official Con O'Neill both assigned some blame to the Commonwealth for French Government vetoes of British entry in the 1960s and for some of the adverse terms eventually negotiated in 1971.[37] Such views tend to over-emphasise the incompatibility of Britain's Commonwealth links and European Community membership. They also fail to recognise that in the 1960s, 1970s and beyond, diminished British-Commonwealth links were not seen as inevitable. At the time there were plenty on the left and right of British politics who wanted the Commonwealth to thrive, even as Britain joined the European Community.

For most historians advancing the orthodox narrative, the Commonwealth was steadily diminishing in importance in British politics in the 1960s and 1970s. This belatedly helped Britain to enter the Community in 1973, a decision affirmed by the referendum of 1975. The Commonwealth's demise in political importance to Britain is often placed alongside a decline in its economic importance.[38] More recently, in a Brexit context there has been

[36] Miriam Camps, *Britain and the European Community, 1955-1963* (Princeton:1964), 338; David Russell, ''The Jolly Old Empire': Labour, the Commonwealth and Europe, 1945–51', in Alex May (ed.), *Britain, the Commonwealth and Europe: The Commonwealth and Britain's Applications to Join the European Communities*, (London: 2001), 26; Michael Blackwell, *Clinging to Grandeur: British Attitudes and Foreign Policy in the Aftermath of the Second World War* (Westport:1993), 119.
[37] Heath, *The Course of My Life*, 218; Con O'Neill and David Hannay (ed.), *Britain's Entry into the European Community: Report by Sir Con O'Neill on the negotiations of 1970-1972,* (London:2000), 146.
[38] Examples include Alex May, 'The Commonwealth and Britain's Turn to Europe, 1945-73', *The Round Table,* 102:1, (2013), 29-39; John W. Young, *Britain and European Unity, 1945-1999*, (Basingstoke:2000), 70; Benjamin Grob-Fitzgibbon, *Continental Drift: Britain and Europe from the End of Empire to the Rise of Euroscepticism* (Cambridge:2015), 322; Hugo Young, *This Blessed Plot: Britain and Europe from Churchill to Blair,* (Woodstock:1998), 139; Uwe Kitzinger, *Diplomacy and Persuasion: How Britain joined the Common Market,* (London:1973), 30.

widespread blame of Britain's troubled relationship with Europe on 'imperial nostalgia'.[39] In a related vein, Phillip Murphy emphasises that many in the British polity have never fully recognised the significant shortcomings of the Commonwealth, including why it failed to achieve the objectives the British Government had for it from the mid-1960s. Murphy suggests this has had a negative effect on present-day political discourse.[40]

Such history of Britain's relationship with its former empire is problematic. Firstly, it is deterministic, tending to view British decline and colonial independence as inevitable. As Mathias Hauessler points out, the demise of formal Empire was only one of a wide range of domestic and international factors influencing Britain's decision to seek European Community membership.[41] There is a tendency to lump the diverse nation states making up the Commonwealth into a homogenous and monolithic bloc. This sometimes conflates Britain's problematic relationship with the Commonwealth as an institution (or more accurately set of institutions), with Britain's bilateral relationships with the constituent nation states, which are different things. Some of the more discerning histories recognise distinctions between the 'old Commonwealth', mostly wealthy and white, and the 'new Commonwealth', relatively impoverished and black.[42] However even here, there is arguably a lack of acknowledgment of the different experiences of British accession in Australia, Canada and New Zealand, let alone the myriad diversity in Africa, Asia, Caribbean and Pacific.

Moreover, such histories can be Anglo-centric, failing to consider the agency of those in the former colonies. In this view, Commonwealth relations (or other colonial links, such as trade culture and infrastructure) were largely created and then discarded at the discretion of British politicians and business interests in London (sometimes working on the basis of what the wider British electorate thought on the matter).[43] This fails to recognise that those on the colonial periphery were often intrinsic to the erection, maintenance and dismantling of the

[39] Robert Saunders, 'Brexit and Empire: 'Global Britain' and the Myth of Imperial Nostalgia', *The Journal of Imperial and Commonwealth History*, 48:6, (2020), 1140-1174.
[40] Philip Murphy, *The Empire's New Clothes: The Myth of the Commonwealth,* (Oxford:2018), 29.
[41] Mathias Haeussler, 'Review: Continental Drift: Britain and Europe from the End of Empire to the Rise of Euroscepticism', *Humanities and Social Sciences Online: H-Net,* March 2017, online at https://networks.h-net.org/node/28443/reviews/169927/haeussler-grob-fitzgibbon-continental-drift-britain-and-europe-end.
[42] Saunders, *Yes to Europe,* 269; Bell and Vucetic, 'Brexit, CANZUK, and the legacy of empire', 378.
[43] For example, David Thackeray, *Forging a The British World of Trade: Culture, Ethnicity and Market in the Empire Commonwealth, 1880-1973,* (Oxford:2019), 169-192.

economic, cultural and political links back to the imperial metropole, or elsewhere in the Commonwealth.

Most importantly for the purposes of this thesis, the orthodox literature also fails to adequately explain how the government of at least one Commonwealth nation, New Zealand, assumed and retained a disproportionate influence in the negotiations for British entry, long after the British polity had supposedly discarded its Commonwealth links in favour of Europe. There are some partial exceptions. David Butler and Uwe Kitzinger suggest that New Zealand became a political 'test' of the British Government's ability to negotiate entry terms. Kitzinger notes that this lengthened the enlargement negotiations in 1970-71, making them more fraught.[44] Britain's lead negotiator with the European Community in 1970-1 Con O'Neill also pointed at New Zealand's political leverage in his official reports of the entry negotiations:

> 'The New Zealanders had us over a political barrel. They did indeed, to some extent, hold a veto over our entry into the Community. If we accepted a settlement and they rejected it, the chances of Parliamentary approval would be very much diminished… We could not possibly… cast any scintilla of doubt on the merits of the New Zealand case'.[45]

It was a point reiterated in Edward Heath's memoirs, which noted 'that this problem [New Zealand's trade access] could present an insuperable obstacle for Parliament was reflected in the fact that even the most ardent Europeans felt strongly about it'. Heath also felt the terms of the special arrangement that Britain secured for New Zealand were overly generous, thereby hindering the diversification of the New Zealand economy.[46] Lindsay Aqui suggests that there were electoral advantages in British Government support for the Commonwealth (including New Zealand) in 1975.[47]

Various historians have suggested that British support for New Zealand was an expression of sentimentality and altruism. Some, like John Marshall, suggest that New Zealand's previous war efforts were a factor (although they fail to explain how New Zealand

[44] David Butler and Uwe Kitzinger, *The 1975 Referendum,* (Basingstoke:1976, 2nd edition 1996), 14; Kitzinger, *Diplomacy and Persuasion*, 140-3.
[45] O'Neill and Hannay, *Britain's Entry into the European Community*, 146.
[46] Heath, *The Course of My Life*, 218.
[47] Aqui, *The First Referendum,* 8, 154-155.

was singled out from other Allied combatant nations). O'Neill suggested the emotional attachment the British people held towards New Zealand provided support 'across the political spectrum'.[48] In his book about the 1975 referendum Robert Saunders concluded that 'Commonwealth sentiment formed one of the strongest cards in the anti-market pack'.[49] Others point to the personal loyalty to New Zealand and other Commonwealth nations felt by British leaders such as Harold Wilson, who was a self-styled 'Commonwealth man'.[50] There may be a kernel of truth in this; however, such explanations seem inadequate. Sentimentality and altruism will only go so far in international relations, and this thesis interrogates such claims using the documentary record, suggesting there were more important political factors.

The orthodox school and its emphasis on decline and missed opportunities has been challenged by revisionist historians not so much for its conclusions nor its criticisms of policy-makers, some of which are shared by the most influential historians in the field, but for its methodology. As James Ellison points out, writing history backwards is problematic as it creates a premise that the European Community was inevitably on a trajectory to success.[51] In contrast, revisionist historians have attempted to analyse policy decisions without presuming European integration as success nor continued British decline. Largely this has been achieved through the reconstruction of decision-making processes.[52]

Revisionists have charted key events and policy-changes via a series of chronological case studies, seen through the prism of nation states. Events are occasionally interspersed with major extraneous issues including the Suez Crisis, Cold War, Sterling crises, withdrawal from east of Suez and decolonisation.[53] Some have applied post-modern theory to justify this approach, for example Christopher Lord's case study of British entry under the Heath

[48] ibid.
[49] Saunders, *Yes to Europe,* 265.
[50] Ben Pimlott, *Harold Wilson* (London: 1992), 18–20, 433–4.
[51] Ellison, 'Britain in Europe', in Addison and Jones (eds.), *A Companion to Contemporary Britain 1939-2000,* 520.
[52] Young, *Britain and European Unity*, 49-51.
[53] Wolfram Kaiser and Antonio Varsori, 'Introduction', in idem and idem (eds.), *European Union History*, 1-6; and Michael Gehler 'At the heart of integration: understanding national European policy', ibid., 85-109. For revisionist approaches see David Gowland and Arthur Turner, *Reluctant Europeans: Britain and European integration, 1945-1998* (Harlow:2000), Sean Greenwood (ed.), *Britain and European Integration Since the Second World War,* (Manchester: 1996); Roger Broad and Virginia Preston (eds.), *Moored to the Continent?: Britain and European integration* (London:2001).

Government, 1970-74.[54] Stephen Wall's official histories of Britain and the European Community 1963-1975 and 1975-85 are unusual in not proffering a central thesis nor greatly engaging with the historiography. Instead, Wall wants decisionmakers of the time to 'tell their own story as far as possible', to explain why Governments concluded entering the European Community was the correct course for Britain.[55]

A relative outlier in the revisionist school is Alan Milward's 'national strategy' thesis. Milward believed Britain emerged from the post-war world with two clear, linked objectives: to enhance domestic prosperity and maintain military security. Britain's relative natural advantages were to be used as bargaining counters to achieve these, notably its extra-European links, nuclear capability, and London's position as a financial centre. According to Milward, Britain's entry to Europe only became possible after the failure of this 'national strategy' and was heavily predicated on rational economic choice. That the national strategy failed is less easy to explain, although he criticises lack of flexibility by Britain and its negotiating partners, including France and the US, and a lack of recognition within Britain of 'new realities'. Millward also shows that characteristics of Britain's former colonies, including their food production, made them harder to reconcile with existing European Community structures. [56] As James Ellison points out, Milward was the first to put European entry into the context of broader British foreign policy and as such represents a historiographical breakthrough.[57] Milward also has his critics, not least for a prioritisation of economic factors over political and cultural ones.[58]

Another important challenge to the British decline narrative has recently come from David Edgerton. In *The Rise and Fall of the British Nation* he suggests the British approach to

[54] Christopher Lord, *British Entry to the European Community Under the Heath Government 1970-4*, (Aldershot:1993), 8.
[55] Stephen Wall, *The Official History of Britain and the European Community Volume II: from Rejection to Referendum, 1963-1975* (London:2013), 1-2; Stephen Wall, *The Official History of Britain and the European Community Volume III: The Tiger Unleashed,* (London:2019); and Mathias Haeussler, 'Book Review', *Twentieth Century British History*, 25:2, (2014), 337–339.
[56] Alan S. Milward, *The Rise and Fall of a National Strategy, 1945-1963*: *The United Kingdom and the European Community,* (London:2002), 1-3.
[57] Ellison, 'Britain in Europe', in Addison and Jones (eds.), *A Companion to Contemporary Britain 1939-2000,* 521.
[58] For example Morten Rasmussen, 'European rescue of the nation state?: Tracing the role of economics and business', in Kaiser and Varsori (eds.), *European Union History*, 133; and Wolfram Kaiser, 'From isolation to centrality: Contemporary history meets European studies', in idem and Varsori (eds.), *European Union History,* 48-50.

domestic and foreign policy after the Second World War was heavily predicated on creating and implementing policy at a national level. In this way, post-war Britain is seen as less in decline, and more seeking to achieve its nation-building project, partly through creating institutions that served this purpose.[59] This is not to deny that 'decline' was a widely held perspective by British politicians, policymakers and intellectuals in the 1960s and 1970s. As Stuart Ward has shown, there was a proliferation of introspective literature reflecting on the (mostly dire) state of the 'nation' in both Britain and its former colonies at this time.[60] That similar processes were happening in the metropole and periphery at the same time is telling. Somewhat ironically, nation-building seemed to have a transnational quality. Increased nationalism in the periphery does not necessarily equate to greater independence, if it is aping that of the metropole.

The 2016 referendum on UK membership of the European Community saw a proliferation of literature reflecting on the supposed effect that Britain's imperial past had on its relationship with Europe. Much of this is predicated on orthodox narratives and does relatively little to advance historical understanding. Nevertheless, it creates what Gaddis might term a 'post-revisionist' school.[61] Among the more useful contributions to this debate is an article by Robert Saunders arguing that what is often described as imperial 'nostalgia' can more accurately be described as national identity heavily predicated on imperial 'amnesia', with the true nature of Britain's imperial past either deliberately or unconsciously forgotten. Saunders also rightly notes that imperial modes of thinking were prevalent among pro- and anti-Europeans in the 1960s and 1970s, both on the left and right of British politics.[62] Additionally, the edited volume by Stuart Ward and Astrid Rasch unpacks some of the misuses and misconceptions of British history used in contemporary political debates on Brexit and other issues. Among several useful essays in that book is Elizabeth Buettner's argument that Britain's imperial past is by no means unique in European terms and that virtually all the original European Community members sought to accommodate relations with former

[59] David Edgerton, 'Introduction' in *The Rise and Fall of the British Nation: A Twentieth Century History,* (London:2018).
[60] Stuart Ward, *Australia and the British Embrace: The Demise of the British Ideal,* (Melbourne:2001), 241; Stuart Ward, 'Introduction', in Stuart Ward (ed.). *British Culture and the End of Empire,* (Manchester:2001), 10.
[61] Recent examples include David Reynolds, *Island Stories: Britain and its History in the Age of Brexit,* (London:2019), 56-111; and Grob-Fitzgibbon, *Continental Drift,* 11.
[62] Saunders, 'Brexit and Empire: 'Global Britain' and the Myth of Imperial Nostalgia', 1140-1174.

colonies in some form.[63] This, among other factors, can help to explain why the Community was willing to accept some British demands on New Zealand's behalf.

The revisionist historiography of Britain and European integration is primarily focussed on the 1950s and 1960s. Studies of the 1970s and after are patchy. Several books and articles finish on or around British entry in 1973, which tends to accentuate the turning point narrative, obscuring continuities on either side of that date.[64] Some of the best work is unpublished in book form, including Daniel Furby's PhD thesis on the negotiations for British entry, 1968-71. [65] This is beginning to change. Stephen Wall's official histories are now complete up until 1985, adding considerably to knowledge of the diplomatic exchanges and UK ministerial decision-making. Rob Saunders' well received book on the 1975 referendum builds on the contemporaneous study by Uwe Kitzinger and David Butler.[66] Lindsay Aqui has produced several articles and an impressive book looking at the British Government's approach to European integration in 1973-75, setting this in European Community context.[67] This thesis adds to such works.

Historiography – the New Zealand perspective

Turning to how New Zealand-focused historians have addressed the Anglo-New Zealand relationship, we can again see broad categories of orthodox (or nationalist) and revisionist historiography. In addition, there is a 'diplomatic school' of former ministers and officials involved in trade negotiations who present their own campaign as 'a triumph'.

If 'decline' has been the dominant, if increasingly challenged, historiographical narrative for British historians of the second half of the twentieth century, the corresponding New Zealand narrative has been 'independence'. Orthodox accounts argue that Britain's colonisation of New Zealand during the nineteenth century led to an over-reliance on the

[63] Elizabeth Buettner, 'How unique is Britain's Empire complex?' in Stuart Ward and Astrid Rasch (eds.), *Embers of Empire in Brexit Britain,* (London:2019), 37-48.
[64] For example, Thackeray, *Forging a British World of Trade;* Michael Geary, *Enlarging the European Union: The Commission Seeking Influence, 1961-1973* (London:2013)*,* Paul Gliddon, 'The British Foreign Office and Domestic Propaganda on the European Community, 1960-72', *Contemporary British History,* 23:2, (2009), 155-199; John Singleton and Paul Robertson, *Economic Relations Between Britain and Australasia 1945–1970,* (Basingstoke:2002); May, 'The Commonwealth and Britain's Turn to Europe 1945-73'.
[65] Daniel Furby, *The Revival and Success of Britain's Second Application for Membership of the European Community, 1968-71*, PhD Thesis, Queen Mary University of London, (2010).
[66] Saunders, *Yes to Europe*.
[67] Aqui, *The First Referendum*.

metropole: economically, politically, strategically and culturally. Such views were popular from the 1960s to the 2000s when Keith Sinclair, W.H. Oliver and others shaped a new era of New Zealand historical writing, as part of a broader cultural nationalism happening in New Zealand and other colonial societies (including Britain). They and later historians, including Michael King, identified an emergent and distinct New Zealand national identity, although there is disagreement on when it is supposed to have materialised.[68] Looking at characteristics that made New Zealanders unique, including the relationship with Māori, Sinclair attempted to retrospectively write these back into history. He linked economic progress to emerging New Zealand nationalism, suggesting that as the colony developed its own economic infrastructure it created an increasingly distinct cultural identity that was collectivist and bicultural, yet ruggedly individual. In this way he suggested New Zealand's relationship with Britain was a relatively linear, progressive (and implicitly positive) emergence from a chaotic but loyal British colony to a fully-fledged, independent nation.[69]

Such nationalist historiography often held that New Zealand's political economy had been mismanaged since the Second World War, particularly that successive Governments had not done enough to diversify away from dairy and sheepmeat farming for the declining British export market and encourage a domestic industrial base. Writing in the 1960s, William Ball Sutch felt New Zealand was trapped in a cultural and economic conformity with little appetite for change: 'New Zealand did not need to alter its colonial economic structure and could live well by encouraging the grass to grow'.[70] Marxist historian Bruce Jesson took a similar view, arguing dependence on Britain was cemented by refrigeration and its associated industries of finance and shipping. The small manufacturing base was largely British owned and protected by import licensing.[71] John Singleton and Paul Robertson, while conceding New Zealand faced problems not entirely of its own making in the second half of the twentieth century as Britain pulled back from an imperial role, still felt policy makers had failed: 'An emphasis on stability

[68] Keith Sinclair, *A Destiny Apart: New Zealand's Search for National Identity* (Wellington:1986); Keith Sinclair (ed.), *Distance Looks Our Way: The Effects of Remoteness on New Zealand,* (Auckland:1961); William H. Oliver, *The Story of New Zealand,* (London:1960); Michael King, *After the War: New Zealand Since 1945* (Auckland:1988).
[69] Keith Sinclair, *A Destiny Apart*. See also W.H. Oliver, 'A Destiny At Home', *New Zealand Journal of History,* 19:1, 1985), 9-10.
[70] W. B. Sutch, *The Quest for Security in New Zealand, 1840 to 1966* (Wellington:1966), 412.
[71] Bruce Jesson, *Only Their Purpose Is Mad: The Money Men take over NZ,* (Palmerston North:1999), 68-9.

rather than growth was part of the legacy of the 1930s… New Zealand [was] dealt poor hands and played them very badly'.[72]

During New Zealand's cultural nationalism of this period scholars selectively highlighted historical actors who helped New Zealand 'mature' as an independent nation. Brian Easton's series of essays about 'nation builders' highlighted political and business elites whose combined intentions were to increase 'national sovereignty by consciously repatriating powers and institutions (including businesses) from the colonial metropolis to New Zealand'.[73] It was a theme pursued in Malcolm McKinnon's survey of New Zealand's foreign policy since the Second World War, in which increased 'independence' from Britain, and later from the United States, was a defining theme. Britain's joining the European Community has frequently been placed into this 'progressive' nationalist narrative.[74]

James Belich summarised New Zealand's relationship with Britain as 'recolonisation' in *Paradise Reforged,* his narrative history of twentieth century New Zealand. Rebutting the 'kith and kin' argument, Belich argued New Zealand was not particularly British from the 1790s to the 1880s; instead, it was part of a 'Tasman world' fuelled by extractive industries with links to the east coast of Australia, west coast of the United States, and Asia. In Belich's view, this changed in the 1880s when New Zealand's depressed economy was rescued by improved technology, including refrigeration, which allowed it to sell large quantities of dairy and sheepmeat to the growing British middle classes (dubbed the 'protein bridge'). In return, New Zealand 'imported' British culture, manufactures and finance, thereby establishing a 'Better Britain' in the south seas, supposedly incorporating the best attributes of the colonial metropole. The near unconditional provision of New Zealand soldiers to fight in Britain's wars also strengthened the recolonial bonds. Recolonisation, the book notes, was led in New Zealand by a powerful middle-class farming political elite - the 'Farmer Backbone'.[75]

Belich felt the Anglo-New Zealand relationship was both artificial and determined by economics. He puts its end later than other historians such as Keith Sinclair, seeing Britain's

[72] Singleton and Robertson, *Economic Relations between Britain and Australasia*, 18-22, 25.
[73] Brian Easton, *The Nationbuilders,* (Auckland:2001), 9.
[74] Malcolm McKinnon, *Independence and Foreign Policy: New Zealand in the World Since 1935* (Auckland:1993), 102-107.
[75] James Belich, *Paradise Reforged : A History of the New Zealanders from the 1880s to the Year 2000* (Auckland:2001), 54-68, 368-78.

entry to the European Community in 1973 as a hard and final shock to the recolonial system: a 'black-letter day'. Although acknowledging the date is more symbolic than substantive and that he detected change from the mid-1960s, according to Belich the European Community's prohibitive trade regime for New Zealand meat and dairy products dismantled the protein bridge suddenly, painfully and finally, and with it the cultural ties that the country had worked so hard and spilt blood to establish.[76]

Belich was not alone in viewing Britain's entry to Europe as a seminal moment in New Zealand's independence. Economic historians John Robertson and John Singleton felt the Anglo-New Zealand nexus was 'finally, and brutally, snapped in 1973'.[77] Stuart Ward saw the 1961 application by the Macmillan Government to enter Europe as the pivotal moment of divergence between Britain and the old Commonwealth, accelerating a decline in colonial outlook. In Ward's view, the relationship was never the same again.[78] Philippa Mein Smith describes it as 'compulsory decolonisation at speed' and suggests that for Pākehā (New Zealanders of European descent) 'betrayal' is a fair judgement.[79] J.G.A. Pocock wrote of the 'crisis' caused by the 'Europeanisation of Great Britain', which supposedly robbed New Zealand of its economic and spiritual *raison d'être.*[80] It was recently (dubiously) claimed that British accession to the European Community caused an economic 'lost decade' for New Zealand after 1973, from which it has purportedly still not recovered.[81] The notion that New Zealand and other Commonwealth countries were 'abandoned' by Britain has retained popularity in public discourse. New Zealand's Encyclopaedia talks of the 'shock' felt by New Zealanders when 'Mother England' chose to join the European Community.[82] In recent years, prominent campaigners for the UK to leave the EU, including Boris Johnson, have alluded to

[76] Ibid, 325, 280-96.
[77] Singleton and Robertson, *Economic Relations between Britain and Australasia*, 6.
[78] Stuart Ward, 'A Matter of Preference: the EEC and the Erosion of the Old Commonwealth Relationship', in May (ed.), *Britain, the Commonwealth and Europe*, 156-180.
[79] Philippa Mein Smith, *A Concise History of New Zealand,* (Cambridge:2013), 207.
[80] J.G.A. Pocock, 'Deconstructing Europe', *History of European Ideas,* 18:3, (1994), 329–330.
[81] Kevin B. Grier and Michael C. Munger, 'Breaking up is hard to do: lessons from the strange case of New Zealand, *Social Science Quarterly,* 102:3, (2021), 2.
[82] Martin Holland and Serena Kelly, 'Britain, Europe and New Zealand - Trade', *Te Ara - the Encyclopedia of New Zealand,* online at http://www.TeAra.govt.nz/en/britain-europe-and-new-zealand/page-3,.

the 'betrayal' of the Commonwealth in the 1960s and 1970s, and it is frequently mentioned in media coverage in New Zealand.[83]

Like historians challenging British 'decline', New Zealand revisionists have increasingly contested this progressive view of New Zealand's 'independence' in the second half of the twentieth century, and the idea that British accession was a 'shock'. Here, economic historians have led the way. Jim McAloon shows that efforts to diversify the economy away from Britain and pastoralism began as early as the 1930s and that despite considerable global headwinds, this was achieved with passable success by the end of the twentieth century. In this view, there was no great economic 'shock' on the date of British accession [84] It was a view shared by Juliet Lodge, a political scientist publishing in the 1970s and 1980s, who noted 19% of New Zealand exports went to Britain in 1977, before the European Community trade barriers on New Zealand goods had been substantively implemented (down from over 50% of total New Zealand exports in 1950). This suggests British entry to Europe masked a diversification of the New Zealand economy that was occurring anyway.[85] The point was reiterated by a recent research report commissioned by the UK High Commission in New Zealand.[86] Brian Easton's wide-ranging economic history of Aotearoa New Zealand reached similar conclusions, emphasising that market forces rather than European integration were the main factors driving diversification away from Britain. He also notes that other economic factors such as a collapse in wool prices from the late 1960s and the oil price shocks of the 1970s had greater impacts on economic performance than European integration.[87]

David Hall's economic history also suggests the effect of Britain's European accession on New Zealand's farming sector was not as great as imagined, with diversification happening

[83] For example, Boris Johnson is quoted in Peter Dominiczak, 'Britain must look 'beyond' the EU and focus on links with the Commonwealth', *Daily Telegraph,* 25 August 2013, online http://www.telegraph.co.uk/news/politics/10265602/Britain-must-look-beyond-the-EU-and-focus-on-links-with-the-Commonwealth.html; Nigel Farage quoted in 'Brexit fallout: Nigel Farage apologises to New Zealand', *New Zealand Herald,* 28 June 2016, online at http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11664618.

[84] Jim McAloon, *Judgements of All Kinds: Economic Policy-Making in New Zealand 1945-1984* (Wellington:2013), 17.

[85] Juliet Lodge, 'New Zealand and the Community', *The World Today,* 34:8, (1978), 303.

[86] Caroline Saunders, Paul Dalziel, Meike Guenther, Tim Driver, *The Trading Relationship between the United Kingdom and New Zealand,* prepared by Agribusiness and Economics Research Unit at Lincoln University for the British High Commission Wellington, (January 2021.)

[87] Brian Easton, *Not in Narrow Seas: The Economic History of Aotearoa New Zealand,* (Wellington:2020), 13, 460-461.

in any case. Looking primarily at sources from farm industry bodies, Hall shows the combined efforts of the New Zealand Government, producer boards, farmers' union and businesses maintained New Zealand access to the British and European markets long enough and at sufficient levels to keep New Zealand primary industry afloat while it cultivated new markets in Asia and elsewhere. He also notes that the New Zealand wool industry changed and diversified away from Britain, even though it was unaffected by European integration.[88]

Felicity Barnes's cultural history hints that as late as the 2000s New Zealand as an imagined community continued to reinvent itself in the perceptions of the metropolis, and that there was not necessarily a disconnect with Britain in the 1960s and 1970s. She also notes that some technological changes in the 1960s, including the introduction of television into New Zealand, reinforced rather than undermined connections with Britain.[89] Tony Ballantyne argues that the New Zealand national identity that emerged from the 1970s, which strongly emphasised New Zealand's distinctiveness, biculturalism and South Pacific location has some reactionary qualities. As an example, he notes that discourse on the Treaty of Waitangi as New Zealand's founding document has emphasised the British provenance of colonisation, reinforcing the idea that Pākehā New Zealanders are predominantly of British heritage. In Ballantyne's view, nation building on bicultural lines has largely written other ethnicities, including those from Asia, out of the historical record.[90]

Beyond such revisionist histories, a 'diplomatic school' argues the campaign to maintain trade access in post-accession Britain was something of a 'triumph', keeping New Zealand's dairy industry and agricultural export base alive as it reoriented itself to the Asia-Pacific region.[91] This contributes to the understanding of New Zealand's diplomatic tactics,

[88] David Hall, *Emerging from an Entrenched Colonial Economy: New Zealand Primary Production, Britain and the EEC, 1945-1975*, (London:2017), 183.
[89] Barnes, *New Zealand's London*, 273-278.
[90] Ballantyne, *Webs of Empire,* 50-65.
[91]Marshall, *Memoirs: Volume Two*, 93-114; Graham Ansell, 'New Zealand and the EU', in Brian Lynch (ed.), *Celebrating New Zealand's Emergence: A Tribute to Sir George Laking and Frank Corner* (Wellington: 2005), 38-43; Terence O'Brien, 'Britain, the EU and New Zealand', in ibid., 27-37; Richard Nottage, 'Economic Diplomacy', in ibid., 43-47; Bruce Brown, 'New Zealand in the World Economy: Trade Negotiations and Diversification', in Bruce Brown, (ed.) *New Zealand in World Affairs III: 1972-1990,* (Wellington:1999), 31; Ted Woodfield, *Against the Odds: Negotiating for New Zealand's Future* (Wellington:2008), 168; Bruce Brown, 'Foreign Policy is Trade, Trade is Foreign Policy', in Ann Trotter (ed.), *Fifty Years of New Zealand Foreign Policy Making: Anniversary Volume: Papers from the Twenty-Eighth Foreign Policy School,* (Dunedin:1993), 55-110; Jeff Langley, 'New Zealand and the United Kingdom/Europe', in Brian Lynch (ed.), *New Zealand Ministry of Foreign Affairs and Trade: An Eye, an Ear and a Voice,* (Wellington:2019), 239-245; Clive Lind, *Till the Cows Came Home: Inside the Battles That Built Fonterra.* (Wellington:2013); Chris Nixon and John Yeabsley, *New Zealand's Trade Policy*

putting them into the context of New Zealand's economic diversification. However, much of the diplomatic school is written without recourse to the archival records and does little to explain the British and European perspectives. Some of the scholarship is motivated by burnishing the legacies of individuals and institutions involved. The 'diplomatic triumph' is clearly at odds with the orthodox view and has struggled to gain acceptance in popular discourse, which still frequently portrays Britain's entry to the European Community as a 'shock', 'betrayal' or 'abandonment' for New Zealand.[92]

Historiographical contribution

A great many histories of the second half of the twentieth century have looked at Britain's relationships with the Empire-Commonwealth, and separately, at Britain's engagement (or lack of) with European integration. Only a few scholars have sought to triangulate all three perspectives. This is partly because historiography of the European Community's relationships with the outside world remains relatively sparse.[93] Stuart Ward's book *Australia and the British Embrace* chronicles the demise of traditional ties and imperial ideals in Australia in the 1960s as a result of Britain's pursuit of European Community membership, although Ward, (like this thesis), suggests that British accession in 1973 was not a great 'shock'.[94] Andrea Benvenuti's diplomatic histories also chronicle the Australian experience of

Odyssey, (Wellington:2002); Michael Robson, *Decision at Dawn: New Zealand and the EEC,* (Wellington:1972); Barry Gustafson, *Kiwi Keith: A Biography of Keith Holyoake*, (Auckland:2007), 314.

[92] For example, Holland and Kelly, 'Britain, Europe and New Zealand', *Te Ara - the Encyclopaedia of New Zealand*, online at http://www.TeAra.govt.nz/en/britain-europe-and-new-zealand.

[93] A non-exhaustive list of exceptions includes: Guia Migani, 'Les accords de Lomé et les relations eurafricaines: du dialogue nord-sud aux droits de l'homme', in E. Robin-Hivert, G.H. Soutou (eds.), *L'Afrique Indépendante dans le Système Internationale,* (Paris:2012), 149-165; Claudia Hiepel (ed.), *Europe in a Globalizing World. Global Challenges and European Responses in the 'Long' 1970s,* (Baden-Baden:2014); Giuliano Garavini, *After Empires: European Integration, Decolonization, and the Challenge from the Global South 1957-1986,* (Oxford:2012); Veronique Dimier, *The Invention of European Development Aid Bureaucracy: Recycling Empire,* (Baskingstoke:2014); Enzo Grili, *The European Community and the Developing Countries,* (Cambridge:1993); Ulrich Krotz, Kiran Klaus Patel, and Frederico Romero (eds.), *Europe's Cold War Relations: The EC Towards a Global Role,* (London:2019); Maria Găinar, *Aux Origines de la Diplomatie Européenne: Les neuf et la Coopération Politique Européenne de 1973 à 1980,* (Brussells:2012); Gérard Bossuat, 'Origins and Development of the External Personality of the European Community', in Wilfred Loth (ed.), *Experiencing Europe: 50 years of European Construction,* (Baden-Baden, 2009), 217-254; Lorenzo Ferrari, *Sometimes Speaking with a Single Voice. The European Community as an International Actor, 1969–1979,* (Brussels:2016); Aurelie Gfeller, *Building a European Identity: France, the United States, and the Oil Shock, 1973-74,* (Oxford:2012); Daniel Möckli, *European Foreign Policy During the Cold War: Heath, Brandt, Pompidou and the Dream of Political Unity* (London 2009); Geir Lundestad, *The United States and Western Europe Since 1945,* (Oxford: 2003); Lucia Coppolaro, *The Making of a World Trading Power: The European Economic Community (EEC) in the GATT Kennedy Round Negotiations (1963–67),* (London:2013).

[94] Ward, *Australia and the British Embrace.*

European integration in the 1960s and other periods.[95] Alex May's edited volume published in 2001 provides several valuable contributions to the historiography, including a chapter by Ward looking at the 'old Commonwealth' experience of Britain's first application in 1961-3 and another by George Wilkes looking at Commonwealth sentiment in British politics.[96] Alex May followed with an article in 2013, arguing Britain's Commonwealth relations dissipated in the 1970s, paving the political way for entry.[97] Looking at the Canadian example, Oliver Parker's article notes that the Canadian Government campaigned against British entry in 1961-63 because of fears for the future of the Commonwealth.[98] There has been additional work done on European integration affecting Hong Kong, Ghana, India and Britain's overseas territories respectively.[99]

Few political historians have sought to apply such triangulation using British, European Community and New Zealand viewpoints, particularly in the years after accession. It is a gap this thesis seeks to fill. The research builds upon revisionist histories of the Anglo-New Zealand relationship in the context of European enlargement, particularly economic histories by David Hall and Jim McAloon, and the cultural history of the earlier period by Felicity Barnes. Moreover, it seeks to contribute to the vibrant present-day debate about Britain's relationship with its former empire, and the effect it had on its relationship with the European Community and European Union.

Structure

[95] Andrea Benvenuti, *Australia, Britain and the "Turn to Europe", 1961–72,* (New York:2008); Andrea Benvenuti 'Australia's Battle against the Common Agricultural Policy: The Fraser Government's Trade Diplomacy and the European Community', *Australian Journal of Politics and History,* 45:2, (2019), 181–196; Andrea Benvenuti, 'Opportunity or Challenge? Australia and European Integration, 1950– 57', *Australian Economic History Review,* 51:3, (2011), 297–317; Andrea Benvenuti, 'Australia's relations with the European Community in a historical perspective: an elusive partnership', *Australian Journal of International Affairs,* 72:3, (2018), 194-207.
[96] Ward, 'A Matter of Preference', in May (ed.), *Britain, the Commonwealth and Europe*, 156-80; George Wilkes, 'The Commonwealth in British European Policy, Politics and Sentiment, 1956-63', in May (ed.), *Britain, the Commonwealth and Europe*, 53-81. See also: Stuart Ward, 'Anglo-Commonwealth Relations and EEC Membership: The Problem of the Old Dominions', in G. Wilkes (ed.), *Britain's Failure to Enter the European Community, 1961–63: The Enlargement Negotiations and Crises in European, Atlantic and Commonwealth Relations*, (London: 1997), 93-107.
[97] May, 'The Commonwealth and Britain's Turn to Europe, 1945–73'.
[98] Oliver Parker, 'Canadian concerns of a different kind of Brexit: Britain's first application to the EEC and Canada's Commonwealth appeal', *The Round Table,* 108:1, (2019), 81-85.
[99] James Fellows, 'Britain, European Economic Community Enlargement, and 'Decolonisation' in Hong Kong, 1967–1973', 41:4, (2019), 753-774; Rajendra K. Jain, 'Jawaharlal Nehru and the European Economic Community', *India Quarterly,* 71:1, (2015), 1-15; Lindsay Aqui, 'Macmillan, Nkrumah and the 1961 Application for European Economic Community Membership', *The International History Review,* 39:4, (2017), 575-591.

The thesis uses a series of political case-studies, centred on British negotiations with the European Community and the role played by New Zealand. Chapter One looks at the decision by Britain to seek membership of the European Community and the two failed entry attempts in 1961-63 and 1967, putting these in historical context. It also looks at the evolution of British parliamentary and public opinion towards New Zealand, the emergence of the 'shock and betrayal' narrative, and the failed attempts to attain world dairy trade agreements through the GATT. Chapter Two covers the negotiations for British accession in 1970-71, including why New Zealand secured its special arrangement at Luxembourg in June 1971. Chapter Three looks at the aftermath of the Luxembourg agreement and the Treaty of Accession, explaining how the special arrangement was perceived in both Britain and New Zealand and how political elites in Britain and New Zealand responded to it. Chapter Four addresses 1973, the official date of British accession. Currency problems affecting the relationship are outlined, including how they were partially resolved in New Zealand's favour. Chapter Five chronicles New Zealand's role in the British Government's renegotiation of its membership terms, the referendum, and the extension of the special arrangement in 1975, including why the British Government yet again elevated New Zealand issues in its negotiating agenda with European partners. Chapter Six addresses the addition of lamb into the CAP, which in some ways advantaged New Zealand, and further extensions of the special arrangement for dairy trade. It also looks at British efforts to secure reforms of agricultural policy and the Community budget mechanism, in part by advancing New Zealand's case for continued agricultural trade access. The conclusion provides an epilogue discussing the Rainbow Warrior affair, and continuity in relations between the Fourth Labour Government in New Zealand and the Conservative Government in Britain in the mid-1980s. It also builds on the key findings expressed in the introduction, and points to further research.

Chapter One

‘We can try to understand’: New Zealand and Britain’s failed accession attempts, 1960-69

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Introduction – the Sandys Communiqué

Duncan Cameron was an innovative and successful New Zealand farmer. Originally from Inverness-shire, Scotland, he emigrated to New Zealand on the ship *Mirage* in 1864 and five years later acquired farmland near Methven in the South Island. Cameron was among the first to effectively irrigate the Canterbury Plains, installing a 40-mile system of water races on his farm and transforming ‘one of the driest regions in New Zealand to a district noted far and wide for its crops and stock’.[100] According to a local newspaper, by the time of his death in 1908 he owned one of the ‘finest agricultural and pastoral properties of the Dominion’. The same source noted Cameron’s important role in the novel practice of shipping frozen meat to Britain by guaranteeing supply of sheep carcasses up to 18 months in advance.[101] Cameron seemed to epitomise what New Zealand Prime Minister Keith Holyoake later described as New Zealand’s farming ‘backbone’, helping to establish a pervasive colonial system with strong economic and cultural links to Britain, based on the export of pastoral farm products.[102]

It is not known if Duncan Cameron’s namesake and maternal grandson, Duncan Sandys, Secretary of Commonwealth Relations for the UK Government, thought about his grandfather on the long flights out to New Zealand in July 1961 or the irony that his task, as it was seen by some New Zealanders, would help dismantle the industry that his ancestor and others had established a century beforehand. Sandys’ objective was to convince the Australian, Canadian and New Zealand governments of the merits of Britain’s decision to apply for membership of the European Community. Ministerial colleagues Peter

[100] ‘Death of Mr Duncan Cameron’, *Ashburton Guardian,* 15 July 1908, online at Papers Past, National Library of New Zealand (NLNZ), https://paperspast.natlib.govt.nz/newspapers/AG19080715.2.18. See also N. Piers Ludlow, ‘Sandys, (Edwin) Duncan, Baron Duncan-Sandys’, *Oxford Dictionary of National Biography,* online at https://doi.org/10.1093/ref:odnb/39858,.

[101] ‘Death of Mr Duncan Cameron’, *Ashburton Guardian,* 15 July 1908, online at Papers Past, National Library of New Zealand (NLNZ), https://paperspast.natlib.govt.nz/newspapers/AG19080715.2.18.

[102] Gustafson, *Kiwi Keith*, 314.

Thorneycroft, Edward Heath and John Hare were simultaneously despatched to other Commonwealth capitals with a similar motive. Contrary to what they told the Commonwealth governments, the decision to apply had already been provisionally approved by a UK Cabinet meeting on 18 June. British Prime Minister Harold Macmillan believed that while European Community accession was now a priority, good Commonwealth relations were not mutually exclusive, and therefore sought 'grumbling acquiescence' from counterparts in the former Dominions. He was surprised to receive vehement opposition instead, some of which was downplayed by Sandys in subsequent Cabinet meetings.[103]

Sandys' visit to the country of his grandfather was similarly tricky as in Canberra and Ottawa, where the mood was hostile. There were four days of tense talks in Wellington between the British delegation and New Zealand Government ministers and officials. An article suggesting British intransigence appeared in the *Evening Post* newspaper and the British delegation blamed the leak on William Ball Sutch, New Zealand Secretary (lead official) of Industries and Commerce and a noted economic nationalist. Since the 1930s, British intelligence services had kept a file on Sutch as a suspected Communist sympathiser, and despite flimsy evidence, had pressured the New Zealand Government to sack him.[104] Sandys asked for Sutch to be removed from the talks, but the New Zealanders refused in the absence of proof that he had been the leaker.[105] As discussions neared conclusion, Deputy Prime Minister John Marshall pressed Sandys to agree a joint communiqué. The drafting was rushed, and British officials refused to include any tangible guarantees for New Zealand until a late suggestion by Marshall (acting on a suggestion from Foreign Affairs official Frank Corner) to use the words that Sandys himself had spoken at the outset of the talks. This was reluctantly accepted on the British side.[106]

The agreed wording was announced to Parliament and the press by New Zealand Prime Minister Keith Holyoake on 6 July 1961, known thereafter as the 'Sandys Communiqué'.[107] The key passage from New Zealand's perspective noted:

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[103] Ronald Hyam, *Britain's Declining Empire: The Road to Decolonisation, 1918–1968* (New York: 2012), 310.
[104] 'Note on Dr. William Ball Sutch', 19 August 1958; Telegram, UKHC Wellington to FCO London, 'Dr. W. B. Sutch', 5 September 1958, KV 2/3929, TNA.
[105] Marshall, *Memoirs: Volume Two*, 64.
[106] 'UK/EEC Relations', FHC – Personal and Working History, FC4, Frank Corner Personal Papers, Ministry of Foreign Affairs and Trade (MFAT), HSBC Tower, Wellington.
[107] Gustafson, *Kiwi Keith*, 298.

> 'in the course of any such negotiations [to enter the European Community], the British Government would seek to secure special arrangements to protect the vital interests of New Zealand and other Commonwealth countries, and that Britain would not feel able to join the EEC unless such arrangements were secured'.[108]

The terms were vague; nevertheless, New Zealand ministers and officials felt they had a firm British commitment to secure a 'special arrangement' for them in the event of British accession. They clung grimly to these words for another decade to come.

This chapter charts the Anglo-New Zealand relationship over that decade in the context of Britain's two failed attempts at accession to the European Community, in 1961-63 and 1967. It begins by setting the Anglo-New Zealand political relationship in historical perspective, which helps to explain the importance of New Zealand's agricultural exports to Britain, along with the political, diplomatic, and cultural connections between the countries. It sets out the nature of the international dairy market in the 1960s, thwarted attempts to secure an international dairy agreement and the consequences of this. It plots interactions between the British and New Zealand Governments, explaining how they developed their policies and political tactics towards European integration. It also outlines the impulses in British politics that made ministers and officials more receptive to supporting New Zealand. The chapter concludes that the early 1960s established a historical institutional template for British advocacy on behalf of New Zealand in the European Community, which remained in place until the 1980s and after. It also demonstrates that New Zealand ministers, officials and industry representatives attained the status of 'insiders' within the policymaking process in Westminster, and that New Zealand and other Commonwealth concerns had a detrimental effect on the first British attempt at entry 1961-63, setting a perilous precedent for later attempts.

The Anglo-New Zealand relationship in historical perspective

[108] 'Joint communiqué issued after talks between Mr Sandys, British Secretary of State for Commonwealth Relations, and the Prime Minister Holyoake', 6 July 1961, R17724928, ANZ. Also see 'European Economic Community, Ministerial Statement by Right Hon. Keith Holyoake', *New Zealand Parliamentary Debates,* Volume 326, 6 July 1961, 299.

Anglo-New Zealand relations in the 1960s, 1970s and early 1980s were shaped by interactions dating back at least to the nineteenth century. British naval supremacy, cemented by victory in the Napoleonic Wars, and a hiatus in seagoing exploration by Chinese and Polynesian seafarers meant that many (but by no means all) visitors and settlers in New Zealand were anglophone and to some extent culturally and ethnically 'British' in the 1800s. This was despite the fact that Britain lay at the furthest extremity of the earth. Many initially came for globalised extractive industries such as whaling, sealing, forestry and mining, some products of which were exported to the industrial factories of Britain, ending up as finished items in Europe. Later in the nineteenth century there were attempts at managed immigration from the British Isles. However, there was nothing inevitable about the 'Britishness' of New Zealand, which was largely a cultural construct of the late 1800s and early 1900s. Māori had lived in Aotearoa New Zealand since the thirteenth century and proved initially adept at protecting substantive sovereignty while engaging with the economic activity of early Pākehā (European New Zealanders) for their own ends. Moreover, French, Chinese, Dalmatian, American, Irish and Scandinavians were among the ethnic groups to make their way to New Zealand by the mid-nineteenth century, as did many from the nascent convict and military colonies on the east coast of Australia.[109] Tony Ballantyne argues that movement of people, ideas, military resources and capital from South Asia also had a significant effect on Aotearoa New Zealand's colonisation.[110]

From the 1840s to the 1880s New Zealand Governments, political elites and much of the population, often with the support of the British Government in Whitehall, sought to prise substantive sovereignty and land resources from Māori. The latter were largely economically marginalised, subjugated and assimilated into Pākehā society by a combination of disease, war, legislation, raupatu (land confiscation) and institutional racism.[111] The New Zealand story was not atypical across the globe in the long nineteenth century. As Belich shows, patterns of 'explosive colonisation' saw vast economic and population growth rates in many English-speaking settlements (and elsewhere). These booms were driven by the 'industry' of colonisation. Export industries, where they existed at all, tended to be regional. More money could be made by selling domestically to the vast numbers of newly arrived settlers. Networks

[109] Belich, *Paradise Reforged*, 217-228.
[110] Ballantyne, *Webs of Empire,* 50-65.
[111] Vincent O'Malley, *The Great War for New Zealand: Waikato 1800-2000* (Wellington:2016), 1-8.

were linked by nodes of information technology (letters, telegrams, newspapers and ships bearing people). Boosterism was common, with New Zealand competing for immigrants and investment capital with colonies in Australia, Canada, South Africa, America and elsewhere. Millions of pounds from banks in the City of London were sunk into risky colonial enterprises.[112] Such booms inevitably busted. The New Zealand State was close to bankruptcy in the 1880s, bringing down several British banks with it. A long, severe economic depression ensued.[113]

The 1880s saw a further revolution in New Zealand relations with Britain. As Felicity Barnes demonstrates, early and mid-nineteenth century British impressions of New Zealand (when they existed at all) were of a distant 'other' place, a sort of wild antithesis of the civilised London metropolis.[114] Three factors changed this, in the process reversing New Zealand's long economic depression of the 1880s with a recovery led by exports to Britain. The first was political and saw successive New Zealand Governments proactively encourage pastoral farming for export. This included opening fertile tracts of farmland in the North Island interior, some of which were forcibly extracted from Māori (particularly what became the most productive dairy lands of Waikato and Taranaki). Governments also intervened in the dairy industry, particularly to enlarge and improve dairy factories. Structurally, the farming industry evolved with the forming of farmers' cooperatives and associations. This increased profitability through improved marketing, hygiene and packaging standards. These organisations, and later statutory producer boards, commissions and farmers unions, were to retain significant influence in New Zealand politics through to the late twentieth century and beyond, forming symbiotic relationships with successive New Zealand governments.[115] Sheep farms, particularly in the South Island, continued to be large-scale and dominated by wealthy 'southern gentry'. Dairy farms tended to be smaller, averaging around 50 cows, and often practiced the Scottish tradition of shared profits between labourer and landowner, which evolved into sharemilking.[116]

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[112] James Belich, *Replenishing the Earth: The Settler Revolution and the Rise of the Anglo-World, 1783-1939*, (Oxford:2009), 86-88.
[113] Belich, *Paradise Reforged*, 54-78, 368-378.
[114] Barnes, *New Zealand's London*, 1-2.
[115] Belich, *Paradise Reforged,* 146; Lind, *Till the Cows Came Home*, 25; Hall, *Emerging from an Entrenched Colonial Economy*, 32.
[116] Lind, *Till the Cows Came Home*, 10.

The second change factor at the end of the nineteenth century was technological. Most notably, the invention of refrigeration allowed meat and dairy to be safely and profitably sent on the 12,000-mile sea journey from New Zealand to London. This coincided with increases in speed and size of ocean-going steamships which were largely financed, built, owned and insured by powerful British businesses. At times of war, such vessels could be protected by the might of the British Navy.[117] There were also technological advances in farming, particularly mechanical separation of milk and cream, milking machines, irrigation and supplies of phosphate from *guano* harvesting in the South Pacific. This resulted in rapid increases in pastoral farming efficiency and production, coinciding with growth in British markets. A less positive result was environmental degradation.[118]

The third factor in New Zealand's export-led economic recovery was a large and rapid expansion in the British affluent middle classes in the late nineteenth and early twentieth century. The economic successes of Edwardian Britain should not be over-stated; however, it is true to say that there was an emerging group of office workers, skilled factory workers and craftspeople who experienced sustained increases in real income. Consumer goods hitherto available only to the aristocracy or extremely wealthy became available to a growing mass-market which could not be sustained by domestic production. The growing British food markets established what Belich described as a 'protein bridge' between Britain and its white colonies; Australia, Canada, South Africa, New Zealand and elsewhere around the world.[119]

Food consumption became an important social marker in nineteenth-century Britain.[120] There was an important gendered element to this. Women were seen to be integral to the system of maintaining and enhancing the status and respectability of British families through social rituals. Hosting dinners inside the home for friends or family emerged as an enduring popular activity in the second half of the nineteenth century. Dinner invitations, food provision and maintenance of the household budget were increasingly seen as important 'women's work'.[121] In contrast to most of Europe, respectable British housewives

[117] ibid. 6.
[118] Lind, *Till the Cows Came Home*, 14-16.
[119] Belich, *Paradise Reforged*, 54-58.
[120] John Burnett, *Plenty and Want: A Social History of Food in England from 1815 to the Present Day*, (London: third edition 1989), 150.
[121] Shani D'Cruze, 'Women and the Family', in June Purvis (ed.), *Women's History Britain, 1850-1945: An Introduction* (London:2006), 47.

were primarily consumers, rather than producers, of food.[122] It was New Zealand's fortune, thanks to advantages in price and quality in dairy and sheepmeat products, to become an important part of this system of British gendering, social climbing and globalisation. A British tradition emerged of sitting down at home to a Sunday roast of New Zealand lamb (cheaper than beef, tastier than mutton or goat), accompanied by pudding made with New Zealand butter, which was favoured over less tasty dripping. New Zealand's antipodean lamb season largely complemented rather than competed with that of British farmers, guaranteeing year-round supply for the first time. Hard, mild-tasting cheeses became popular, with New Zealand's burgeoning cheddar exports favoured by British consumers over more flavoursome and expensive French varieties.[123] Alongside increased suffrage and affluence, such cultural norms help to explain why presuming or invoking the wishes of the 'British housewife', particularly on the issue of food prices, was to become a familiar part of political rhetoric about Britain's relationship with Europe (and New Zealand's continued access) in the 1960s, 1970s and early 1980s.[124]

The revolution in British-New Zealand relations from the 1880s had some far-reaching effects relevant to this thesis. Most notable is New Zealand's oft-cited economic reliance on the British market until the late twentieth century. In 1960, 53% of New Zealand's total exports went to Britain. In key farming industries the dependence was near universal, with 89% of New Zealand's butter, 94% of its cheese and 94% of its meat exported to Britain. Products were tailored to British consumer tastes and were financed, shipped and insured by British businesses, making diversification to other markets difficult. This economic dependence arguably eclipsed that of most other colonies and Commonwealth nations; with perhaps only the sugar industry in the British Caribbean having comparable levels of specialisation.[125]

As early as the 1930s, amid the Great Depression, the first Labour Government of New Zealand (1935-49) had seen dependence on the British export and financial markets as

[122] Edgerton, *The Rise and Fall of the British Nation*, 88.
[123] Belich, *Paradise Reforged*, 54-58.
[124] For example, 'Brian Talboys address to Royal Commonwealth Society, September 1972' R20759164, ANZ. For the importance of gender and food prices in the 1975 Referendum see Saunders, *Yes to Europe*, 183-210, 278-296.
[125] John Singleton and Paul Robertson, 'Britain, Butter and European Integration 1957-1964', *Economic History Review,* 50:2, (1997), 328.

problematic and had sought to diversify. Efforts included signing a trade agreement with Nazi Germany (which was opposed by the British Government), among others.[126] Diversification was thwarted by the widespread trade protectionism of the Depression.[127] The Second World War also hampered diversification, with prospective markets closed by autarkic regimes or military action, and because Britain wanted all the protein it could get. In 1939 the British and New Zealand Governments negotiated a bulk purchase contract, making it illegal for New Zealand dairy and sheepmeat producers to sell to countries other than the UK without governmental permission. A further seven-year bulk contract was negotiated in 1947 on advantageous terms for Britain (which was struggling in post-war austerity), remaining in place until a bilateral trade agreement was agreed in 1954. These economic links were augmented by the Ottawa Agreement of 1932, giving Commonwealth exporters preferential tariffs in the British market and vice versa, (amidst increased trade protectionism elsewhere from the 1930s). Economic links were underlined by Pound Sterling's role as world reserve currency until the Second World War, a state artificially preserved by Commonwealth countries in the 'Sterling area' from 1931 until 1972.[128]

Just as important as the economic links, from the late nineteenth century New Zealanders began more overtly to define themselves and their institutions as British. In a phenomenon that Belich calls 'recolonisation', economic ties were buttressed by cultural ones. This included sustained attempts to create a 'better Britain' in the south seas, one that was egalitarian, homogenous, masculine and supposedly epitomising the best attributes of the British middle classes. The system largely suited elites in both colony and metropole. In the 1950s New Zealand boasted one of the highest living standards in the world; however, it came at a price. British-centric monoculturalism meant Māori were marginalised or assimilated, sometimes brutally, and women were frequently excluded from public life. Minority ethnic groups including those from Asia and continental Europe were literally

[126] John Crawford and James Watson, ''The most appeasing line': New Zealand and Nazi Germany, 1935-40', *The Journal of Imperial and Commonwealth History*, 38:1, (2010), 80. For Britain's dislike of the New Zealand-Germany trade agreement see :'Note', 18 March 1937, BT 11/786, TNA.

[127] Barry Eichengreen and Douglas Irwin, 'The Slide to Protectionism in the Great Depression: Who Succumbed and Why?', *The Journal of Economic History,* 70:4, (2010), 876-7.

[128] League of Nations, *Review of World Trade*, 1938, 62; and Eichengreen and Irwin, 'The Slide to Protectionism in the Great Depression: Who Succumbed and Why?,' *National Bureau of Economic Research,* Working Paper 15142, July 2009, 877. See also Singleton and Robertson, *Economic Relations Between Britain and Australasia*.

written out of society, removed from official statistics to emphasis the 'Britishness' of New Zealand.[129]

This cultural and political reimagining was not a one-way street. Felicity Barnes describes how New Zealanders were able to become 'co-owners' of the metropolitan capital. They did this by transforming New Zealand in British perceptions into a bucolic 'Greater British' farmyard. Advertising, cultural discourse and New Zealanders undertaking what came to be known as Overseas Experience, 'the big OE', in London all positioned New Zealand as an extension of the metropole in the British mind, perhaps analogous to Scotland or Devon, despite being 18,000 kilometres away. This was a remarkable example of condensing time and space between the metropole and periphery, which may have implications for history elsewhere across the world.[130] As shall be seen, this thesis contends that the networks underpinning such cultural, political and economic exchange ran deep in New Zealand and Britain, even by the 1970s.

New Zealand's response to European integration

From the Sandys Communiqué onwards, successive New Zealand Governments supported British accession to the European Community in principle, providing adequate safeguards were provided for New Zealand's interests. In a meeting with Duncan Sandys in July 1961 New Zealand Prime Minister Keith Holyoake told the Commonwealth Secretary, 'alright Duncan, we go along and we trust you'.[131] This was not necessarily an important sea-change in New Zealand policy. In 1950, the New Zealand Government distinguished itself from other Commonwealth nations by encouraging (ultimately aborted) British involvement in the European Coal and Steel Community, suggesting the British Government could promote the interests of Commonwealth nations from inside.[132] Such an approach replicated the New Zealand Government's approach to foreign policy for much of the twentieth century, seeking to have Britain advocate on its behalf in multilateral institutions.

[129] Belich, *Paradise Reforged*, 217-8, 280-296, 307-318, 368-378.
[130] Barnes, *New Zealand's London*, 1-14.
[131] Quoted in Gustafson, *Kiwi Keith,* 298.
[132] Christopher Lord, ''With but not of': Britain and the Schuman Plan, a reinterpretation', *Journal of European Integration History,* 4:2, (1998), 39.

Holyoake and Marshall's centre-right National Party held power in New Zealand from 1960-1972. Its continued battle to retain access to Britain and European markets in the 1960s has been viewed as naiveté, weakness or sentimentally clinging to an outmoded colonial world view.[133] However, this somewhat misinterprets the domestic political imperatives and economic strategy as seen at the time, which aimed to retain vital export revenue from dairy and sheepmeat in Britain while simultaneously diversifying the economy. This strategy was generally supported by influential pressure groups, including the statutory producer boards and trade unions. It was hoped the diversification would happen in several ways. New export markets were sought for existing dairy and sheepmeat products in which New Zealand had price and quality advantages. Government and industry also sought to apply scientific innovation to develop new kinds of products from dairy and sheep, such as baby foods, casein and high-grade or synthetic-wool blends. There was also a desire to expand new export sectors such as forestry (including pulp and paper processing), tourism, wine and horticulture. Import substitution was also considered and occasionally pursued, as was state-stimulated manufacturing for export.[134]

As outlined above, New Zealand's attempts at economic diversification began long before Britain's entry to the European Community. In a further point often missed by historians, New Zealand's economic policies, including export diversification, largely replicated those pursued by the British Government at the time.[135] As Robert McLuskie notes, Wellington's public sector expanded rapidly in the 1960s, meaning a relatively young cadre of managers were rapidly promoted to positions of influence. These younger officials were more likely to be university educated and to have lived or travelled overseas (including in Britain), exposing them to transnational ideas. They frequently read and adopted economically liberal views espoused by publications such as *The Economist* and the *Financial Times.* Many took a positive view of European integration, drawing criticism from farming groups who felt they were not acting in the national interest.[136] Such officials can be seen in the context of the

[133] Ward, 'A Matter of Preference: the EEC and the erosion of the Old Commonwealth Relationship', in May (ed.), *Britain, the Commonwealth and Europe*, 161.
[134] 'General policy statement', June/July 1966, MS-Papers-1403-158-3, ATL.
[135] For example, the Sandys Communiqué noted the New Zealand Government should 'explore other methods of securing comparable outlets for New Zealand exports'. See 'Joint communiqué issued after talks between UK Commonwealth Secretary Sandys and New Zealand Prime Minister Holyoake', R17724928, ANZ.
[136] Robert McLuskie, *The Great Debate: New Zealand, Britain and the EEC, the shaping of attitudes,* (Wellington: 1986), 11; Woodfield, *Against the Odds*, 56.

emergence of 'international' thinking in the twentieth century, which has been chronicled by Glenda Sluga, among others.[137] Even proponents of economic nationalism such as Sutch, who opposed New Zealand's traditional export reliance on Britain, drew inspiration from economic thinkers in the metropole. As a recent memoirist notes, Sutch's economic views were largely derived from British periodicals such as *The Economist, New Statesman* and *The Listener* (UK). His advocacy of policies such as import substitution, value-added production in the primary sector and increased industrialisation 'were in the footsteps of British Chancellor of the Exchequer Selwyn Lloyd, and not those of Stalin, as most of the farming sector, and at least one later Prime Minister considered'.[138]

In Wellington there was an additional expectation that, once inside the Community, Britain would act as a positive agent for reforming the CAP, reducing food surpluses, bringing the Americans to the table for discussion on a world dairy agreement and making the global environment generally more conducive for New Zealand exports. New Zealand ministers and officials also envisioned a future free trade agreement with the European Community.[139] That such things did not immediately come to pass is not necessarily the fault of New Zealand policymakers at the time, who were not clairvoyant and were sometimes encouraged to think optimistically by their British and Community counterparts. Successive New Zealand Governments, businesses, producer boards and farmers can perhaps be criticised for not trying hard enough to diversify, for diversifying in the wrong areas or for being too late to start; however, diversification was pursued. Progress eventually came, albeit slowly, in the face of considerable protectionist headwinds blowing from Washington, Paris, and Tokyo.[140]

This is not to say that the prospect of British accession did not cause some alarm in the New Zealand polity and society more broadly. Stuart Ward has shown that in the case of Australia in the early 1960s, Britain's pursuit of European Community membership altered the language of political discourse, helping to end the pretence of Australia's idealised role in

[137] Glenda Sluga, *Internationalism in the Age of Nationalism,* (Philadelphia:2013), 13.
[138] Keith Ovenden, *Bill & Shirley: A memoir,* (Auckland: 2020), 37; See also Edgerton, *The Rise and Fall of the British Nation*; William B. Sutch and Michael Turnbull, *Colony or Nation? Economic Crises in New Zealand from the 1860s to the 1960s,* (Sydney:1966).
[139] 'Record of New Zealand Cabinet Meeting on overseas trade policy', 22 September 1970, MS-Papers-1403-162-4, ATL.
[140] Morris Guest and John Singleton, 'The Murupara Project and Industrial Development in New Zealand 1945-1965', *Australian Economic History Review,* 39:1, (1999), 66; Easton, *Not in Narrow Seas*, 455-477.

British imperialism.[141] There are signs that similar changes happened in New Zealand in 1961-63. McLuskie describes the 'great debate' of the early 1960s in which the British decision to investigate European Community membership came amidst a largely pessimistic argument about the economic and cultural future of New Zealand. Notably, similar national 'crisis' discourses were evident elsewhere in the English-speaking world in the 1960s, including in Britain.[142]

There was pressure on the New Zealand Government's optimistic view of British accession from both the political left and the right, which served to galvanise ministers to achieve the best possible result for New Zealand trade in the course of British accession. The immediate Labour Government response to the prospect of Britain joining the Community was negative. In October 1960 Arnold Nordmeyer, the then New Zealand Finance Minister in a Labour Party Government, voiced opposition to British accession at the Commonwealth Finance Ministers meeting in Accra.[143] Holyoake's Government, elected in December 1960, was more equivocal, and its view became more positive after the Sandys Communiqué. As a result political opponents, including Nordmeyer, sought to portray Holyoake and the Government as being weaker than the Australians and Canadians, who were publicly taking a harder line with the British. Labour's criticism was tempered somewhat after Prime Minister Holyoake invited opposition leader Walter Nash to attend, at Government expense, trade discussions in London in September 1962. Thereafter there were continued attempts to keep a bi-partisan consensus on New Zealand policy towards the European Community to avoid undermining negotiations. Nevertheless, within the National Party there were fears that rural voters would move to the new Social Credit party, or that a new 'Country Party' would be formed (as had happened in Australia).[144] Both major New Zealand political parties saw semi-rural seats as crucial to electoral success, raising the political stakes of continued British export trade.[145]

[141] Ward, *Australia and the British Embrace*, 12.
[142] McLuskie, *The Great Debate*, 11; Ward, *Australia and the British Embrace,* 241; Ward, 'Introduction', in idem (ed.), *British Culture and the End of Empire,* (Manchester:2001), 10.
[143] Hall, *Emerging from an Entrenched Colonial Economy*, 41.
[144] Ibid. 297, 299-300.
[145] Barry Gustafson, 'New Zealand Politics 1945-1984', in Raymond Miller (ed.), *New Zealand Politics in Transition,* (Oxford:1997), 4.

Beyond Parliament, Chairman of the Federation of Labour Fintan Patrick Walsh (also a dairy farmer, with one of the largest herds in New Zealand) was among those urging Holyoake to firmly criticise Britain's plans to join the European Community. Walsh had joined the Government team negotiating a trade agreement with Britain in 1949. His disapproval of accession aligned with his own economic nationalism, and plenty on the British left.[146] He was critical of the Government's perceived acquiescence to British interests.[147] On the right, John Ormond, Chairman of the Meat Producer's Board, remained a powerful, articulate, and vociferous opponent of Britain's accession throughout the 1960s. The New Zealand news media often portrayed Ormond as advocating for New Zealand as a whole, not just the meat industry. Ormond also attained a public profile in Britain.[148] Both Walsh and Ormond advanced the view that that British membership of the European Community was something of a betrayal of New Zealand's interests, a notion that most major newspapers adopted. This idea proved tenacious in the minds of New Zealanders for decades to come.[149]

This betrayal narrative gained greater traction because of the reluctance of senior Government ministers to publicly comment on the merits of British accession.[150] As Holyoake and Marshall saw it, there were several political advantages to this approach. It made them more likely to be consulted and trusted with information - as Wyn Grant might term it, 'insiders'. [151] Secondly, the implicit threat of criticism was ever present, inducing British ministers to do their utmost to prevent this. It also enabled New Zealand ministers and officials to cultivate relationships with both pro- and anti-Common Market interests in Westminster, and with important decision-makers in Brussels. The New Zealand Government also saw some merit in allowing non-government voices such as Walsh, Ormond, and spokespeople from Federated Farmers (the New Zealand farmers' union) to publicly express disapproval of British accession, which maintained public pressure without compromising the New Zealand Government's neutrality on the issue.[152]

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[146] Pat Walsh, 'Walsh, Fintan Patrick', *Dictionary of New Zealand Biography*, online at, https://teara.govt.nz/en/biographies/4w4/walsh-fintan-patrick.
[147] Woodfield, *Against the Odds*, 56.
[148] Hall, *Emerging from an Entrenched Colonial Economy,* 80.
[149] Marshall, *Memoirs: Volume Two*, 62.
[150] Ward, *Australia and the British Embrace,* 125; Parker, 'Canadian concerns of a different kind of Brexit', *The Round Table*, 108:1, (2019), 82.
[151] Grant, 'Pressure politics', 408-409.
[152] Hall, *Emerging from an Entrenched Colonial Economy,* 80-81.

Setting a template – negotiations for European enlargement 1961-63

On a tour of European capitals in 1962, John Marshall found general awareness of New Zealand's problems. Only France appeared obdurate, protecting the newly implemented CAP and perceiving New Zealand as a wealthy nation and therefore in no need of a solution.[153] This pattern of France versus Britain and the 'friendly five' existing member states was replicated in subsequent years. On the 1962 visit, several European ministers told Marshall that New Zealand should be singled out for a temporary 'special arrangement'. At that time Marshall supported Britain's ambition to secure a permanent pan-Commonwealth arrangement within the European Community, and so initially resisted the idea of a 'New Zealand-only' deal. He doubted the political benefits and felt New Zealand could leverage the influence of the other Commonwealth nations to get better terms.[154] On the other hand Sandys was receptive to a New Zealand-specific arrangement. Despite Marshall's objections he insisted in July 1962 that only special arrangements for New Zealand dairy and Commonwealth sugar would be pursued during enlargement negotiations. To move the French negotiating position, arrangements for all other Commonwealth interests were to be settled at official level after entry.[155] This British position remained largely in place until 1973 and after. Both Marshall and Prime Minister Holyoake eventually came to accept New Zealand's exceptional position as a virtue, and on later occasions worked to ensure competitors, such as Australia, remained excluded from discussions and public debate.[156]

Another political decision of the early 1960s that had long-ranging repercussions was the New Zealand Government's acceptance of having Britain negotiate with the European Community on its behalf. In this, New Zealand was clearly distinguished from Australia, which in 1961 launched a vociferous campaign to negotiate directly with the six existing members of the European Community ('the Six').[157] Australian Deputy Prime Minister and Trade Minister 'Black' Jack McEwen had already insulted European Community members by suggesting it would be 'unthinkable' for 'foreigners' to be given a preferred position over the

[153] Gustafson, *Kiwi Keith*, 299.
[154] 'Report of meeting between Marshall and Sandys', London, 12 June 1962, PREM 11/3891, TNA.
[155] 'Memo, Sandys to UKHC Wellington', 14 July 1962, PREM 11/3891, TNA.
[156] For example 'Record of Holyoake meeting with Pompidou', 26 April 1971, PREM 15/365, TNA.
[157] The six original members states of the European Communities from the signing of the Treaty of Rome in 1957 to enlargement in 1973 were Belgium, Federal Republic of Germany, France, Italy, Netherlands and Luxembourg.

Commonwealth in the British market.[158] He and other Australian ministers insisted they should personally present their case at meetings of the Six, which exposed a lack of trust in British delegates to put forward the Australian position. It also alienated Community ministers by taking up time on what, to them, seemed trivial matters. In any case, Australia was changing its aggressive line on British accession negotiations from what Prime Minister Robert Menzies had described in August 1961 as 'the most important [problem] in time of peace in my lifetime', to a resigned acceptance 14 months later that British entry was inevitable and little could be done to protect Australia, which was turning to markets elsewhere.[159] For its part the John Diefenbaker-led Government in Canada entered a secret agreement with British lead negotiator Edward Heath to accept any terms that Brussels offered in return for keeping the topic quiet during upcoming elections.[160]

The convention that Britain would negotiate on New Zealand's behalf with the Six European Community members appeared inconvenient. However, it also had political advantages for the New Zealanders, described by one former diplomat as 'judicious fatalism'.[161] Britain would be seen to take responsibility for terms agreed, which potentially provided greater scope for the New Zealand Government to criticise unsatisfactory arrangements it was not a direct party to. New Zealand ministers and officials were promised consultation on a 'next room basis', and it was recognised that they could speak directly to European capitals when necessary.[162]

To this end, during the 1960s New Zealand established new embassies in Brussels, Bonn, Rome and The Hague. Alongside existing offices in London and Paris, these generated intelligence, promoted exports and exerted influence, occasionally accessing important documents in advance of key Council of Ministers decisions.[163] John Marshall himself made eleven trips to Europe between 1961 and 1971, visiting all six European Community member

[158] Ward, 'A matter of preference', in May (ed.), *Britain, the Commonwealth and Europe*, 162.
[159] Ibid. 173.
[160] 'Record of meeting between the Lord Privy Seal and the High Commissioner in Ottawa', 26 March 1962, PREM 11/4016, TNA, quoted in Ward, 'A Matter of Preference', in May (ed.), *Britain, the Commonwealth and Europe*, 169.
[161] O'Brien 'Britain, the EU and New Zealand', in Lynch (ed.), *Celebrating New Zealand's Emergence*, 28.
[162] 'Telegram, UKHC Wellington to Douglas-Home, 'The Implications for New Zealand of British Membership of the European Communities; 1 July 1970', T 312/2718, TNA.
[163] For example, Telegram, New Zealand Mission Brussels to Secretary of Foreign Affairs', 20 March 1970, R20758994, ANZ.

state capitals on at least eight of these visits. These were augmented by numerous visits by Holyoake, as well as Agricultural and Finance ministers, opposition spokespeople and members of the Dairy and Meat Boards.[164] Far from a disconnect in relations, at least at political, diplomatic and trade levels, Britain's negotiations to join the European Community resulted in greater contact between New Zealand, Britain and Western Europe than ever before, with the possible exceptions of the World Wars.

The personalities of individual New Zealand politicians and farming representatives played some part both in the outcome of the negotiations and the evolution in the Anglo-New Zealand relationship through the 1960s. Keith Holyoake was Prime Minister briefly in 1957 then continually from 1960 to 1971, offering rare political longevity throughout the negotiations. Like many in Cabinet Holyoake had a farming background and as Agriculture Minister 1949-57 had led negotiations for the New Zealand-UK Free Trade Agreement of 1957, so was familiar both with the industry and with economic diplomacy.[165] As Prime Minister, Holyoake also retained oversight on foreign policy and trade negotiations with Britain and Europe, having input into strategy and tactics; however, he largely left detailed negotiations to Marshall as Deputy Prime Minister and Overseas Trade Minister. Holyoake's diplomatic style tended to be uncomplicated, nationalistic and occasionally bombastic, which was said to complement Marshall's mild-mannered and reasoned approach.[166]

Although he was more conciliatory towards Britain than his Australian and Canadian counterparts, Holyoake was more sceptical of British negotiators' ability to deliver a special arrangement than the optimistic Marshall, and arguably more willing to countenance public criticism of Britain. Along with Finance Minister Robert Muldoon (1967-72), Holyoake frequently pressed Marshall to take a firmer line with Britain than may otherwise have been the case, including in Luxembourg in 1971 (see Chapter Two).[167] This did not go unnoticed in the British Government, with Francis Cumming-Bruce, UK High Commissioner in Wellington, reporting in 1962 that the New Zealand Prime Minister would change his stance on supporting

[164] 'Marshall speech opening the debate in the House of Representatives', 1 July 1971, MS-Papers-1403-166-2, ATL.
[165] Hall, *Emerging from an Entrenched Colonial Economy*, 9.
[166] O'Brien, 'Britain, the EU and New Zealand', in Lynch (ed.), *Celebrating New Zealand's Emergence*, 30.
[167] Gustafson, *Kiwi Keith*, 300.

British accession if he thought the National Party's election prospects were at risk.[168] Holyoake also took a particularly firm line with British Prime Minister Harold Wilson during the second accession attempt in 1967, which coincided with a collapse in wool prices and a balance of payments crisis in New Zealand.[169]

The New Zealand Prime Minister was also willing to link New Zealand's defence and security contribution in the Cold War to the issue of trade access for New Zealand. In 1969 he claimed US protectionism over lamb exports could cause 'irreparable damage to the US-New Zealand relationship', and this meant New Zealand may not be able to 'play its full part in areas of international cooperation, including regional security arrangements'.[170] This did not go unnoticed in London. Holyoake also linked New Zealand's continued contribution to the Five Powers Defence Agreement and the Southeast Asia Treaty Organisation (SEATO) to continued trade access, in meetings with British ministers in the late 1960s and early 1970s.[171]

The popularity of Holyoake's National Government ebbed over its 12 years in power. By the time of the Luxembourg negotiations of 1971, it had a majority of just four, further raising political stakes. Over time, speculation mounted as to whether Holyoake would retire, and if so, who would replace him. As Deputy Prime Minister and a well-regarded member of Cabinet, Marshall was seen as a natural successor. This irked Holyoake, who increasingly loaded Marshall with challenging portfolios. Despite this, Holyoake occasionally defended Marshall from attacks from the farming lobby, including in 1961 when producer boards wanted Marshall removed as lead trade negotiator. Holyoake told the producer board chairs he was 'a better judge' of Marshall's ability than they were.[172]

No individual is more closely associated with New Zealand and trade access to Britain and Europe than John Marshall, who led New Zealand's negotiating effort from 1961 to 1971, before briefly becoming Prime Minister in 1972. Nicknamed 'Gentleman Jack', Marshall was considerate, courteous and mild-mannered, which concealed a steely and crafty approach to

[168] Telegram, UK High Commission (UKHC) Wellington to Dominions Office, London, 28 November 1962, DO 169/38, TNA. Also quoted in Ibid. 300.
[169] Gustafson, *Kiwi Keith*, 301.
[170] Memo, UKHC Wellington to Douglas-Home, 'The Implications for New Zealand of British Membership of the European Communities, 1 July 1970', T 312-2718, TNA.
[171] 'Brief for Prime Minister's Meeting with Sir Keith Holyoake', 15 April 1971; 'Conversation between the Foreign Secretary and the New Zealand Prime Minister at the FCO', 20 April 1971, both at PREM 15/559, TNA.
[172] Gustafson, *Kiwi Keith*, 292.

negotiations. Commitment to liberalism and disdain for confrontational, populist politics distinguished him from the other political heavyweights of his generation including Holyoake, Robert Muldoon (Finance Minister and rival for the Prime Minister job) and opposition leader from late 1965, Norman Kirk.[173] His close association with the European Community trade issue, including its inevitable application to his political legacy and his prospects for becoming Prime Minister, arguably added to his motivation to secure an effective special arrangement for New Zealand.

Marshall established an impressive network among the elites of European politics, claiming Belgian statesman Paul-Henri Spaak and UK ministerial lead of the negotiating team in 1971 Geoffrey Rippon among his close friends. His longevity in the role was unmatched. Of the politicians Marshall dealt with in Britain's first application in 1961-63 only Edward Heath, Georges Pompidou and Emilio Colombo were still active in 1971, all having been promoted to heads of government and playing crucial roles in New Zealand's special arrangement.[174] This is not to say Marshall's relationship with Heath was harmonious. The former wrote in his memoirs that Heath's 'powers of intellect and judgement were sullied by an arrogant spirit and an overwhelming conceit… [Heath] never said so, but I felt he found the New Zealand case for a special arrangement a vexatious impediment which refused to go away and therefore had to be accommodated'.[175]

Marshall was a former barrister, a background shared by Rippon and many European Community leaders. The voluminous negotiating briefs in his political papers at the Alexander Turnbull Library in Wellington attest to Marshall's appetite for thorough preparation. His experience, conviviality and command of detail helped at crucial points, as in 1970-1971 when his oft-quoted New Zealand's dairy market statistics were taken as an influential source in negotiations.[176] This was the British impression of him too. A Foreign and Commonwealth Office brief for Heath in 1970 noted that Marshall had 'made his name' as Minister of Overseas Trade. The brief described Marshall as friendly, likeable and:

[173] Barry Gustafson, 'Marshall, John Ross', *Dictionary of New Zealand Biography* (2000).
[174] Marshall, *Memoirs: Volume Two*, 72.
[175] Ibid, 66.
[176] 'L'avenir des produits laiters de Nouvell-Zelande dans une Communaute Elargie', par J.R. Marshall, P q330.9931, March 1971, ATL.

> ‘always willing to consider another's point of view. He has shown no particular flair for administration, but in negotiations he is competent and helpful, and, because of his knowledge of his brief and his charm of manner, eminently persuasive. He has a fairly wide acquaintance in London from his visits for EEC discussions’.[177]

Although Marshall used his demeanour to good effect, he was perhaps fortunate other political and industry elites were willing to make the heated public arguments he was not. As previously noted, John Ormond, Chairman of the New Zealand Meat Board, was a loud and longstanding public opponent of British accession, achieving a degree of public celebrity in Britain. His equivalent at the Dairy Board from 1969, Frank Onion, was also publicly critical of the British approach and was influential enough to demand and receive audiences with senior British ministers. Unsurprisingly Prime Minster Heath did not like Onion, describing him as ‘very vocal!’[178] Tom Weal, Deputy Leader of the Social Credit Party in New Zealand, established the New Zealand Common Market Safeguards Campaign. Its tactics included distributing pamphlets in the UK replete with hyperbolic martial metaphor such as ‘The Second Battle of Britain’. Weal’s campaign invoked British imperialist iconography and advocated, among other things, a new Commonwealth charter with a common currency.[179]

Although Marshall complained in private about the interventions of his political rival Norman Kirk, in some ways the Labour leader helped Marshall by keeping the New Zealand issue to the forefront of political and media thinking, particularly in the British Labour Party. Kirk visited London while in opposition and formed relationships with both the pro- and anti-market factions, including heavyweights Harold Wilson, James Callaghan, Roy Jenkins and Douglas Jay, and also met with senior Conservatives. Throughout negotiations, the New Zealand and British Governments were concerned about the increasingly popular Kirk’s reaction to New Zealand’s special arrangement with the European Community.[180]

Marshall’s effectiveness in negotiating trade access was partly facilitated by the New Zealand’s Government’s relatively sleek governance structure, although key members of

[177] ‘FCO Brief for Prime Minister's meeting with Marshall’, 24 November 1970, PREM 15/132, TNA.
[178] ‘Record of meeting between Prime Minister and Frank Onion’, 17 February 1971, PREM 15/558, TNA.
[179] Pamphlet ‘The Second Battle of Britain’, MS-Papers-1403-166-3, ATL.
[180] ‘Brief for meeting between Prime Minister and Norman Kirk, London’, 22 April 1971, PREM 15/560, TNA; and ‘Report of Roy Jenkins’ speech to the Parliamentary Labour Party’, 21 July 1971, MS-Papers-1403-166-1, ATL.

Cabinet, notably Muldoon and Holyoake, along with the producer boards were occasionally constraining factors. As constitutional lawyers have noted, New Zealand's lack of an upper legislative chamber and strength of the Cabinet as executive meant it could create 'the fastest law in the west'.[181] For most of the 1960s economic policy was established by the Cabinet Economic Committee, chaired by the Finance Minister. This usually included trade policy and promotion, although a separate Cabinet Committee for Overseas Trade was established in 1970 and chaired by Marshall. Dairy and Meat Board chairs were invited to attend when relevant, indicating their influence in the policy making process. Beneath this, a small officials' committee of five heads of relevant government ministries and departments (Treasury, Industry and Trade, Foreign Affairs, Agriculture and Customs) prepared policy papers for the cabinet committee. The Treasury head chaired the officials' committee and was an important broker between the Department of Trade and Industry on the one hand and Ministry of Foreign Affairs on the other. These two had a record of rivalry and rancour in Wellington, even if outsiders such as the British High Commissioner described them as 'virtually interchangeable' on trade policy issues. The full cabinet mostly approved the Committee recommendations, although took a more active interest in the case of splits in the Committee.[182] This relatively small Wellington cabal of ministers and officials meant New Zealand could maintain a nimble, consistent approach towards Britain and the European Community.

The British view of New Zealand's case

The policy of successive British Governments towards the issue of New Zealand trade access to the Common Market was remarkably consistent over time. As noted above, following a process of elimination of other Commonwealth interests in the face of French objections, from 1962 a special arrangement for New Zealand was among the very few key issues identified for resolution during accession negotiations. This was recognised by the Six at a dramatic all-night negotiating session on 4-5 August 1962, at which Belgium's Paul-Henri Spaak and Italian session Chairman Emilio Colombo overcame objections by French Foreign Minister Maurice Couve de Murville, although the French would later dispute this.[183] Further

[181] Geoffrey Palmer, 'The New Zealand Legislative Machine', *Victoria University of Wellington Law Review* 285:17, (1987).
[182] Telegram, UKHC Wellington to FCO London, 11 September 1970, BT 241/2354, TNA.
[183] Marshall, *Memoirs: Volume Two*, 86.

agreement to pursue a continued special arrangement for New Zealand dairy (but not lamb, which was as yet unencumbered by the CAP) came from Foreign Secretary George Brown in 1967 and Prime Minister Harold Wilson in 1969.[184] The British Government under Heath followed this line into 1970.

Although it appeared a relatively minor issue, the British Government occasionally paid a high price for supporting New Zealand. Piers Ludlow notes that British inflexibility in negotiations, including on Commonwealth trade issues, contributed to General de Gaulle's first veto in 1963. This link was made explicit by the French President himself when he said at the press conference announcing the veto that 'England is in effect insular, she is maritime, she is linked through her exchanges, her markets, her supply lines to the most diverse and often the most distant countries'.[185] Ludlow argues that, had British negotiators settled earlier, including on New Zealand trade access, they may have prevented de Gaulle from making his veto from a position of strength gained by the 1962 French legislative election.[186]

Historical institutionalism can help explain the continued importance of New Zealand issues. As shall be seen in subsequent chapters, decisions made by the British Government in 1961 about New Zealand were adhered to 20 years later, with reluctance by ministers to challenge them, even if officials occasionally advised them to do so.[187] A growing number of histories illustrate remarkable consistencies across the British applications by both Labour and Conservative Governments, and policy towards New Zealand can be understood in this context.[188] The process of negotiations themselves encouraged adherence to precedent. Like lines of battle, once sides had made gains they were loath to withdraw. This reflected another advantage of New Zealand's ministerial continuity, in that its negotiators knew full well in the 1970s what had been agreed 10 years earlier.

- Perhaps the most important factor in UK Government support of New Zealand was the fear of defeat of accession legislation in the UK House of Commons. This was particularly acute after Leader of the Opposition Hugh Gaitskell came out against entry in 1962, citing the

[184] Ibid., 95.
[185] Translated from French, 'Text of seventh major news conference held by General Charles de Gaulle', 14 January 1963, UWK-NS/5 (1), Historical Archives of the European Union, Fiesole, Italy (HAEU).
[186] N. Piers Ludlow, *Dealing with Britain: The Six and the First UK Application to the EEC,* (Cambridge:1997), 251-252.
[187] Geddes, *Britain and the European Union*, 8-11.
[188] For example, Furby, *The Revival and Success*, 9.

Commonwealth as being at the 'nub of the issue'.[189] In 1963 the new Labour leader Harold Wilson, in an effort to maintain party unity, promised to support Britain's European Community membership only if the right terms were secured. This, along with Macmillan's decision to pursue a conditional application in 1961, drew the debate within all major political parties away from the contentious and fundamental issue of whether Britain should join the Common Market, focussing instead on securing acceptable terms. Of course, 'acceptability' was almost entirely subjective according to the political priorities of individual MPs. In this context, New Zealand became an important political 'test' as to whether the right terms were obtained. The New Zealand issue also appealed to internationalists on both the left and the right. As increasing numbers of scholars are showing, even as Britain moved away from formal empire in the 1960s, colonial outlooks remained, along with attempts to preserve and evolve Britain's world role.[190]

In the eyes of some MPs, adequate arrangements for New Zealand seemed to be a test of 'fairness' for a small nation, which through no fault of its own may have been subject to financial ruin. Fairness was a value which had broad appeal and if the accession terms were deemed unfair, this could cause MPs to vote against. For Wilson and many backbenchers on both sides of the house, the New Zealand issue also became a marker of the Conservative Government's tactical ability to negotiate and the European Community's flexibility.[191]

On the right, there was a core of conservative opinion that valued relations with New Zealand and other white Commonwealth nations both for strategic and sentimental reasons. As *The Economist* put it:

> 'The fate of New Zealand is high, perhaps highest on the list of private Conservative worries about joining the Common Market… Tories have a determined, selfless feeling when it comes to 3 million pleasant, mildly liberal, very loyal and predominantly white people on the other side of the world'.[192]

[189] May, 'The Commonwealth and Britain's Turn to Europe, 1945–73', 35.
[190] For example: Patel, *We're Here Because You Were There,* 210-11; On Parliamentary views on accession, see chapter two; Saunders, *Yes to Europe*, 183-210; N. Piers Ludlow, 'Safeguarding British Identity or Betraying It? The role of British 'tradition' in the Parliamentary Great Debate on EC membership, October 1971', *Journal of Common Market Studies*, 53:1 (2015), 24.
[191] Butler and Kitzinger, *The 1975 Referendum*, 14.
[192] 'The Biggest Worry', *The Economist,* 8 May 1971.

Food producers, shipping, financial and insurance representatives from the City of London all pressured British Governments to maintain New Zealand trade, post-accession. It was a view strongly shared by Beaverbrook owned newspapers, particularly the *Daily Express*, although virtually all major media outlets recognised the importance of securing an adequate deal for New Zealand. However, the idea of imperial nostalgia should not be overstated. There were also those on the right of Parliament, most notably influential Conservative backbencher Enoch Powell, who were more nationalist than neo-imperialist. In 1964 Powell described the Commonwealth as a 'gigantic farce' and was not alone in arguing that instead of joining with Europe or extending links with former colonies, Britain should instead focus on national renewal.[193]

The split on Europe was not along party lines, and this too helped New Zealand's cause. The New Zealand Government built relations with both pro- and anti-market MPs in all major political parties but was careful not to appear too close to any faction. One vehicle for achieving this was the non-partisan Commonwealth Parliamentary Association, to which John Marshall and other ministers presented on numerous occasions throughout the 1960s. Marshall also discussed the issue with the Queen, who he described as 'attentive, well-informed and keenly interested in [New Zealand's] position, but discreet where political policies were involved'.[194] Her husband the Duke of Edinburgh was less circumspect, telling a conference of Commonwealth farmers that the European Community farm system was 'a frightful mess', coinciding with a particularly delicate point in entry negotiations in June 1971.[195]

UK Parliamentary opinion was of course influenced by the British public. In this, New Zealand's cause was helped with its link to the politically problematic issue of food prices. A Gallup poll surveying British attitudes towards the European Community in 1960-63 found 58% of respondents thought that Britain's accession would cause food prices to rise. The same poll found that 39% would not support British entry if satisfactory solutions could not be found for the Commonwealth (higher than any other issue, including solutions for British

[193] Philip Murphy, 'Britain and the Commonwealth: Confronting the Past - Imagining the Future', *The International Journal of Commonwealth Affairs,* 100:414, (2011), 277. Also see Saunders, *Yes to Europe*, 268.
[194] Marshall, *Memoirs: Volume Two*, 81.
[195] Victor Knight and Gordon Jeffrey, 'Phillip drops a market clanger', *Daily Mirror,* 22 June 1971.

farmers, which polled at 25%).[196] A poll from July 1971 (immediately after the Luxembourg agreement) shows that of six major issues discussed in accession negotiations, the British public were more than twice as likely to be aware of New Zealand trade than any other issue, whether prompted or not.[197] Such factors vastly increased the New Zealand Government's leverage, to the point where lead FCO official Con O'Neill described it as an effective 'veto'.[198]

As with the New Zealand negotiating team, personality played a part in British attitudes towards New Zealand. Commonwealth Secretary Duncan Sandys' familial ties with New Zealand have been explained. Although not in Cabinet in Heath's Government, he remained influential among Conservative backbenchers. Despite leading the British Government's turn towards Europe, Prime Minister Harold Macmillan, a protégé of Winston Churchill (Sandys' father-in-law), saw continued value in Commonwealth links. In 1957 he stated that 'if there should at any time be a conflict between the calls upon us, there is no doubt where we stand; the Commonwealth comes first in our hearts and in our minds'.[199]

Labour Party leader and Prime Minister Harold Wilson has been described by a biographer as a 'Commonwealth man', with extensive family links to Australia and New Zealand and a strong interest in Commonwealth issues forged by his experience in Oxford between the wars and an interest in poverty alleviation in the 1950s.[200] He famously compiled a 10-point plan for the Commonwealth before the 1963 election, and argued for New Zealand and other Commonwealth causes in the Parliamentary debates about British accession in 1961-63. Wilson had a good relationship with then New Zealand Labour Party leader Walter Nash, and subsequently Norman Kirk.[201] As Philip Alexander argues, Wilson's Labour Government improved Commonwealth relations during the 1960s, which ran against much official advice at the time and the subsequent dominant historiographical narrative.[202] In the

[196] Social Surveys (Gallup Poll) Ltd, 'British Attitudes to the EEC 1960-63', *Journal of Common Market Studies* 5:1, (1966), 51, 53.
[197] 44% recognised that New Zealand trade was discussed in negotiations, ahead of 'Don't know' (41%) and 'Agricultural Policy' (18%), among others. Dov S. Zakheim, 'Britain and the EEC - Opinion Poll Data 1970-72,. *Journal of Common Market Studies,* 11:3, (1972), 207.
[198] O'Neill and Hannay, *Britain's Entry into the European Community*, 146.
[199] May, 'The Commonwealth and Britain's turn to Europe, 1945– 73', 30.
[200] Pimlott, *Harold Wilson,* 18-20, 433-4.
[201] Letter, Leader of the Opposition PPS to Editor of *The Times (London)*, 6 May 1972, reproduced at R20759054, ANZ.
[202] Philip Alexander, A tale of two Smiths: The transformation of Commonwealth policy, 1964-70, *Contemporary British History,* 20:3, (2006), 303-321.

1967 application Wilson personally discussed the New Zealand trade issue with Community leaders, and was later to claim that he received assurances from them that New Zealand's traditional trade would be maintained.[203] This was an overstatement. Talks did not progress to the point where there was clarity on New Zealand exports in 1967, and New Zealand ministers were annoyed by the British Government's refusal to seek arrangements for non-dairy trade.[204] Uwe Kitzinger points out that it was Foreign Secretary George Brown, rather than Wilson, who conveyed to Community capitals the importance of accommodating New Zealand trade after the transition period.[205] Nevertheless, it seems clear that Wilson felt strongly about the issue and saw political merits in a special arrangement for New Zealand in 1967.

Beneath Wilson, Labour's ministerial leads on European accession George Brown and George Thomson were perceived, by New Zealand diplomats at least, to be well disposed to New Zealand's case.[206] This support from Labour had historical context. As Glen O'Hara and John Stewart have shown, the British Labour Party had a long-standing intellectual interest in New Zealand. 'Progressive' policies of the Liberal Government in New Zealand at the end of the nineteenth century and the first Labour Government in New Zealand in the 1930s exerted significant influence on the British political left.[207] The first Labour Government in New Zealand had themselves drawn heavily on English thinkers such as John A. Hobson and John Maynard Keynes, and on Christian Socialism as it was envisaged in Britain.[208] British trade unions frequently held up New Zealand as an exemplar of class relations in the mid-twentieth century. Prominent Labour Party members of the 1960s such as Douglas Jay and Richard Crossman made formative educational visits to New Zealand in the 1930s.[209] Other parts of the British Government had close links to New Zealand too. As one example, 176 New

[203] See chapter 5. Examples of Wilson's claims include 'New Zealand brief by Foreign and Commonwealth Office and Ministry of Agriculture, Fisheries and Food', 11 March 1975, FCO 30/2929, TNA; Record of a meeting between the Prime Minister and the Prime Minister of New Zealand at Chequers', 10 February 1975, PREM 16/395, TNA.
[204] 'Brief for NZ-UK Trade Talks 1970', MS-Papers-1403-161-3, ATL; and Marshall, *Memoirs: Volume Two*, 95.
[205] Kitzinger, *Diplomacy and Persuasion,* 286.
[206] Telegram, NZHC London to MFA Wellington, 'British General Election', 20 May 1970, R20758994, ANZ.
[207] Glen O'Hara and John Stewart, 'The land with the Midas touch': British perceptions of New Zealand, 1935-1979', *New Zealand Journal of History,* 52:2, (2018), 42-65.
[208] Peter Franks and Jim McAloon, *Labour: The New Zealand Labour Party 1916-2016*, (Wellington:2016), 60, 93.
[209] O'Hara and Stewart, 'The Land with the Midas Touch', 42-65.

Zealanders joined the British Colonial Service between 1930 and 1970, considerably more than the numbers from Australia and Canada.[210]

Edward Heath, probably Britain's most pro-European Prime Minister, was seen to be less well disposed to New Zealand, and was criticised by colleagues for caring little for Parliamentary opinion. [211] As already stated, John Marshall felt that Heath's support was under sufferance. Despite this reputation, it is clear from the documentary record that Heath perceived keeping the New Zealand Government onside as crucial to the accession legislation passing Parliamentary votes. As shall be seen in the next chapter, the political primacy of the New Zealand issue was a view also shared by his senior cabinet colleagues, including Foreign Secretary Alec Douglas-Home and Geoffrey Rippon, who led negotiations for the Luxembourg Agreement of 1971.[212]

Revisionist scholarship has shown consistency between the British Government's 1967 and 1970-71 applications, to the point that they can be seen in the singular, despite the former being advanced by Wilson's Labour Government and the latter by Heath's Conservatives.[213] However, the broader political and economic context was noticeably fluid in the late 1960s and early 1970s. This affected the Community enlargement negotiations, helping to explain objectives and actions of the main protagonists.

The British Government's 1967 devaluation of Sterling and pledge to reduce the defence presence East of Suez, along with the retrenching American global role in the late 1960s illuminated by the calamitous state of the Vietnam War, led many in the European Community to seek greater responsibility for collective security.[214] Partly because of Anglo-American retrenchment, there was a desire to have Australia and New Zealand continue to participate in security arrangements in Southeast Asia under SEATO.[215] Britain and others in

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[210] Daniel Miller, 'Empire Men: New Zealanders in the British Colonial Service, c.1920-1970', *Journal of New Zealand History,* 52:2, (2018), 5-6.
[211] Robert Armstrong and Ken Clarke quoted in '71: The Vote to Go In', *BBC Radio Documentary,* online at https://www.bbc.co.uk/sounds/play/m000178x.
[212] For example: Memo, 'Shape of the final package in EEC negotiations', 8 April 1971, CAB 170/106, TNA; Telegram, 'Report of meeting between Rippon and the Dutch Ambassador to Britain', 25 February 1971, CAB 170/106, TNA.
[213] Furby, *The Revival and Success,* 9-10.
[214] 'Brief for UK-EEC Discussions', November 1970, MS-Papers-1403/163-3, ATL.
[215] Telegram, NZHC London to MFA Wellington, 'Change of Government in Britain: Implications for New Zealand', 3 July 1970, MS-Papers-1403-161/5, ATL; and 'Record of Conversation between the British Foreign Secretary and New Zealand Prime Minister', 20 April 1971, PREM 15/559, TNA.

the Western alliance knew New Zealand's contribution was contingent on reversing recent economic problems, which included large trade deficits and a corresponding fall in the standard of living.[216]

There were substantial political changes within Europe too. On 28 April 1969 Charles de Gaulle resigned as the President of France. To many, this was the seminal moment for Britain's integration with the Community, although historians have since suggested Britain's previous applications were not necessarily doomed by Gaullist intransigence.[217] In the months surrounding de Gaulle's resignation contemporaries detected a softening of the Gaullist line and an erosion of France's position relative to its European partners. This was partly caused by civil and labour unrest in France in 1968. It created hope for Anglo-French reconciliation. The Federal Republic of Germany (FRG) also recalibrated European relations, with Willy Brandt's Social Democrats winning the 1969 election. West Germany's economic might was growing and it was felt Brandt might be more willing to overtly wield this in world affairs, relative to his predecessors. Such moves, part of efforts to establish a coherent and cohesive external policy, arguably made European Community members less likely to jettison the interests of a small western nation such as New Zealand in the course of enlargement.[218]

Like the political environment, the world economic situation was unstable from the late 1960s, with inflation being the major problem. In the first half of 1970 the OECD reported price rises of 5.5% in Britain, 5.25% in USA and 5.25% in France.[219] This had a major effect on terms of trade, currency reserves and standard of living of major agricultural exporting countries and regions. Export receipts for farm products were largely static while import prices of manufactured goods and energy rose sharply. New Zealand Prime Minister Keith Holyoake claimed to an audience of British businesspeople that between 1965-70, New Zealand's export prices to Britain rose 1%, while its import prices from Britain rose 33%.[220]

Attempts at liberalising agricultural trade in the 1960s

Some peculiar aspects of the world markets for agriculture challenged policymakers as they headed into the negotiations for European Community enlargement in the early 1970s. Unlike

[216] Telegram, UKHC Wellington to FCO, 1 July 1970, T 312/2718, TNA.
[217] Ludlow, *Dealing with Britain*, 251-2; Kaiser, *Using Europe,* xxix-xxx, 190.
[218] Furby, *The Revival and Success*, 82-83.
[219] 'Brief for Marshall', November 1970, MS-Papers 1403/163-3, ATL.
[220] 'Speech by Holyoake to Birmingham Chamber of Commerce', 22 April 1971, MS-Papers 1403/166-3, ATL.

other large-scale agricultural commodities, relatively small volumes of dairy products were traded internationally. About two-thirds of dairy production in the 1970s came from territories that were largely self-sufficient, namely the USA, Canada, USSR, India, the European Community and Poland. For political reasons these producers, along with Japan, saw little need to expose their local farmers to competition from efficient producers in New Zealand or elsewhere. In the three years to 1973, of the approximate 400 million tonnes of dairy products produced globally, just 12 million was traded across national borders, with the rest absorbed by domestic markets. This relatively small world market was disproportionately affected when one of the major producers was over supplied with dairy products and sought to trade this internationally. For example, a 4% increase in milk production by the largest producer (the European Community) would, if placed into global markets, expand supply by 40%, thereby crashing prices.[221]

New Zealand was the world's biggest exporter of dairy products in the 1960s and 1970s, with around 40% share of all international trade. It also had price advantages over almost all other suppliers. In most commodity markets this level of dominance would enable a producer to exert control over prices and quantities; however, New Zealand only accounted for around 1% of total world production.[222] Moreover, because of trade barriers elsewhere around the world, by the late 1960s close to 90% of New Zealand's dairy trade was still going to the largest importer, the United Kingdom, which imported about 70% of the world's total exports.[223] This left New Zealand's dairy trade vulnerable to any increased barriers to the British market and manipulation elsewhere by other major producers.[224]

Following the Second World War there was optimism that the US-led multilateral order would roll back the protectionism of the 1930s and remedy the market distortions of the War itself. GATT was signed by 23 countries in 1947, to acclaim from Western governments. It prescribed 'rounds' of trade talks to liberalise trade and equalise supply and demand. It had some success in industrial goods; however, trade barriers in temperate agricultural products were much harder to remove. The Dillon Round of GATT talks in 1960

[221] 'Analysis of the characteristics, of the structure and the problems of world trade in Dairy Products', 13 October 1975, MTN-DP-W-10, GATT, online at https://exhibits.stanford.edu/gatt/catalog/nz787wr2668.
[222] Ibid.
[223] Singleton and Robertson, 'Britain, Butter, and European Integration, 1957-1964', 327.
[224] Memo, UKHC Wellington to Douglas-Home, 'The Implications for New Zealand of British Membership of the European Communities', 1 July 1970, T312-2718, TNA.

had partial success in capping the tariff on New Zealand lamb exports at 20% (not completely prohibitive levels).[225] Neither Britain nor the Community could not have raised this tariff level without renegotiating with GATT.[226] However, international dairy trade remained a different story.

The European Community's introduction of the CAP from mid-1962 took agricultural trade protectionism to a greater level. The CAP created a highly politicised system, with target dairy and other agricultural prices set by the Council of Agricultural Ministers. All non-Community dairy imports were subject to an import levy fixed by the European Commission, while producers were simultaneously supported by subsidies from the European Community budget (known as export restitutions). This proved enormously expensive, with the CAP comprising as much as 90% of the total Community budget in the 1970s.[227] Large supply surpluses resulted, notoriously labelled 'butter mountains' and 'milk lakes'.[228] 'Dumping' of surplus dairy produce into developing markets at very low or negligible prices was also a major problem. This was practised by US, Canadian and increasingly European producers. It often disingenuously took the form of food aid, but in practice much of the produce was re-exported, causing volatility in global prices. It also often decimated local industry in developing countries.[229]

The Hague Summit of December 1969 saw Britain make late and futile attempts to encourage the 'friendly five' Community members (especially FRG) to prevent French proposals for a permanent CAP and community finance arrangement. In entering, Britain would now be largely forced to accept *Acquis Communautaire,* the accumulated set of Community laws and regulations. Britain was a large importer of agricultural products from outside the European Community and wanted to remain so, which introduced conflict with

[225] Woodfield, *Against the Odds*, 61.
[226] Nottage, 'Economic Diplomacy', in Lynch (ed.), *Celebrating New Zealand's Emergence,* 45.
[227] Katja Seidel, 'Britain, the Common Agricultural Policy and the challenges of membership in the European Community: a political balancing act', *Contemporary British History,* 34:2, (2020), 180; Mark Spoerer, 'Fortress Europe in long term perspective: agricultural protectionism in the European Community, 1957-2003', *Economic History Society,* Working Paper 11035, (2011), 143.
[228] Katya Seidel, 'The Challenges of Enlargement and GATT Trade Negotiations: Explaining the Resilience of the European Community's Common Agricultural Policy in the 1970s', *The International History Review*, 42:2, (2020), 353.
[229] 'International Agreements for Dairy Products', MS-Papers 1403/162-4, ATL. CAP regulations of dairy and beef were established in 1963, coming into force in November 1964. Common milk prices were agreed in July 1966, coming into force over November 1966-July 1968. See 'Note on EEC Dairy Policies', 1 April 1969, R20759062, ANZ.

its prospective Common Market partners. Moreover, it was relatively small agricultural producer itself, so under the CAP would pay disproportionately more to subsidise larger producers such as France. In Piers Ludlow's view, French diplomatic victory in The Hague, cementing the CAP, made future vetoes of British entry by Pompidou 'all but inconceivable'.[230] It also made New Zealand dairy products, (along with sugar trade and assurances for developing nations), among the very few extra-Community trade 'wins' possible during British accession negotiations in 1970-71.

American attitudes towards agricultural trade cast a long shadow. As the dominant global economic power, it was often the arbiter on trade policy for smaller economies. This helped Western European countries, Canada, Japan and others justify their own agricultural protectionism.[231] The US Trade Expansion Act in 1962 is seen as one of the key legislative achievements by the John F. Kennedy Presidency and brought initial optimism for trade liberalisation in the 1960s. The Act was largely a response to the forming of the EEC and Soviet economic expansion, which threated to exclude American exports from regional trading blocs. It gave the US President powers to negotiate trade agreements and was accompanied with warm rhetoric on free trade from the White House. Kennedy himself described the Act as 'the most important international piece of legislation… since the Marshall Plan'.[232] Despite this, it proved a false dawn for liberal agricultural trade.[233]

Since the Kennedy round of GATT talks began in 1962 there had been efforts to establish world agreements to create more efficient and competitive markets for dairy products. These were often led by New Zealand as the largest global dairy exporter, with Britain's collaboration as the largest importer.[234] At New Zealand's suggestion, in May 1963 GATT ministers established a group of dairy trade representatives of the main dairy importers and exporters. It aimed to open dairy markets and prevent dumping in third markets. New

[230] N. Piers Ludlow, *The European Community and the Crises of the 1960s: Negotiating the Gaullist Challenge* (London:2006), 197.
[231] Ibid.
[232] 'President Kennedy remarks upon signing the Trade Expansion Act', 11 October 1962, *John F. Kennedy Presidential Library,* online at: https://www.jfklibrary.org/asset-viewer/archives/JFKWHA/1962/JFKWHA-136-002/JFKWHA-136-002.
[233] Memo: 'International Arrangement on Dairy Products', MS-Papers-1403-162-4, ATL.
[234] 'International Arrangements for Dairy Products', MS-Papers-1403-162-4, ATL.

Zealand also unsuccessfully proposed a standstill on export subsidisation of dairy and for international reference prices to be established on a regional 'zonal' basis.[235]

In 1967 the group reconvened but the atmosphere at talks was made increasingly difficult by US introduction of dairy subsidies and a Tariff Commission on dairy imports, which encouraged protectionist submissions from local producers. Japan was also reluctant to participate. Britain was losing interest, fearing agreement was doomed without American support. In the same year the European Community, driven by a need to diminish its own milk surplus, sought greater access to the substantial UK butter market by having its quota increased from 25,000 tonnes to 50,000 tonnes per annum. New Zealand and other UK suppliers resisted this. Further consultations were held in 1968 and early 1969, with little progress largely because of US intransigence. The exception was an agreement on skim milk powder which came into force in May 1970. Even so, this had no US involvement, such was its government's unwillingness to upset the domestic dairy lobby.[236]

Continued US insistence that its western allies should not trade with the People's Republic of China also had significant effects, including for New Zealand. New Zealand producers recognised China as a growth opportunity and in 1957 the New Zealand Dairy Commission Chairman pressed the New Zealand Government to send a delegation to Beijing to discuss trade access. Aware of Cold War consternation from Washington, the New Zealand Government declined the request. The situation did not change until after US-Sino détente in the 1970s, from which point New Zealand was among the rush of western nations to establish diplomatic and trade links in China (see Chapter Three).[237]

The upshot of nearly a decade of failed world dairy negotiations was thwarted ambitions for both the European Community and New Zealand. The Community sought greater access to the British market and to reduce its dairy surplus, while New Zealand sought access for dairy markets beyond Britain, particularly North America and North Asia, and to prevent dumping. Neither's aims were realised by 1970 and there was no imminent prospect of progress. Indeed, European Community enlargement promised to make things worse. Two of the prospective new members, Denmark and Ireland, were net dairy exporters and likely

[235] Ibid.
[236] Ibid.
[237] Hall, *Emerging from an Entrenched Colonial Economy*, 199.

to increase production once they came under the CAP, as well as seeking enhanced access to the already competitive UK dairy market.[238] This raised the stakes for all parties, entrenching positions during the European Community enlargement negotiations of 1970-71.

Conclusion

The 1960s are most often portrayed as a decade of historical change; however, it is possible to see continuity in both the Anglo-New Zealand political relationship, and the broader approach that political elites in both countries took towards European integration. The New Zealand Government had a long-standing strategy of having Britain advocate on its behalf in multilateral institutions. This continued with the advent of European integration. Alarms sounding in Wellington in 1961 with the commencement of talks to enlarge the European Community were mitigated by the Sandys Communiqué. This established, at least in New Zealand minds, a public commitment from the British Government to protect New Zealand's interests, perhaps to the point where Britain may not join the Community at all. Thereafter, Britain pressed the case for New Zealand in negotiations with the Community, establishing and gaining acceptance for a 'special arrangement' for New Zealand agriculture trade, the only developed nation to gain such status.

New Zealand Governments had sought to diversify the economy away from traditional exports to Britain before the 1960s, suggesting that European integration was not the primary determinant for this. However, trade access in other markets for agriculture products, particularly dairy, remained largely closed throughout the 1960s. This forced New Zealand policymakers to take a dual strategy of launching a concerted campaign to retain access to the British market while simultaneously diversifying elsewhere. As well as the economic risks, there were a number of domestic political drivers for this, including the received wisdom that rural and semi-rural voters were vital to electoral success, and that success in negotiations in Brussels would translate into political popularity at home. The New Zealand campaign to retain trade access resulted in greater contact with political elites in Britain and continental Europe.

From the British point of view, there were long- and short-term factors encouraging support for New Zealand in accession negotiations. These included the alignment of the New

[238] Telegram, UKHC Wellington to Douglas-Home, 1 July 1970, T 312-2718, TNA.

Zealand issue to the problem of rising food prices; the desire for Britain to retain its international influence in the absence of formal empire, the historic links between the metropole and periphery, and the personal disposition of political leaders such as Duncan Sandys, Hugh Gaitskell and Harold Wilson to the New Zealand case. Many British MPs considered the terms negotiated for New Zealand to be a test of the British case for accession. This heightened risk of legislation being voted down in the Commons, thereby handing New Zealand greater leverage. More broadly, the British news media and public were concerned that New Zealand's interests were safeguarded.

Moreover, the broader global context was important. Continued US agricultural trade protectionism and the lack of success in establishing a world dairy agreement raised the political stakes for European accession. The European Community sought to establish more coherent and cohesive foreign affairs and trade policies in the 1960s, especially in the context of American and British retrenchment and prospective détente. This made European Community members more disposed to helping New Zealand in the course of accession/ However, success was by no means guaranteed in 1970, as Edward Heath's Government resurrected the British application for European Community membership. It is to this we now turn.

Chapter Two

‘Feel the City breaking’: Negotiations for European Community enlargement, 1970-71

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Introduction – the ‘Red Bridge’

Shortly after midnight on 22 June 1971, ministers of the six European Community members talked through the Luxembourg night to seek agreement on terms to add Britain, Denmark, Norway and the Republic of Ireland to their number. At the same time John Marshall told his compatriots he was going back to the hotel to sleep. Instead, he was dropped off on the ‘Red Bridge’ to the north of Luxembourg City. He awaited pick up by a black Daimler sent by the British delegation led by Geoffrey Rippon and Con O’Neill, who wanted to meet secretly with Marshall to press him to agree to the latest Community proposal to retain New Zealand trade access in the Common Market. The British did not want Marshall to talk to, nor be discovered by the delegates or approximately 400 journalists assembled at the Kirchberg Centre where the negotiations were taking place.[239] On that early morning, Marshall found himself the pivot between concluding an agreement of momentous importance to 10 other western European states (and many others besides), or, as the British negotiators feared, potentially causing the third attempt to enter the Community to fail on the issue of market access for New Zealand dairy products.

The story of Marshall on the bridge in the middle of the night poses interesting questions about the history of Britain’s accession to the European Community beyond why slightly paranoiac, clandestine measures were deployed by the British delegation to achieve accession. It asks how a small country of 2.5 million people as far from western Europe as it was possible to be, with seemingly little bargaining power, commanded influence in the accession negotiations? What effect did this have on the terms of British entry? And what can it tell us about European relations with former colonies in the late twentieth century?

[239] ‘Marshall address to Palmerston North Chamber of Commerce’, 12 August 1971, MS-Papers-1403-166-2, ATL.

This chapter contends that the New Zealand Government held disproportionate political sway over the European Community enlargement negotiations of 1970-71. It enabled New Zealand to secure a reasonably good special arrangement for its export markets in Britain, albeit one that was precarious enough to require robust, almost continuous advocacy in London, Brussels and other Community capitals for 20 years after British accession. The New Zealand Government achieved this arrangement in 1971 partly because the British Government feared Parliamentary defeat for its accession legislation, partly through the deft networking and dogged negotiating strategies of the New Zealanders who themselves had significant domestic political pressures, and because the French Government kept a solution for New Zealand in play to win concessions from Britain in other areas and to maintain domestic political face. The other European Community members and the Commission contributed too, because of efforts to establish cohesive external policies. Accession negotiations pertaining to New Zealand had broad consequences and not all, as some historians contend, resulted in a sudden rupture of the Anglo-New Zealand relationship. In some ways the New Zealand Government's campaign to retain trade access in Britain tightened political and diplomatic ties, at least in the short to medium term.

British negotiating objectives – back to the future

Against a dynamic international political and economic backdrop, Britain moved towards negotiations for accession to the European with continuity from the previous applications, particularly 1967. This is partly because the British wanted to minimise issues that the French Government or others could use to delay or disband negotiations.[240] The Conservative Party manifesto for the 1970 election campaign promised 'to negotiate, no more, no less'; however, It was clear that Community accession was a priority for Prime Minister Edward Heath, who led the failed British negotiations in 1961-63.[241] Heath appointed allies to key Cabinet roles, meaning there was little dissent on the decision to pursue entry.[242]

In preparing Britain's objectives and strategy for the negotiations in 1970, ministers and officials largely looked back to Labour Foreign Secretary George Brown's opening

[240] Furby, *The Revival and Success*, 166.
[241] Kitzinger, *Diplomacy and Persuasion*, 151.
[242] Young, *Britain and European Unity*, 102.

statement to the Western European Union (WEU) in 1967.[243] Brown's desire to re-negotiate the CAP upon entry was thwarted by The Hague Conference of 1969 (as mentioned previously), but other aspects were largely retained. George Thomson, the minister leading negotiations for the Labour Government, outlined British objectives in a speech at Chatham House on 7 May 1970. He noted that Britain wanted negotiations confined to the small number of issues set out by Brown, confirming his Government would follow all existing treaties, except for agreements to be struck on four key areas: payments for British agriculture; finance payments during the transitional period; imports of sugar from developing Commonwealth countries; and a special arrangement for New Zealand dairy products. Issues deemed of less importance would be agreed at official level after an accession treaty had been signed.[244] Neither Anthony Barber nor Geoffrey Rippon, the Conservative Ministers who succeeded Thomson, were to deviate substantially from this.

Agriculture was one of the few important areas of substantive policy differentiation between the Conservative and Labour parties in 1970. The Conservatives' new agriculture policy was issued in *The Farming Future* paper in January 1970 and summarised in that year's election manifesto. It sought two substantive changes: firstly, increase domestic agricultural production and reduce imports, thereby assisting the balance of payments; secondly, to move the cost of agricultural support from the Treasury to the consumer by replacing deficiency payments to farmers with import levies.[245] This won the cautious favour of the National Farmers' Union and fiscal conservatives. However, at a time of already high inflation and with the prospect of further price rises because of CAP and Britain's contribution to Community finance, the policy was also heavily criticised by political opponents for its propensity to increase food retail prices. Officials estimated that, notwithstanding adoption of CAP, the new agricultural policy would cost British consumers around £275m-£370m per year, a 5-6% increase in the cost of food over three years.[246] In February 1970 then Prime Minister Harold

[243] Furby, *The Revival and Success*, 169.
[244] 'Speech by George Thomson, Chatham House', 7 May 1970, R20758994, ANZ.
[245] 'Brief for UK and EEC discussions, November 1970', MS-Papers 1403/163-3, ATL. Deficiency payments were paid annually from the Exchequer to farmers to make up the difference between actual market prices and guaranteed prices. The later were set by the British Government in consultation with the National Farmers' Union.
[246] Ibid.

Wilson accused the Conservatives of wanting to raise living costs whether Britain joined the Community or not.[247]

The timetable and scope for implementation of the agricultural policy was unclear, not least because of the impending accession negotiations. However, the Government was keen to press ahead with import levies regardless. On 17 March 1971 levies were announced on imports of cereals, beef and veal, mutton and lamb and minor milk products.[248] The large-scale New Zealand lamb exports to the UK were clearly in the British Government's sights, with a tariff to be introduced incrementally to a maximum of 20% (which aligned with the GATT binding and the Community's own external tariff for sheepmeat).[249] This represented a step towards the European Community's support policy for farmers, which would presumably make British accession easier. However, ministers made clear the new policy would be implemented whether or not Britain entered the Community.[250] It also signalled that Britain was no exception amongst developed countries in introducing protectionist measures in the early 1970s.

These political and economic considerations coloured the British Government's four primary objectives for dairy trade heading into the accession negotiations in June 1970. Firstly, at the request of New Zealand, British negotiators sought to retain New Zealand dairy imports to the British market at existing levels during any transition period and to secure continuity of future trade, although officials continually doubted this was possible. Secondly, they wanted to guarantee an increase in the Community's share of the UK dairy market, possibly by phasing out third country suppliers apart from New Zealand. This would placate their new partners, especially France, Ireland and Denmark, which had sizable dairy sectors. The above two objectives were contingent on a third; maintaining relatively high levels of dairy consumption in Britain, which could diminish in the face of rapid price increases. The final objective was to see British and European Community price levels harmonise, although not in a way that caused excessive political and inflationary pressure or balance of payments issues for the Exchequer. It was clear that the above objectives required complex solutions

[247] *Hansard*, HCD, 5th Series, vol.796, 25 February 1970.
[248] 'Brief for Prime Minister's meeting with Holyoake', 15 April 1971, PREM 15/559, TNA.
[249] 'UK/EEC Summary Report on situation of the negotiations', 21 March 1971, MS-Papers-1403/166-3, ATL.
[250] Telegram, Foreign Secretary to international embassies, 'UK Agricultural Policy: Changes in Support Arrangements', 12 October 1970, BT 241/2427, TNA.

and were to some extent in conflict, so compromises were required on all sides to find an acceptable balance. Safeguards for New Zealand products not covered by CAP such as lamb and apples were not to be included in negotiations as Britain felt this would add complexity and upset local producers.[251] As with previous negotiations, overcoming French Government objections was key. However, in doing so British negotiators wanted to avoid alienating the French by siding too much with the 'friendly-five' nor to be seen to negotiate directly with France (although this eventually happened in practice), thereby antagonising their other future European partners.[252]

Aside from economic and trade considerations, political expediency weighed heavily on the Heath Government's approach to accession. As with Labour, the Conservatives agreed to put Community entry to a Parliamentary vote, yet there were enough potential rebels on both sides of the House of Commons to place legislation in jeopardy, especially as public opinion remained sceptical and hesitant towards Europe.[253] Several Labour MPs were expected to be more vocal against British entry now they were in opposition, joining an already sizable group of British nationalists in Conservative ranks, including Enoch Powell. Keeping Parliamentary favour, particularly that of Wilson and other senior shadow cabinet ministers with 'fair and reasonable' accession terms, were perceived as crucial to Britain's entry plans.[254] It seemed the very existence of Heath's Conservative Government was imperilled by the New Zealand issue. The Conservatives had a Commons majority of 31, which would have been adequate in normal circumstances. However, if Labour tabled a reasoned amendment to the European Communities Bill in Parliament insisting on greater safeguards for New Zealand, and if the Community would not grant these safeguards, Tory backbenchers could be split, depriving Heath of a majority. There were suggestions that if accession legislation failed to pass, a vote of no confidence would follow, and the Government would fall.[255]

[251] Cabinet paper, 'Principles of a special arrangement on dairy products', 21 September 1970, CAB 164/463, TNA.
[252] 'Record of meeting held in the Lord President's office on 31 March 1971', CAB 170/106, TNA.
[253] Kitzinger, *Diplomacy and Persuasion*, 357.
[254] Telegram, NZHC London to MFA Wellington, 'Change of Government in Britain: Implications', 3 July 1970, MS-Papers-1403/161-5, ATL.
[255] 'Note on state of UK/EEC Negotiations', 5 May 1971, UWK-NS-267, HAEU.

The prominence of New Zealand and other Commonwealth issues in Parliamentary debates on European Community accession in 1971 was in part a reflection of broader strands of British intellectual and political history. They linked to a Cobdenite free trade tradition of cheap food, a populist standpoint pursued by Labour MPs David Stoddart, Michael Foot and many others. This contrasted the system of inexpensive, good quality food provided by suppliers in New Zealand and elsewhere with a future inside the Community said to be characterised by high prices and large British contributions to the Community agriculture budget. A second major strand of Parliamentary opposition was driven by internationalism with sceptical MPs, especially within the Labour Party, taking the view that Community membership would diminish rather than enhance Britain's global influence. Both Cobdenite free traders and internationalists frequently used New Zealand as an example to make their case.[256]

The importance of New Zealand within Labour circles was noticed by news media. It was widely reported that solving the New Zealand problems could decisively move Parliamentary attitudes, particularly among Labour MPs.[257] In April 1971, *The Times* reported 'The New Zealand Government's campaign [to retain trade access] is expected to affect the balance of opinion within the Labour Party's confidential study group of the Common Market, which meets regularly to assess the progress of the Brussels negotiations'.[258] The pivotal position of New Zealand in influencing Labour policy was also criticised. Committed pro-European Roy Jenkins felt his Parliamentary colleagues would be better served considering the views of West German Chancellor Willy Brandt rather than Norman Kirk.[259]

Broader international political considerations played a part too. The Conservative Government elected in June 1970 had promised to mitigate Britain's military pull-back from East of Suez, although details on how this would be achieved were unclear and the difficulty of reversing the process was recognised. Part of the proposed solution was Australia and New

[256] Ludlow, 'Safeguarding British Identity or Betraying It?', 24.
[257] 'New Zealand moves to guard exports', *The Guardian*, 6 April 1971; 'The Biggest Worry', *The Economist*, 8 May 1971; Reginald Dale, 'New Zealand waiting to see how far Six will go', *Financial Times*, 22 March 1971.
[258] David Wood, 'N Zealand Government spells out its EEC case in drive for support of British politicians', *The Times (London),* 13 April 1971. The article is reproduced at 'Extracts of opinion published in Britain before and during Holyoake's visit to Britain,' 3 May 1971, MS-Papers-1403-166-3, ATL.
[259] Telegram, NZHC London to MFA Wellington, 'Report of Roy Jenkins speech to Parliamentary Labour Party', 21 July 1971, MS-Papers-1403-166-1, ATL.

Zealand continuing to participate in security arrangements in Southeast Asia under SEATO and the 'Five Powers' defence arrangement, the latter of which was agreed, including New Zealand, in 1971.[260] This gave New Zealand additional influence in talks with the British Government in 1970-71.[261] As outlined in the previous chapter, ministers were under pressure from British finance, insurance, shipping and trade corporate interests wanting to alleviate the higher costs of New Zealand trade and stave off Asian, continental European and North American competitors.[262]

Parliamentary pressure made speed an important consideration. As negotiations began in July 1970, the British delegation aimed for agreement on the four major issues (agricultural payments, transition, Commonwealth sugar and New Zealand dairy) by the summer of 1971. This allowed 12 months to overcome opposition and filibustering in both Houses of Parliament, passing legislation in mid-1972 before Britain officially entered the Community on 1 January 1973. The timing antagonised the French Government, which was due to assume Presidency of the European Council of Ministers in the first six months of 1971 and therefore chair enlargement negotiations.[263] The French and New Zealand governments both used the British desire for speed to some advantage.

British negotiators were aware of the political pressure. Heath, Rippon, Douglas-Home and others publicly and privately articulated that New Zealand's special arrangement was the most important political issue to resolve to prevent Parliamentary defeat.[264] Rippon had been given the ministerial lead role in negotiations partly because it was felt he could help convince the influential Conservative Monday Club pressure group and Conservative backbenchers of the merits of entry. He believed that of the four key issues, New Zealand dairy and Commonwealth sugar were the most important politically and the most difficult to solve, and that contribution to the Community budget during transition was the most important economic issue. In his view, agricultural transition and community preference were made to

[260] 'Record of Conversation between the Foreign Secretary and New Zealand Prime Minister', 20 April 1971, PREM 15/559, TNA.
[261] Telegram, UKHC Wellington to FCO London, 1 July 1970, T 312/2718, TNA.
[262] 'Brief for Secretary of State for Trade and Industry's Meeting with Marshall', 21 May 1971, BT 241/2354, TNA.
[263] Furby*, The Revival and Success,* 177.
[264] Memo, 'Shape of the final package in EEC negotiations', 8 April 1971, CAB 170/106, TNA; Telegram, 'Report of meeting between Rippon and the Dutch Ambassador to Britain', 25 February 1971, CAB 170/106, TNA.

appear big issues because the French were using them as bargaining counters.[265] Christopher Soames, UK Ambassador to Paris, emphasised the political importance of New Zealand in private to Pompidou's Secretary-General, Michel Jobert, in March 1971.[266] The New Zealanders were happy to subtly remind British ministers of the political vice they were in. Prime Minister Holyoake wrote to Heath in 1971 saying 'It is my belief that everybody is deeply aware of the implications for the European movement of a failure to accommodate the legitimate interests of the parties concerned, including New Zealand'.[267] Heath, as leader of negotiations in 1961-63 who had partially blamed their failure on Commonwealth intransigence, and as future steward of accession legislation through Parliament, would have been as cognisant of this as anyone.

New Zealand objectives – driven by domestic politics

As in 1967, New Zealand's strategy in 1970-71 focussed on special arrangements to maintain access for its three main export products to Britain: butter, cheese, and lamb. This largely complemented, rather than hindered broader aims of diversification of markets and products (as discussed in Chapter One). As well as economic rationale, there were strong political considerations for pursuing solutions for these commodities. New Zealand's industries were governed via statutory producer boards with substantial political influence and networks. The most powerful of these were the Dairy Board and the Meat Producers' Board. Along with Federated Farmers (the New Zealand farmers' union), producer boards influenced public sentiment, particularly in rural farming communities that both major parties, and especially National, viewed as crucial to electoral success. Chairmen of both boards and many individual farmers encouraged Marshall and the New Zealand Government to secure the best possible deals on a commodity basis.[268]

The relative weakness of Keith Holyoake's National Government provided further incentive for New Zealand ministers to take a firm line in the accession negotiations. As discussed in Chapter One, its popularity had diminished by the early 1970s. A Parliamentary majority of six was reduced to four in a February 1970 by-election. Opposition Labour Party

[265] Memo, 'Shape of the final package in EEC negotiations', 8 April 1971, CAB 170/106, TNA.
[266] Letter, Christopher Soames to Dennis Greenhill, 10 March 1971, CAB 170/106, TNA.
[267] Letter, Holyoake to Heath, 17 May 1971, PREM 15/559, TNA.
[268] Hall, *Emerging from an Entrenched Colonial Economy*, 17.

leader Norman Kirk was proving a formidable foe, not averse to campaigning on European issues. Many observers believed a General Election held in 1970 would have seen a Labour victory. The Government's weakness meant that, in the opinion of some, it lacked the ability to pursue costly restructuring and diversification of the farming sector. This created strong pressure to avoid concessions in the European Community accession negotiations of 1970-71.[269]

A 'special arrangement' based on specific commodities was not the only solution New Zealand could have pursued in 1970. At least five other alternatives for trade agreements with the European Community were identified in New Zealand Cabinet papers. Some, such as full membership, were immediately discounted for legal and political reasons. Restricted association such as that granted to African states via the 1969 Yaoundé and Arusha Conventions were not considered appropriate to New Zealand as a 'developed' country with close links to Britain. Associate memberships like those pursued by Turkey and Greece were legally possible; however, it was doubted the Six would assent to this. Concerns were also raised about whether associate membership would trigger 'most favoured nation' agreements on New Zealand's trading relationships with Australia, Japan and the US; thereby opening the economy to a flood of imports, or hamper efforts to open markets elsewhere. New Zealand's extreme distance from Europe was also considered an impediment, despite French colonies in the South Pacific Ocean being associate members.[270] There was also concern that a focus on securing an institutional arrangement would deter European Community remedies for specific New Zealand commodities in the short-term. The New Zealand Government therefore viewed European Community institutional arrangements in the same category as a 'world-dairy agreement'; that is desirable, but a potential distraction from the imminent dangers of exclusion from the British market for dairy products and sheepmeat.[271]

The attitude of the US Government may have been influential here. New Zealand officials saw access to the US dairy and meat markets as crucial to its diversification efforts and needed to keep Washington onside to help unlock trade access elsewhere around the

[269] Telegram, UKHC Wellington to Douglas-Home, 1 July 1970, T 312/2718, TNA.
[270] 'Brief for UK Trade Talks', May 1970, MS-Papers-1403/161-3, ATL.
[271] 'Brief for UK-EEC Discussions London', July 1970, MS-Papers-1403/163-2, ATL.

world.[272] The Nixon administration, despite being generally supportive of Britain's European Community accession, had on 30 December 1970 expressed 'strong objections' to the offer of associate status to African and Caribbean Commonwealth countries. The Americans argued such offers were contrary to GATT, at a time when the US Congress was more in favour of pursuing multilateral trade liberalisation. The US Government was concerned that associate European Community status would reverse this trend, leading to an entrenchment of regional trade blocs.[273] Upon receiving the American view, Geoffrey Rippon and Con O'Neill were 'very concerned' at how it would affect negotiations with the Community. O'Neill encouraged the British Embassy in Washington to prevail upon President Nixon to ensure the Americans did not campaign on the issue.[274] Although this is peripheral to the New Zealand case, the American attitude may have influenced New Zealand's decision not to seek an institutional arrangement with the Community in the early 1970s.

Notwithstanding American concerns, for New Zealand officials the option with the most merit was the 'Morocco Protocol' which would see New Zealand exchange concessions to recognise the enlarged European Community as a trading partner replacing Britain (although not necessarily on the same favourable terms as it previously had with Britain). This, or similar kinds of bilateral trade agreements outlined by Articles 11 and 113 of the Treaty of Rome appealed because they were legal, would not require losing all New Zealand's import trade privileges and had political precedent; Israel, Argentina, Spain, Cyprus, and Malta were among those to have signed free trade agreements with the European Community by 1970. The European Commission had given some encouragement, with Jean-François Deniau, Commissioner for External Relations, suggesting to Marshall that the Morocco protocol may create an appropriate precedent for New Zealand.[275] If it did not come at the expense of a short-term special arrangement for dairy or unduly risk trade elsewhere, a potential Morocco-style trade deal, along with reform of the CAP, represented a longer-term incentive for New

[272] Brown, 'Foreign Policy is Trade: Trade is Foreign Policy', in Trotter (ed.), *Fifty Years of New Zealand Foreign Policy Making*, 101-2.
[273] Telegram, FCO to UK Embassy Washington, 'The United States and Commonwealth Association', 1 January 1971, PREM 15/365, TNA.
[274] Ibid.
[275] 'Brief for UK-EEC Discussions, London', July 1970, MS-Papers-1403/163-2, ATL.

Zealand in 1970-71, largely predicated on the presumption Britain would secure greater influence inside the Community over time and continue to advocate for New Zealand.[276]

For its part, in June 1970 the British Government suggested New Zealand could pursue associate membership under Article 238 of the Treaty of Rome (similar to Greece and Turkey). This was for tactical and presentational reasons, rather than a genuine attempt to find a solution. British officials, particularly Con O'Neill, felt there was no chance the Community would agree to New Zealand's associate membership, but did see merit in the option being put to the New Zealand Government so it could either accept or (more likely) dismiss it as an option. O'Neill felt this would weaken New Zealand's negotiating position. In doing so, it was made clear that it was a decision to be made by the New Zealand Government.[277] Not all agreed with O'Neill's view that associate status for New Zealand was unachievable. D.P. Allers in the FCO's Southwest Pacific Division wrote to the FCO European Integration Department in June 1970: 'we should not rule out the possibility of ensuring provisions for New Zealand's interests within an institutional framework. As you know we have heard from secret sources that at least one country in the Community is possibly thinking along the same lines'.[278] It is not clear which country was in favour, although the Netherlands, West Germany or Belgium were the most likely. In any case, the more senior and pessimistic view of O'Neill won out, and associate membership for New Zealand was not considered plausible. For tactical reasons the question was put to the New Zealand Cabinet by Rippon and O'Neill in September 1970, to which the answer was negative.[279]

The New Zealand Government's tactics for the negotiations of 1970-71 aimed to ensure the British did not set New Zealand issues aside to be dealt with later. New Zealand ministers and officials were aware of political leverage they held from the threat of British Parliamentary defeat of accession legislation. If any substantive solutions were left unresolved until legislation had passed and Britain had joined, New Zealand could not expect to secure as good a deal. There was also a desire to secure an arrangement before the Conservatives had implemented their new agricultural policy, pre-empting levies on New

[276] Memo, Cabinet Committee of Overseas Trade, 'Negotiation of NZ/UK Trade Agreement', May 1970, MS-Papers-1403/161-3, ATL.
[277] 'Brief on New Zealand for Negotiations with the EEC', 29 June 1970, FCO 30/746, TNA. Also see Note, 'Talks with New Zealand officials beginning 8 June, 1970', T 312/2718, TNA.
[278] Memo, D.P. Allers to European Integration Department (EID), 2 June 1970, FCO 30/746, TNA.
[279] 'Record of Cabinet meeting with the British delegation', 21 September 1970, MS-Papers-1403/162-4, ATL.

Zealand products, especially lamb.[280] New Zealand negotiators emphasised the critical importance of a special arrangement to the New Zealand economy, but that this would be of minor inconvenience to the Community. By their calculations, New Zealand dairy exports would make up only 3.8% of total production in the enlarged community by 1975.[281] The efforts that New Zealand had made to diversify to markets beyond Britain were frequently stressed both to Britain and the Six, but only in the context that these were largely ineffective due to factors beyond New Zealand's control.[282]

To counter arguments that New Zealand farmers were wealthier than their European counterparts and therefore did not require help, New Zealand ministers and officials emphasised the rapid decline in New Zealand living standards, which saw it rank only above Italy in GDP per capita among European Community members by 1970 (this was accentuated by strong economic growth in the Six). They also noted that New Zealand's terms of trade had fallen from 100 to 81 in five years and that the Government was struggling to raise finance on world markets.[283] Attempts were made to put New Zealand in a European context, emphasising that New Zealanders were in a sense 'European', with British and Dutch making up the largest migrant groups. New Zealand's war efforts in Europe were mentioned occasionally.[284]

New Zealand negotiators were also keen that a special arrangement on specific commodities had enduring status beyond the five-year proposed transitional period, due to expire in 1977. The phrase that Marshall and others used in negotiations from 1970 onwards was 'continuing arrangement, subject to review'. They aimed to legally guarantee a structural framework to renegotiate the New Zealand special arrangement after as long a period as possible, providing some certainty to New Zealand suppliers.[285]

In addition, the New Zealand Government sought agreement from the Community that it would stop dumping dairy products into third markets, which was hampering New

[280] 'Brief for NZ-UK Trade Talks', May 1970, MS-Papers-1403/161-3, ATL.
[281] Ibid.
[282] 'Summary of main points raised by British officials in discussions, June 1970', MS-Papers-1403/163-2, ATL.
[283] For example, 'Record of meeting between Holyoake and Rippon', 14 April 1971, MS-Papers-1403/166-3; and 'Industrial exports as alternatives to dairying, June 1970', MS-Papers-1403-163-2, ATL.
[284] For example, 'Record of conversation between Holyoake and Pompidou', 26 April 1971, PREM 15/365, TNA; 'Speech by Prime Minister at a parliamentary luncheon in honour of Mr Rippon', 22 September 1970, MS-Papers-1403-162-4, ATL; Marshall, *Memoirs: Volume Two*, 68.
[285] Ibid., 96.

Zealand export diversification. It sought a further undertaking that the European Community would pursue an international dairy agreement. It was hoped the improved might of the enlarged Community would bring the Americans to the table, improving access for New Zealand products globally. Other longer term New Zealand objectives included a structural reform of CAP, reducing subsidisation and the Community's dairy surplus, although it was recognised that it could not be achieved in the accession negotiations. This presumed that improved trade access would come as Britain's influence in the Community grew over time and New Zealand came to be seen as a partner rather than competitor. In pursuing these objectives New Zealand was careful not to place its own trade concessions to Britain and European imports up for exchange. New Zealand's strategy was to negotiate hard for its own access to European markets, not vice versa.[286]

Entering the 1970-71 negotiations – 'a fight for our economic lives'

Since before The Hague Summit in December 1969, the Six and aspiring entrants Britain, Ireland, Norway, and Denmark prepared for accession negotiations to begin in mid-1970. The New Zealand Government was not idle in this period. Separate to accession negotiations, it opened trade talks with Britain in the first half of 1970 (the existing trade agreement was due to expire in 1972), with a view to extending existing arrangements through to 30 September 1975, with periodic reviews. If pressed, this would be subject to an 'EEC clause' which would nullify the arrangement in the event of British entry, but only if the British would guarantee to safeguard New Zealand interests.[287] John Marshall toured London and European capitals in October 1969, reacquainting ministers and officials with New Zealand problems. By his own account, he received a sympathetic hearing. The most notable comment was from French Foreign Minister Maurice Schumann, who said the 1962 agreement recognising the need for a special arrangement for New Zealand 'had not been torn up'. The French Agriculture Minister Jacques Duhamel told Marshall it would be challenging to find a solution, 'but not insoluble'.[288] Such conversations gave optimism to Marshall and his officials throughout the negotiations, although British counterparts were markedly less sanguine.

[286] Memo, Cabinet Committee of Overseas Trade, 'Negotiation of NZ-UK Trade Agreement, May 1970', MS-Papers-1403/161-3, ATL.
[287] ibid.
[288] 'Notes from Marshall meeting with Duhamel and Schumann', 20 October 1969, MS-Papers-1403/161-5, ATL.

New Zealand's efforts to progress solutions were thwarted in the first half of 1970 by the UK General Election, held on 18 June and narrowly won by the Conservatives under Edward Heath. New Zealand diplomats generally felt Labour would be more committed than the Conservatives to secure a reasonable accommodation for New Zealand. Labour ministers from Prime Minister Wilson downwards were seen as well-acquainted with and disposed to the New Zealand case. George Thomson, who had led accession negotiations up until the 1970 election, was perceived as an especially strong advocate for New Zealand. As already outlined, the Conservative agriculture policy marked a major breach from Labour, putting New Zealand trade at risk. Implementation of levies on New Zealand products were a question of when, not if. The Conservatives' election win meant that fears for New Zealand exports to Britain were considerable, irrespective of Britain's entry to the Community.[289] In 1971 Norman Kirk stated that agricultural levies were a greater long-term menace to New Zealand than Britain's accession to the European Community.[290]

The election also caused tactical problems. John Marshall requested ministerial talks in June 1970 on the UK/NZ Trade Agreement and European Community negotiations; however, British ministers were unavailable because of the election and subsequent international labour talks in Geneva. The New Zealanders, keen to ensure their concerns did not fall off the radar ahead of the start of enlargement negotiations in July, requested officials' talks in London instead, which proceeded on 8-14 June 1970. These did not go well. Unlike ministers, who were more attuned to the political risk and therefore sympathetic to New Zealand's case, Whitehall officials were reluctant to progress New Zealand solutions. Con O'Neill led the British official delegation but thought the talks unnecessary, reluctantly agreeing to them to maintain goodwill. A briefing note for British participants noted the George Brown statement of 1967 had effectively committed Britain to seeking special provisions for New Zealand butter and examining the need for provisions for cheese, a view reaffirmed by the Foreign Secretary in 1969. However, there was no reason to give assurances beyond this (especially with regards to lamb). The British delegation was careful not to divulge negotiating aims, which were subject to as-yet unreceived Ministerial approval. They were pessimistic about maintaining existing levels of New Zealand butter in the British market and

[289] Telegram, NZHC London to MFA Wellington', 3 July 1970, MS-Papers-1403/161-5, ATL.
[290] 'Record of meeting between Prime Minister and Norman Kirk, London', 22 April 1971, PREM 15/560, TNA.

doubted whether the European Community would commit to the pursuit of an international dairy agreement. Even encouraging soundings of the Six by the New Zealanders were dismissed: 'it is one thing for [the French] to say this, and another to negotiate a deal given all of the vested interests'.[291]

This approach predictably irritated the New Zealanders. At the talks' conclusion Jim Moriarty, Secretary (lead official) of Trade and Industry and leader of the New Zealand delegation, told his British counterparts:

> 'we were more than a little disappointed. Frankly we think you are under-estimating the forces in the Community which will operate to some extent in our favour, provided they receive a firm lead from Britain'.[292]

Holyoake followed up with an irascible letter to Heath expressing concern at lack of progress. He dispatched Marshall to London for ministerial talks starting 6 July 1970 and told Heath 'we would not want a repeat of George Brown's 1967 statement to the WEU which we considered an inadequate representation of the New Zealand position'. This referred to the fact that Brown had, without consulting New Zealand, omitted lamb from the WEU statement altogether and failed to give assurance on cheese imports, which met New Zealand consternation.[293]

UK Treasury officials expressed doubts about securing a good deal for New Zealand and concern about potential costs. This was in-keeping with broader Treasury scepticism of the merits of British entry. J.G. Owen's brief for the Cabinet Committee on Europe ahead of a meeting with Marshall in July 1970 expected the French to take a particularly hard line, seeking to remove all special arrangements for New Zealand after the transitional period. Owen's advice to the Committee was that 'we must not identify ourselves too closely with the New Zealand case'. While acknowledging Britain should try to secure an acceptable solution for New Zealand, the brief added 'if we go further than this and make her case our own we might find that New Zealand becomes a breaking point in the negotiations'. Owen also cautioned that New Zealand may seek British financial aid towards the cutting and

[291] Note, 'Talks with New Zealand officials beginning 8 June, 1970', T 312/2718, TNA.
[292] 'Statement by M.J. Moriarty at Officials' Discussions, London', 17 June 1970, T 312/2718, TNA.
[293] 'Message from Holyoake to Heath', 24 June 1970, MS-Papers-1403/163-2, ATL.

diversifying of the dairy industry, noting that 'Compensation would cost a great deal of money'.[294]

Perhaps sensing Whitehall opinion was turning against New Zealand, in June 1970 UK High Commissioner in Wellington Arthur Galsworthy drafted a lengthy memo to Foreign Secretary Alec Douglas-Home extolling the virtues of supporting New Zealand's case. In contrast to his later memos which were more critical of the New Zealand Government's negotiating stance, Galsworthy largely used the New Zealand official messaging and statistics, particularly the Monetary and Economic Council Report of June 1970, to make a case for a special arrangement.[295] He noted the positive benefits to British interests in helping New Zealand, including the economic, regional security and cultural ties, and the negative consequences if Britain were to fail to secure satisfactory arrangements: 'It is clearly not in our interests to undermine the present and future prosperity of New Zealand'.[296]

John Marshall's visit to Britain and Europe in July 1970 ahead of the start of negotiations largely set the tone for the year to come. In meetings with Heath, Douglas-Home and Anthony Barber, Marshall reiterated that he expected the British to seek a continuation of New Zealand butter, dairy and lamb imports at present levels (although he also hoped to maintain significant levels of trade in other areas). The aim was to secure continuity in volume, firstly, rather than price, to avoid suggestions the Community should halve the amount of New Zealand dairy imports at twice the price. Importance was attached to securing 'milk equivalent' access, meaning New Zealand dairy factories and British importers could switch from butter to cheese if market conditions allowed. Marshall also emphasised that despite best-efforts, short-term diversification of New Zealand's economy was impossible because of trade protection and consumer tastes in alternative markets, and in any case required ongoing export receipts from Britain to fund industrial investment. Marshall noted that New Zealand's case was now better understood and appreciated in Europe, even by the French Government, and that the Federal Republic of Germany (FRG) would be supportive.[297]

[294] Note, 'J.G. Owen to Ministerial Committee on the Approach to Europe', 1 July 1970, T 312/2718, TNA.
[295] *New Zealand and the Enlarged EEC,* MEC Report No.19, June 1970, BT 241/2354, TNA.
[296] Telegram, UKHC Wellington to Douglas-Home, 'The Implications for New Zealand of British Membership of the European Communities', 1 July 1970, T 312/2718, TNA.
[297] 'Itinerary and notes from Marshall's trip to London and Europe, July 1970', MS-Papers-1403/162-1, ATL.

Although acknowledging New Zealand's problem and pledging to do their utmost, British ministers were non-committal on specific details, including timing and approach.[298] The British minister in charge of negotiations Anthony Barber's initial speech to the Six in Brussels on 30 June 1970 barely mentioned New Zealand, except to reiterate the points made by George Brown in 1967.[299] Marshall's visit was notable for the broad range of news media interest. A press conference at New Zealand House in London on 10 July 1970 attracted over 40 media outlets, including BBC News, major Fleet Street papers and newswires.[300] Both UK and New Zealand media treated talks between Barber and Marshall largely positively and frequently positioned a solution for New Zealand as crucial to the success of the application. *New Zealand Herald* quoted Marshall as saying he was confident both the Six and Britain had the political will to solve New Zealand's special problems, and that he expected New Zealand issues to be dealt with early.[301] Such coverage of New Zealand's point of view added to the political pressure on the British delegation heading to Brussels for formal meetings on 21 July.

Marshall and other New Zealand ministers and officials have often emphasised the 'careful' diplomatic, fact-based approach they took in accession negotiations. This included not publicly criticising Britain's decision to pursue entry, nor being seen to influence the UK Government through direct, sentimental appeal to the British public. On many occasions New Zealand ministers privately praised Britain's decision to seek entry (presuming New Zealand interests could be safeguarded). British ministers showed appreciation of this, including Edward Heath and Geoffrey Rippon, who replaced Anthony Barber as lead negotiator in July 1970.[302] There was a genuine, expressed belief in the Holyoake Government that a stronger Britain in Europe was a better ally for New Zealand than a weaker Britain on the outside. In this, New Zealand often distinguished itself from the Australian Government, which was occasionally bitterly critical of Britain's turn to Europe, largely because of domestic political

[298] Ibid.
[299] 'Statement by Anthony Barber in Luxembourg', 30 June 1970, MS-Papers-1403/163-2, ATL.
[300] 'Press Conference hosted by Marshall, New Zealand House', 10 July 1970, MS-Papers-1403/162-1, ATL.
[301] 'Mr Marshall confident after talks', *New Zealand Herald,* 13 July 1970.
[302] For example, 'Record of meeting between Holyoake and Rippon', 14 April 1971, MS-Papers-1403/166-3, ATL.

reasons.[303] Historians broadly agree that New Zealand's less belligerent approach resulted in goodwill and diplomatic gains from the British side.[304]

However, it was clear the New Zealand public relations approach in 1970-71 was not as cautious as UK negotiators would have liked. The FCO noted how critical Prime Minister Holyoake had been of US President Richard Nixon over (relatively unimportant) lamb negotiations in 1969.[305] British officials feared similar outbursts about Britain's behaviour, or that Marshall might publicly divulge information prejudicing negotiations with the Community. Several times from July 1970 onwards, Con O'Neill and senior ministers asked Marshall to avoid talking about negotiating terms publicly. Marshall resisted this on the basis that the New Zealand public wanted to see progress and he would not be inhibited from stating New Zealand's objectives.[306]

Despite often being presented as 'low-key', the New Zealand Government's campaign to expose British and European politicians, officials and public to its case was not insubstantial. It is true that a proposal from advertising firm Ogilvy & Mather for a NZ$300,000 marketing campaign across Britain and European capitals in 1971 was declined by ministers as too expensive.[307] However, one former diplomat estimated $200,000 was spent on external relations in Britain and Europe between 1968 and 1970. This included an 'activities programme' to generate support without seeming to 'go over the heads' of politicians.[308] As Chapter One notes, the New Zealand Government established diplomatic posts in European Community capitals in the 1960s to develop networks and convey the Government's case. As well as numerous media interviews by New Zealand ministers, advertising was placed in *L'Expansion* (Paris), *The Times (London)* and *Financial Times* in 1971. The New Zealand Ministry of Foreign Affairs also funded visits to New Zealand by journalists from *The Economist, Le Monde, Het Financieele Dagblad* (Netherlands), *Frankfurter Allgemaine* and *Le*

[303] 'Speech of the High Commissioner for Australia at the Commonwealth Press Union Conference, London', 24 June 1971, PREM 15/367, TNA.
[304] For example, Singleton and Robertson, *Economic Relations between Britain and Australasia*, 153; Ansell, 'New Zealand and the EU', in Lynch (ed.), *Celebrating New Zealand's Emergence*, 39; and Hall, *Emerging from an Entrenched Colonial Economy*, 87.
[305] Telegram, UKHC Wellington to Douglas-Home, 1 July 1970, T 312/2718, TNA.
[306] For example 'Notes of meeting between NZ delegation and Anthony Barber', 7 July 1970, CAB 164/463, TNA.
[307] Letter, Marshall to Holyoake, 'UK/EEC Advertising Campaign', 8 June 1971, MS-Papers-1403/166-3, ATL.
[308] Ansell, 'New Zealand and the EU', in Lynch (ed.), *Celebrating New Zealand's Emergence*, 39.

Soir (Belgium), as well as numerous European officials and ministers.[309] The centrepieces of New Zealand's campaign were a Monetary and Economic Council report titled *New Zealand and the Enlarged EEC* and the pamphlet, *Britain, New Zealand and the EEC* detailing New Zealand's case for safeguards. These were widely distributed in 1970 and 1971 respectively. The latter had a print run of 50,000 sent to journalists, business groups, MPs and officials across Britain and Europe. It was also sent to every secondary school in Britain.[310]

British ministers and officials were aware of the power of such campaigning, noting that, even if the New Zealand Government remained neutral or supported British entry, merely stating potential negative economic consequences for New Zealand may nevertheless stoke the campaign against entry. In September 1970, Geoffrey Rippon gained assurance from New Zealand ministers that they would not undertake a public relations campaign in Britain, fearing it may provoke a counter campaign.[311] At best, this was loosely adhered to. In 1971, Arthur Galsworthy wrote to Con O'Neill complaining about 'emotion and exaggeration' used by the New Zealand Government in public statements. According to Galsworthy, Marshall frequently talked of 'economic disaster' with appeals to sentiment. Writing in May 1971 when accession negotiations appeared stalled, Galsworthy felt the business and farming communities in New Zealand were more realistic on the economic impacts of Britain joining than the Government and newspaper leader writers. By contrast he praised the views of eminent New Zealand mountaineer Edmund Hillary, who was quoted in news media saying the New Zealand campaign relied too much on sentiment, and that the country was not 'owed' a living by the rest of the world.[312]

In September 1970, Geoffrey Rippon and Con O'Neill led a British delegation to New Zealand to further progress talks on a special arrangement. The New Zealand hosts deployed a mixture of facts, charm, and bluster. Numerous farm tours were arranged, emphasising efficiency of production and the hard work required to make farmland profitable. Rippon's

[309] Letter, Marshall to Holyoake, 'UK/EEC Advertising Campaign, 8 June 1971', MS-Papers-1403/166-3, ATL.
[310] O'Brien, 'Britain, the EU and New Zealand', in Lynch (ed.), *Celebrating New Zealand's Emergence*, 30. The report and pamphlet are at *New Zealand and the enlarged EEC,* New Zealand Monetary and Economic Council Report No.19, June 1970, BT 241/2354, TNA; and *Britain, New Zealand and the EEC*, MS-Papers-1403-166-3, ATL. For negative British reaction, see Telegram, UKHC Wellington to FCO London', TNA, BT 241/2354; and 'Record of a meeting between Holyoake and Rippon', 14 April 1971, ATL, MS-Papers-1403-166-3, ATL.
[311] 'Record of New Zealand Cabinet Meeting', 21 September 1970, MS-Papers-1403/162-4, ATL.
[312] Telegram, UKHC Wellington to Con O'Neill, 'New Zealand/EEC', 14 May 1971, BT 241/2354, TNA.

appetite for socialising was well catered to. As an avid angler, O'Neill was given freedom to fish a central North Island trout stream usually closed to the public, 'where he landed a number of good-sized rainbows'.[313] That this had some effect was reflected by one of O'Neill's subordinates later wryly remarking to the New Zealand Ambassador in Brussels 'you bastards probably had frogmen putting fish on his line'![314] There were also serious, arguably hyperbolic views conveyed. As quoted in the introduction, Prime Minister Holyoake told the British delegation 'New Zealand is facing the most testing period in its history and fighting for its economic life'.[315] Ministers and officials reiterated the efforts made to diversify the New Zealand economy, the desire of New Zealand to see lamb included as part of the agreement with the European Community and the need to have dairy exports to Britain maintained at existing levels. New Zealand Finance Minister Robert Muldoon also noted it would be 'nice if something more than lip service could be paid to free world trade'.[316]

In response, while appearing a tough negotiator, Rippon publicly stated that Britain was not going to neglect New Zealand in its application, that it recognised the importance of preserving New Zealand dairy exports to Britain (pointedly omitting any mention of lamb); and that Britain's joining the Community would bring new opportunities for New Zealand, including, in time, changes to the CAP, creating more room for New Zealand exports.[317] Rippon also accepted that Britain would seek 'continuing arrangements, subject to review' for New Zealand dairy products, and that the Six could accept this standpoint.[318] Rippon's assurances to the New Zealanders caused concern among FCO officials, who wanted maximum leeway in the accession negotiations.[319]

A crucial moment came on 6 November 1970 when Britain tabled its opening bids for accession talks. Possible solutions for New Zealand dairy and Commonwealth sugar were set out, while an opening bid on the third major issue, Community finance, was delayed until mid-

[313] Report, 'Geoffrey Rippon visit to NZ, 17-22 September 1970', MS-Papers-1403/162-4, ATL.
[314] Merwyn Norrish oral history interview, 1993, OHInt-0732-02, Tape 2, ATL.
[315] 'Speech by Holyoake at a Parliamentary Reception in Honour of Rippon', 22 September 1970, MS-Papers-1403/162-4, ATL.
[316] 'Record of conversation between Rippon and Muldoon', 1 October 1970, BT 241/2427, TNA.
[317] 'Speech by Rippon at New Zealand Parliamentary Luncheon', 22 September 1970, MS-Papers-1403/162-4, ATL.
[318] 'Record of conversation between Rippon Muldoon', 1 October 1970, BT 241-2427, TNA.
[319] 'Report, 'Geoffrey Rippon visit to NZ, 17-22 September 1970', MS-Papers-1403/162-4, ATL.

December because of disagreement in the British Cabinet.[320] As per New Zealand's request, the British Government's paper asked for a continuation of New Zealand dairy imports at present levels during a transitional period. This provided for milk equivalence, allowing either cheese or butter to be sold, and that a review should be held 12 months before the end of transition.[321] Lamb was omitted altogether, although Marshall continued to argue for its inclusion. The British maintained that including lamb may provoke the Six to introduce a common policy on sheepmeat, which would complicate negotiations. In May 1971 Geoffrey Rippon asked European Commission President Franco-Maria Malfatti to prevent a sheepmeat policy from being put to the Council of Ministers during negotiations, to which Malfatti promised to 'do his best'.[322] It would be a further decade before a common sheepmeat policy was adopted.

The opening bids for New Zealand dairy and Commonwealth sugar were described by the British Government's Working Group on Europe as 'extravagant'.[323] Rippon justified the high bids by pointing out that anything less would be politically unacceptable to the Commonwealth governments involved and that this left less room for Britain to be blamed for not achieving satisfactory arrangements. He argued that speed was important, so the bids should proceed without prior consultation with Commonwealth governments.[324] Unsurprisingly, the lack of consultation irritated the New Zealand Government. The outline contents of Britain's proposal, including the omission of lamb, were orally provided to Marshall in London on 30 October 1970. However, he was not shown written contents in advance. Staff in New Zealand's High Commission in London were only shown this on the morning of submission (6 November). Their immediate request for changes, asking for inclusion of a price formula adjustable for inflation, was rebuffed by Con O'Neill as too late. John Marshall wrote to Rippon that day, asking to be shown such details in advance in future. He reiterated concerns over price, which because of inflation would leave New Zealand producers out of pocket if average prices were set based on the previous four years.[325] Rippon

[320] Furby*, The Revival and Success*, 176.
[321] Submission, UK delegation to the European Communities: 'Dairy products and New Zealand proposal by the United Kingdom', 11 November 1970, PREM 15/132, TNA.
[322] Telegram, UK Embassy Brussels to FCO London, 11 March 1971, BT 241/2354, TNA.
[323] Memo, 'Entry Negotiations: Opening Bids, Submission to the Secretary of State', 2 November 1970, BT 241/2427, TNA.
[324] Ibid.
[325] Letter, Marshall to Rippon, 6 November 1970, PREM 15/132, TNA.

responded by saying there was no time for consultation and that he felt the Community would be immovable on price, writing 'to seek provision for price increases as well would, I think, invite flat rejection of the proposal as a whole'.[326] This view was shared in the FCO, where it was believed that an enhanced agreement on dairy prices for New Zealand would adversely affect Britain's balance of payments.[327] As shall be seen, conflict over dairy prices was to remain between Britain, New Zealand and the European Community for years to come.

There were other tactical reasons for British timing. The UK Government wanted the high opening bid tabled with the Six in time for Marshall's visit to European capitals that November in the hope that Community ministers would tell him, in blunt terms, that what the British proposed was unachievable. It was thought this would make the New Zealanders more realistic and open to compromise.[328] The Europeans did not oblige. The 'friendly five' remained largely positive towards Marshall. His case was helped by a recent slump in dairy production in Europe. This was largely attributed to climate, but Marshall (over optimistically) claimed it was part of a lifestyle move away from farming in the major dairy producing countries, particularly France. Marshall subsequently urged British ministers to stand firm on their original bid and not accept compromises.[329]

Lamb remained a major bone of contention, literally and metaphorically. Marshall wanted this addressed in the special arrangement with the Community and expressed concern that the new 20% levy on UK imports would be paid by New Zealand producers, rather than British consumers as the policy intended. He also feared that price rises would cause British lamb consumption to fall. This case was made to Heath, Rippon and Agriculture Secretary James Prior.[330] While awaiting the British response, Marshall was quoted in a radio interview saying the British Government intended to re-examine the levy. He also suggested that if the lamb levy was not recoverable, action may be taken against British trade preferences in the New Zealand market.[331]

[326] Letter, Rippon to Marshall, 13 November 1970, PREM 15/132, TNA.
[327] Note, 'Visit of the New Zealand Deputy Prime Minister', 24 November 1970, PREM 15/132, TNA.
[328] 'Extract from the minutes of the 31st meeting of the Working Group on Europe', 30 October 1970, BT 241/2427, TNA.
[329] 'Record of Conversation between the Foreign and Commonwealth Secretary and Marshall', 25 November 1970, PREM 15/132, TNA.
[330] 'Record of meeting between Heath and Marshall', 25 November 1970, PREM 15/132, TNA.
[331] Telegram, UKHC Wellington to FCO London, 26 November 1970, PREM 15/132, TNA.

The European Commission's response to the British opening bid came on 19 November 1970 in the form of a *Vue d'Ensemble* on transition arrangements for enlargement. It proposed a single five-year transition period for enlargement of 1 January 1973 to 1 January 1978. It suggested that during transition New Zealand should be given quantitative guarantees on dairy products, but that these volumes should digress by a maximum of 50% over five years for butter. For cheese, all guarantees would be progressively abolished by the end of the period (equating to 44% milk equivalent remaining in the market across both products). It also proposed that the European Community promote an international agreement on dairy products. If it became clear at the end of the transition agreement that such an agreement was impossible, the Community would examine the situation and decide the measures to be taken. It remained to be seen what Community ministers would make of Commission proposal; however, the New Zealanders viewed the *Vue d'Ensemble* as inadequate, while the British hoped it marked a step towards an agreeable solution.[332]

Further cautious encouragement was given to the New Zealand Government in January 1971 by the visit of Jean de Lipkowski, French junior Foreign Minister. It was the first visit to New Zealand by a French minister in over five years. The French Government had long maintained that no special arrangement for New Zealand was required in the context of Community enlargement and de Lipkowski, presumably well briefed by President Georges Pompidou and the Quai d'Orsay, publicly held this line on the visit. At a press conference on arrival in Auckland he bluntly said that while his Government was sympathetic, it could not help New Zealand while the latter maintained its own restrictive trade policies. He remained insistent, at least in the earshot of reporters, that special arrangements should not be made that put one Community member country at an advantage, placing the CAP at risk.[333] Malcolm McKinnon says that from reading the official documents, he could almost feel the chill in the room when de Lipkowski made this point to the New Zealand Cabinet.[334]

Despite the public pessimism, a moment of hope for the New Zealanders came at the end of his visit. The French Minister told Marshall at a one-on-one lunch that, while he could

[332] Telegram, UK Embassy Brussels to FCO London, 'Commission's communication on the transitional mechanisms of enlargement', 19 November 1970; Note, 'Visit of the New Zealand Deputy Prime Minister', 24 November 1970, PREM 15/132, TNA.
[333] Letter, UKHC Wellington to Norman Statham, EID, 'De Lipkowski's visit to New Zealand', 4 February 1971, FCO 67/478, TNA.
[334] McKinnon, *Independence and Foreign Policy*, 212.

not say so officially, he expected a 'satisfactory' deal to be struck between the Community and Britain to look after New Zealand, probably at the last minute.[335] Marshall confidentially passed this on to Rippon via the UK High Commission. British officials remained typically pessimistic of French willingness to compromise. Norman Statham in the FCO wrote to Con O'Neill: 'Satisfactory is of course a relative and subjective term'.[336] The likelihood of a deal for New Zealand at the end of negotiations was reiterated by French President Pompidou to New Zealand Prime Minister Keith Holyoake in April 1971.[337] In retrospect, de Lipkowski's view was prescient.

By March and April 1971, Britain's hopes of entering the European Community again appeared to be foundering in the face of French resistance. At a ministerial meeting on 2 February, the Six were unable to agree on the main issues, including New Zealand dairy. This was exacerbated by further fractious meetings on 18 February and 18 March, at which there appeared to be an unbridgeable gap between France and the 'friendly five' on all the major issues.[338] With regards to New Zealand, there was some agreement on general principles, including that solutions should just pertain to the British market rather than the Community as a whole and that quantities should be 'degressive' over a five-year transitional period starting on 1 January 1973. There was no common view on the volume of imports and pace of degression, although the Commission was seeking a level of around 44% of current quantities. On continuity, France insisted no special arrangement should be maintained after the transition period, other than a potential world dairy agreement.[339] John Marshall publicly praised Rippon and the British Government for making New Zealand's case, but he predictably baulked at agreeing to a degressive solution.[340] Speculation was rife on why France was isolating itself with its hard line approach; although there was general recognition it was unlikely to offer concessions until the last possible moment.[341]

The standstill in negotiations caused genuine alarm among British ministers and officials. It coincided with the New Zealand Government publishing its prominent pamphlet,

[335] Memo: 'UK – EEC Application', 28 January 1971, MS-Papers-1403/166-3, ATL.
[336] Memo, Norman Statham to Con O'Neill, 'M. de Lipkowski in New Zealand', 10 February 1971, FCO 67/478, TNA.
[337] 'Record of conversation between Holyoake and Pompidou', 26 April 1971, PREM 15/365, TNA.
[338] Furby, *The Revival and Success,* 194-200.
[339] 'UK/EEC Summary Report on situation of the negotiations at 21 March 1971', MS-Papers-1403/166-3, ATL.
[340] 'Press Statement by Minister of Overseas Trade', 18 March 1971, MS-Papers-1403/166-3, ATL.
[341] Letter, Rippon to Heath, 17 March 1971, CAB 170/106, TNA.

Britain, New Zealand and the EEC, which generated considerable media coverage, and UK Parliamentary motions calling for support of the New Zealand case.[342] A concerned Heath asked the FCO to prepare options for British external policy if its entry application failed, including a renewed approach to Anglo-American relations, freer trade around the world and trade agreements with the Communist Eastern Bloc.[343] In late February, Rippon and the FCO concluded they should move their offer of financial contribution to the European Community through the transition period from 3% to between 5% and 7% as 'upward moves of this kind could be a means of ensuring an acceptable solution for New Zealand'.[344] This did not have the desired effect in Paris, with Jean-Pierre Brunet, Director of Economic Affairs in the French Foreign Ministry, supposedly telling US diplomats 'this drives us up the wall', as the French Government could not tell if the British wanted an exception to the CAP or a bargain.[345] The British then placed hope in Dutch proposals to break the impasse. The Dutch Minister argued for access for 70% of New Zealand's existing butter volume and 20% of cheese after five years (approximately 60% milk equivalent overall). This essentially split the difference between the original British proposal (of 100% milk equivalent retained after five years) and the European Commission recommendation (around 44% milk equivalent). However, it was unclear whether France would concede to this, and it too was rejected by New Zealand.[346]

By early May, Rippon's office asked the FCO to prepare ideas for how New Zealand could be compensated for a less than satisfactory deal. Rippon noted the New Zealand Government was encouraged by public opinion to hold out for an arrangement something near the original proposal. A 'compensatory gesture', Rippon argued, would help to satisfy opinions as 'the New Zealand aspect is likely to be the most sensitive part of the final settlement we shall have to sell to Parliament; the support of the New Zealand Government will be indispensable'.[347] Rippon's view was shared by Douglas-Home, who felt current proposals for New Zealand were not 'politically saleable', adding 'We may have to resort to

[342] Telegram, UKHC Wellington to FCO London, 15 April 1971, BT 241/2354, TNA. See the pamphlet at '*Britain, New Zealand and the EEC,* April 1971, MS-Papers-1403/166-3, ATL.
[343] Memo, Con O'Neill to J.A.N. Graham, 'Options for British External Policy if our Application for Membership of the Communities fails', 10 March 1971, CAB 170/106, TNA.
[344] 'Conclusions of meeting held by the Chancellor of the Duchy of Lancaster in the FCO', 25 February 1971, CAB 170/106, TNA.
[345] 'Report of interview with Monsieur Brunet at the United States Embassy', 13 April 1971, MS-Papers-1403/166-3, ATL.
[346] Telegram, UKHC Wellington to FCO London, 30 April 1971, BT 241/2354, TNA.
[347] Memo, Crispin Tickell to Norman Statham (EID), 6 May 1971, CAB 170/106, TNA.

Mr Rippon's final suggestion and buy some New Zealand butter ourselves. It would be useful to have estimates as to what that could mean for them and us'.[348]

No evidence has been found of 'compensatory gesture' being put to the New Zealanders; however, much pressure was exerted by British Ministers and officials in April and May 1971 to have the New Zealand Government either accept the Dutch proposal or identify an acceptable 'fall-back' position to settle differences with the Community.[349] Rippon impressed upon the New Zealand High Commissioner in London that the Dutch offer was 'reasonable and acceptable'.[350] Marshall recognised New Zealand's influence as a touchstone for the European debate in the British Parliament and press. In the knowledge the French themselves were likely to hold out to the last minute, he steadfastly refused to divulge a fall-back position, causing much annoyance in London. Marshall told Galsworthy that his Government did not have a fall-back as they were not prepared to receive less than they asked for, and if it became known New Zealand was considering a compromise, it would weaken its negotiating position.[351] Marshall was then invited to London ahead of Heath's critical meeting with Pompidou in May 1971, an invitation he initially refused due to other commitments and a lack of movement from the Six. Galsworthy criticised this decision in his note back to London.[352] When Marshall eventually made it to London to meet with Heath on 17 May, the British Prime Minister, who had been well briefed to try and elicit a New Zealand fall-back position, asked him no less than four times what this would be. Marshall deftly avoided an answer.[353]

Daniel Furby convincingly argues the hard-line French approach until Spring 1971 was part of a strategy to strengthen its negotiating hand and bring Britain to the table for a one-on-one summit.[354] This explains French initial obstruction on New Zealand issues, despite subtle hints from French Ministers that they expected a deal to be struck at the last minute. It is certainly true that when Heath met Pompidou on 20-21 May 1971, he found the President in a more malleable mood on New Zealand problems than French officials and ministers had

[348] 'Comments of the Foreign and Commonwealth Secretary on the Paper: 'Shape of the final Package in the EEC Negotiations', 8 April 1971, CAB 170/106, TNA.
[349] Telegram, Douglas-Home to UKHC Wellington, 29 April 1971, BT 241/2354, TNA.
[350] 'Record of Meeting between Rippon and New Zealand High Commissioner', 4 May 1971, PREM 15/365, TNA.
[351] FCO Telegram, UKHC Wellington to London, 30 April 1971, BT 241/2354, TNA.
[352] FCO Telegram, UKHC Wellington to London, 'EEC/New Zealand', 7 May 1971, PREM 15/365, TNA.
[353] 'Record of the Meeting between Heath and Marshall', 17 May 1971, BT 241/2354, TNA.
[354] Furby, *The Revival and Success*, 197.

been since negotiations started. At the summit Pompidou made clear the French were open to a deal that did not require 100% exclusion for New Zealand dairy products after five years, a major step forward. Pompidou also suggested that cheese, rather than butter, was the main political issue for the French Government.[355] This may have been because Pompidou himself came from a major cheese producing region.[356] Pompidou's public statements before the summit also suggested flexibility. In an interview with the BBC he said: 'we are prepared to make arrangements to cater for the disruption [to New Zealand], but disruption will be caused nevertheless'.[357]

Marshall recognised that butter exports were more important to New Zealand than cheese (primarily because more profitable by-products can be made from butter production). On learning Pompidou's views, Marshall suggested to Heath that, subject to Cabinet approval, New Zealand would accept compromises on cheese exports to Britain in exchange for maintaining New Zealand's existing butter quota at suitable price levels. Sheepmeat was not mentioned in the Heath-Pompidou summit meetings, with Heath justifying this to Marshall by saying that it was best to leave lamb off the table to avoid complications. It was made clear to Marshall that Britain would advocate for access for New Zealand lamb if and when a common sheepmeat policy was introduced during the transition period.[358]

After the summit, French Foreign Minister Maurice Schumann proposed to the UK Ambassador in Paris Christopher Soames that to accommodate the additional New Zealand butter, Britain should increase its Community budget contribution in the first year of membership from the initially proposed 3% of the total, to 9% (rising to around 18-19% at the end of the five year transition).[359] Whitehall officials calculated that at most, an arrangement for New Zealand dairy would cost the Community budget about 0.5% annually. Nevertheless, British negotiators were given the mandate in Luxembourg to agree to the French demand (a budget contribution of 8.64% was eventually paid in the first year of membership).[360] Con O'Neill later estimated this cost Britain an extra £100m in the first five years of

[355] 'Record of Heath's Meeting with Marshall', 24 May 1971, PREM 15/372, TNA.
[356] Marshall, *Memoirs: Volume Two*, 104.
[357] 'Transcript of BBC interview, Michael Charlton with Georges Pompidou', 17 May 1971, PREM 15/372, TNA.
[358] 'Record of Heath's Meeting with Marshall', 24 May 1971, PREM 15/372, TNA.
[359] Telegram, UK Embassy Paris to FCO London, 'EEC Negotiations', 18 June 1971, PREM 15/367, TNA.
[360] Letter, P. E. Thornton, to Robert Armstrong, 'EEC Negotiations: New Zealand and Agricultural Finance', PREM 15/367, TNA.

membership.[361] That Heath's Government was willing to pay around 12 times the actual cost to secure a special arrangement for New Zealand indicates the political importance. The seeds were sown for resolution of a special arrangement for New Zealand dairy products, but work remained as the delegations headed to Luxembourg for the crucial accession negotiations on 21-22 June 1971.

On arrival at Luxembourg airport, Marshall was greeted by large numbers of journalists, who recognised New Zealand's pivotal position in the potential success or failure of negotiations.[362] His first official meeting was with Con O'Neill, who told Marshall of the latest French offer: 20% of New Zealand butter and 20% cheese to remain in the market at the end of the transition period. O'Neill was optimistic the French may come up to a Belgian proposal of 50% butter and 20% cheese after five years. O'Neill asked Marshall to settle at this, but Marshall resisted. Later that day Marshall conceded to Rippon that they would not seek assurance from the Community on lamb exports (the British had long since insisted this was not possible anyway). He also conceded New Zealand would settle for 85% milk equivalent of existing exports after five years. Rippon felt this figure was too high but accepted it as a negotiating benchmark.[363] Rippon remained largely firm on New Zealand issues during the negotiations, despite one-on-one pressure from French Minister Maurice Schumann. Around midnight on 21 June the French had agreed to a 66% milk equivalent after five years, followed by acceptance that the special arrangement should be subject to further review at the end of the transition period. It was this proposal that led Rippon and O'Neill to secretly summon Marshall to the British headquarters in the middle of the night, via Luxembourg's Red Bridge. Under heavy pressure from the British to agree, Marshall is said to have threatened to fly back to London to publicly denounce the arrangement. Rippon's response was 'you wouldn't dare'. Marshall said, 'try me'.[364] Rippon eventually agreed with Marshall they would stand firm and ask for more.[365]

The next morning, 22 June, the British delegation's desire to keep Marshall away from the media was foiled by a BBC reporter obtaining a quote from him as he left his hotel, saying

[361] O'Neill and Hannay, *Britain's Entry into the European Community*, 146.
[362] A transcript of Marshall's press conference is reproduced at Marshall, *Memoirs: Volume Two*, 108.
[363] Ibid., 107-108.
[364] Bruce Brown quotes this exchange from an interview with Merwyn Norrish, New Zealand Ambassador to the European Community in 'Foreign Policy is Trade: Trade is Foreign Policy', in Ann Trotter (ed.), *Fifty Years of New Zealand Foreign Policy Making,* 71.
[365] Marshall, *Memoirs: Volume Two*, 109.

66% milk equivalent was 'quite unacceptable'. When reported, it provoked a hostile response from the British negotiators, particularly O'Neill, who accused Marshall of going behind their backs directly to the British public.[366] Nevertheless after further discussion, Rippon returned to the Six with a negative response to the latest offer. Back in New Zealand, Prime Minister Holyoake and Finance Minister Muldoon convened a Cabinet committee meeting with a telephone line to the New Zealand team in Luxembourg, to agree or decline any new developments as the negotiations were taking place. Cleverly, they invited Dairy Board Chairman Frank Onion to attend, adding to the speed and collective nature of decision making (and indicating the Board's influence on the New Zealand Government's actions).[367]

Later on 22 June, European Commission President Franco-Maria Malfatti presented a solution of 80% butter and 20% for cheese, 71% milk equivalent total for New Zealand after five years, to which the French Foreign Minister Maurice Schumann reluctantly agreed. Malfatti also moved the French minister on the need for a review of arrangements at the end of the transition period. The Dutch Foreign Minister Hans de Koster insisted the British must be told this was the final offer.[368] In the view of Marshall, a key intervention came at this meeting from Aldo Moro, the Italian Foreign Minister, who said that the offer must not be lower than 71% milk equivalent. He had support from the Dutch, Belgians, Luxembourgers and others. With Cabinet approval, the volumes were accepted by the New Zealand delegation; however, the issue of price remained unresolved. An average for the years 1968-71 was proposed but this included two years of abnormally low prices, setting returns to New Zealand producers below existing market levels. At the request of Marshall, Rippon twice returned to the Six to seek price concessions, gaining agreement to drop the year 1968 and include 1972.[369] Also at Marshall's behest, mention of a requirement for unanimity on any changes to the New Zealand protocol was taken out of the Luxembourg Agreement. This was largely for political presentational reasons; Marshall did not want it to be widely known that the French Government or any other member would have a veto on continuity for New Zealand dairy exports. At French insistence and to Marshall's consternation, the requirement was later reinserted at the Treaty drafting stage in January 1972. In practice, unanimity on

[366]Ibid, 111.
[367]Ibid, 110.
[368] Kitzinger, *Diplomacy and Persuasion,* 142.
[369] Marshall, *Memoirs: Volume Two*, 111.

future New Zealand imports would be required whether it was included in the Treaty protocol or not.[370] Notwithstanding disagreement on the pricing arrangements, Marshall obtained consent from Wellington and agreed that his Government would provisionally support terms of the 'New Zealand' Protocol 18 of the Accession Treaty. At 4am on Wednesday, 23 June 1971, an agreement was concluded by the Six. Maurice Schumann and Geoffrey Rippon announced to the world that Britain would become a member of the European Community.

Conclusions

When measured against the objectives of the New Zealand Government, the special arrangement negotiated for New Zealand at Luxembourg, to be known as Protocol 18 of the Treaty of Accession, was a reasonably good one. As in previous accession attempts, New Zealand's approach focussed on maintaining access for its three main export products to Britain: butter, cheese and lamb (agreement on other products were also sought, somewhat unrealistically). In this, New Zealand was largely successful. The special arrangement provided for 71% of New Zealand's dairy exports to remain in the British market by the end of a five-year transition period in 1978. The bulk of this would be butter, although cheese was not excluded altogether as French ministers had sought. The arrangement was legally binding on the enlarged Community and administered by the European Commission. New Zealand was the only developed country to get such concessions in the Treaty of Accession.[371] Thanks to differences in market conditions across the Community and behind-the-scenes efforts by British negotiators in 1971, sheepmeat was not yet covered by the CAP, meaning New Zealand's lucrative lamb trade with Britain was, as yet, unaffected by enlargement.[372] New Zealand negotiators were also keen that a special arrangement on specific commodities had enduring status beyond the proposed five-year transition period. In this, New Zealand was partially successful. A European Commission review of the arrangement was scheduled for 1975, after which access arrangements for 1978 and beyond would be decided.

From New Zealand's point of view, the most contentious aspect of Protocol 18 was the minimum price levels agreed. These were based on an average for UK dairy imports 1969-72, including two years of abnormally low prices. There was no provision made to adjust

[370] Memo, Marshall to all Government members: 'NZ/EEC – The New Zealand Protocol and the question of unanimity', 1 February 1972', MS-Papers-1403/166-2, ATL.
[371] Text of the Treaty of Accession, 'Protocol No. 18, On the Import of New Zealand Butter and Cheese into the United Kingdom', BAC-048-1984/1085, HAEU.
[372] Telegram, UK Embassy Brussels to FCO London, 11 March 1971, BT 241/2354, TNA.

prices for inflation or currency fluctuations, which was to become a significant problem for New Zealand producers from 1973 onwards, causing ongoing requests for remedy by New Zealand diplomats and politicians in London and Brussels for years to come.[373]

The political response to the Treaty of Accession and the 'New Zealand protocol' will be discussed in Chapter Three. However, several conclusions can be drawn from the negotiations of 1970-71. Firstly, the structure of the special arrangement, including periodic reviews, pricing problems, and the complex task of incorporating the British dairy market into the CAP, ensured that ongoing close collaboration between Britain, New Zealand and European Community would be required for the foreseeable future. This runs contrary to the idea there was sudden break in relations in the early 1970s. Moreover, the considerable efforts of the British Government on New Zealand's behalf in the negotiations, including a willingness to pay more into the Community budget to meet French demands, need to be applied against any suggestions that New Zealand was 'betrayed' by British accession. Such efforts were consistent with British policy since the first accession attempt in 1961-63, and as discussed in subsequent chapters, were largely pursued after Britain officially joined the European Community in 1973.

As the negotiations played out in 1970-71, domestic political decisions collided with broader geo-political events and processes to create initial intransigence, then a compromise. Britain was squeezed between New Zealand and France adopting hard-line stances. This caused friction and criticism, but ultimately led to a solution that gained conditional approval from all three parties. The British Government's efforts on New Zealand's behalf were not primarily driven by altruism nor sentimentality. Rather, ministers were motivated by wanting to preserve UK Parliamentary support for accession (and the support of broader interest groups and publics beyond). The New Zealand Government's objectives and strategy in 1970-71 were largely informed by domestic political weakness, yet paradoxically it gained leverage through the peculiar political situation in the UK, and a willingness of existing Community members to agree terms to help Britain out of its political bind and to project the Community's influence internationally. This gave New Zealand disproportionate influence, which it used wisely to seek maximum concessions.

[373] 'NZ/EC: Butter Working Paper: Continued Access Arrangements', R21698655, ANZ.

This chapter contests and contributes to the existing historiography in several ways. It argues that, using New Zealand as a case study, Britain's relationship with some Commonwealth countries remained important (if altered) into the 1970s. The similarities in how Britain dealt with New Zealand from the 1961 and 1967 applications demonstrates that the political relationship was characterised by continuities, rather than change. This contrasts with historians who have largely diminished Britain's Commonwealth relations in the 1970s.

The chapter also adds credence to the 'soft' theory, first set out by Uwe Kitzinger, suggesting the French Government had a strategy to agree to British accession in 1970-1971, but that it held out until the last minute to win concessions, force the British into bilateral talks and mitigate any domestic political fallout. This contrasts with the 'hard' theory, that Pompidou did not intend to allow British entry, but that he was forced to do so by German and Italian pressure.[374] The chapter also counters the view proffered by Douglas Hurd, that Heath convinced the French President to change his line in the Anglo-French summit of May 1971.[375] As argued above, French ministers made encouraging hints to the New Zealanders that an accommodation would be made at the last minute. This suggests they were acting strategically and with intent, not capitulating in the face of unbearable pressure or British persuasiveness.

In retaining access to the British market, New Zealand probably launched its largest political and diplomatic campaign in Britain since the Second World War, extending its networks there and on the continent. In political terms, as well as economic, New Zealand's sheer effort in influencing Britain to safeguard its interests had a lasting impact, still being discussed in the 2016 British European referendum and beyond. In this sense, this chapter contributes to the growing body of revisionist literature suggesting Britain joining the European Community in 1973 was not a 'brutal snap', shock or betrayal for New Zealand. Deep political and economic relations between Britain and New Zealand remained after 1971, even if they were irrevocably changed. Historians largely suggest the European Community was a 'stick' threatening New Zealand with economic extinction unless it diversified, or conversely as 'bogeyman' which in retrospect did not have the negative impact feared at the time. Instead, this chapter argues European integration was also a long-term 'carrot' for New Zealand interests. The prospect for reform of CAP, a European Community free trade

[374] Kitzinger, *Diplomacy and Persuasion,* 36.
[375] Douglas Hurd, *An End to Promises: Sketch of a Government, 1970-1974* (London: 1979), 60-64.

agreement and liberal world trade involving the Community, US and North Asia were all ambitions for New Zealand. That some of these longer-term goals failed to materialise does not mean that they were not important considerations at the time. To New Zealand, a political, diplomatic and economic relationship with either Britain or the world was not a zero-sum game. Likewise, Britain did not expect to give up its relations with New Zealand when entering the Community. In the early 1970s, they aimed to have both.

Chapter Three

‘Kicked around’: New Zealand, the European Communities Act and the Treaty of Accession, 1971-72

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Introduction – ‘closest possible relations’

For many in New Zealand during the winter of 1971, the foremost issue exercising British-New Zealand relations was not the special arrangement for dairy products secured at Luxembourg. Instead, the British and Irish ‘Lions’ rugby union tour of New Zealand loomed large in the national consciousness. As John Marshall arrived in Luxembourg in June for his showdown with Britain and the European Community, the Lions were heading into the first Test match against the New Zealand ‘All Blacks’ in Dunedin having won every game against New Zealand provincial opponents and the New Zealand Māori team. Playing an expansive, intelligent style of rugby, the Lions went on to win the Test matches 2-1, with one draw. It was the first Test series victory by the Lions over another country and remains their only series win against New Zealand (although the 2017 series was a draw).[376]

The 1971 tour was not without controversy. A match against Canterbury at Lancaster Park, Christchurch, on 19 June saw considerable violent play. Lions players Sandy Carmichael and Ray McLoughlin were invalided home with injuries sustained in fights. News media were critical of the aggression of both sides, particularly Canterbury forwards such as Alex ‘Grizz’ Wylie, who reportedly told Welsh scrum-half Gareth Edwards ‘I’ll break your neck’.[377] Tensions were further heightened after the match when All Blacks coach Ivan Vodanovich suggested that unless the Lions stopped their obstructive play in the test series, there ‘could be another Passchendaele’ (alluding to the disastrous First World War battle).[378] Despite the media and public outcry, at least there was no repeat of the previous Lions tour of New Zealand in 1966, when Governor-General Bernard Ferguson felt obliged to call respective

[376] Terry McLean, *Lions Rampant: The Lions Tour in New Zealand, 1971* (Wellington: 1972). The ‘All Blacks’ nickname has been used since 1905 and refers to the colour of the team’s playing attire.
[377] Peter Burns and Tom English, *When Lions Roared: The Lions, the All Blacks and the legendary tour of 1971* (Edinburgh: 2017), chapter 10.
[378] McLean, *Lions Rampant*, 101; and Terry McLean, ‘Anger in New Zealand over rough play’, *The Times (London),* 22 June 1971.

captains Brian Lochore and Michael Campbell-Lamerton into Government House in Wellington, asking the teams to refrain from overly combative play.[379]

The Canterbury controversy aside, the Lions players and management of 1971 were generally well-regarded by the New Zealand public. Several subsequent New Zealand rugby coaches note a legacy of excellence left by Carwyn James, the articulate, erudite Welsh nationalist in charge of the Lions in 1971.[380] The UK High Commission in Wellington cabled London to say the team's 'model play and behaviour greatly impressed New Zealanders'. They were not the only British visitors to do so in 1971. Princess Alexandra and her husband's visits to Napier and Auckland were well received, as was UK Trade Minister Michael Noble's visit to the International Trade Fair in Wellington. The docking of aircraft carrier HMS Eagle at Wellington in August 1971 was described as 'a brilliant exercise in public relations'. These visits collectively, according to the UK High Commission, 'gave reassurance to New Zealanders of Britain's genuine interest in maintaining closest possible relations'.[381]

Such activity suggests that cultural, economic, political and defence connections between Britain and New Zealand remained at a time of supposed rupture, showing that the relationship was neither a linear nor dichotomous one. Even if they were evolving rapidly, Anglo-New Zealand links neither snapped nor ebbed away in the early 1970s. The reality, like the Lions tour, was more complex, with the impending changes provoked by Britain's accession to the European Community tempered by some political and business elites, and the broader public in Britain and New Zealand, seeking to retain the utility and relevance in the relationship.

This chapter evaluates the immediate effect that the Luxembourg Agreement and the passing of accession legislation had on the Anglo-New Zealand political relationship. It asks if the months immediately after the agreement should be characterised as 'decolonisation at speed' or a 'brutal snap', or whether these processes were outweighed by continuities. It also

[379] Alex Veysey, Ron Palenski and Gary Cafell, *Lochore: An Authorised Biography* (Auckland: 1996), 230.
[380] Carwyn James stood as a Plaid Cymru candidate in Llanelli in the 1970 General Election. Simon Jenkins, 'Book Review: Carwyn, into the Wind and When Lions Roared', *International Journal of Sports Science and Coaching*, 12:4 (2017); and Burns and English, *When Lions Roared*, 5.
[381] 'New Zealand: Annual Review for 1971', FCO 160/134/49, TNA.

seeks to explain why the prevailing interpretation of the Luxembourg Agreement has been negative, seen to hasten New Zealand's disconnect from Britain.

If Britain's accession to the European Community was not always detrimental to the Anglo-New Zealand political relationship, nor was it the only factor affecting it. This chapter also assesses whether European integration was the primary determinate of the evolution of the relationship, or whether other factors were at play, and indeed more important. These broader considerations include continued inflation, trade protectionism, the advent of new technologies, containerisation and the rise of Asia as a manufacturing base. Likewise, the changing nature of multilateral institutions such as the UN and the Commonwealth, swelled by recently decolonised states, further altered the nature of New Zealand's relationship with Britain. As discussed below, the New Zealand Government largely continued to align itself with Britain within multilateral forums, at least partly to maintain support in the ongoing trade access talks in Brussels. A further factor shaping the relationship was the momentary outward-looking internationalism in the European Community, which gave some confidence to smaller countries such as New Zealand, and those in the Global South, that European integration may not be completely detrimental to their interests.

Orthodox scholars have mostly suggested that New Zealand was politically and economically 'pushed' away from the UK by the process of European integration, but this chapter contends there was also a 'pull' from the Asia-Pacific region. This was derived from the emergence of Japan as an economic power, China's future economic promise, a desire to promote stability in Southeast Asia, as well as the belated recognition of Australia as an important economic and strategic partner. Additionally, it was recognised that involvement in the South Pacific region could help demonstrate New Zealand's contribution to the western alliance and bring economic benefits. These changes helped focus New Zealand's political and official minds on Asia and the Pacific in the years immediately preceding British accession, but they did not altogether forget their long-standing allies in the North Atlantic while doing so.

The domestic political situations in the UK in the months after the Luxembourg Agreement are also pertinent here. The UK Government's publishing of a White Paper in July 1971 outlining the merits of entry, and the Parliamentary debate and votes on the European Communities legislation in 1971 and 1972 helped keep New Zealand to the fore of political

minds in the UK. This was partly because New Zealand remained a 'test' of the UK Government's ability to extract reasonable entry terms from the European Community.

In the New Zealand Government, there was a tension between maintaining pressure on the British Government and presenting the agreement secured in Luxembourg as a good one to the New Zealand public. Effective opposition from Labour Party leader Norman Kirk and divisions within the Cabinet, particularly between aspirant Prime Ministers Robert Muldoon and John Marshall, muddied the waters on the deal. This, along with an adverse reaction from the Australian Government, partly explains why the predominant memory of Protocol 18 secured at Luxembourg in 1971 is negative.

Changing international relations - cause for optimism?

The global situation facing both Britain and New Zealand in the immediate aftermath of the Luxembourg Agreement gave some cause for optimism. Among the promising signs, the European Community appeared more willing to apply its greater heft to liberalise global trade. There has been an orthodox tendency for historians to characterise European integration in this period as introverted national contestation. However, revisionist historians are increasingly showing that, in the early 1970s internationalists were pushing the Community in a more outward-looking direction, partly inspired by US retrenchment from world affairs.[382] This is evidenced by a softer line on national interests pursued by France after Charles de Gaulle's resignation and by the influence of Italian Foreign Minister Aldo Moro and others in encouraging the Community's embryonic external policies. External Relations Commissioner Gaetano Martino noted in 1970 that Community enlargement required better relations with British Commonwealth states.[383] Sicco Mansholt, Agriculture Commissioner (1958-72) and European Commission President (1972-73), and his predecessor as President Franco-Maria Malfatti (1970-72) both sought to reform the CAP and Common Market in ways that assisted developing countries.[384] There was also a willingness, including in French Government circles, to use Western European influence to temper superpower penetration

[382] Jan Orbie, 'The EU and the Commodity Debate: From Trade to Aid', *Review of African Political Economy*, 34:112, (2007), 297–311; Anil Awesti, 'The Myth of Eurosclerosis: European Integration in the 1970s', *L'Europe en Formation,* 353 – 354:3, (2009), 39–53; and Lotte Drieghe and Jan Orbie, 'Revolution in Times of Eurosclerosis: The Case of the First Lomé Convention, *L'Europe en Formation,* 353 – 354:3, (2009), 167–181.
[383] Garavini, *After Empires*, 157.
[384] 'Note à l'attention du Professeur Dahrendorf', 7 July 1971, BAC-048-1984/1085, HAEU; Garavini, *After Empires,* 158–9.

in Southern Africa and maintain a European presence East of Suez, in the wake of British withdrawal.[385]

In Luxembourg in June 1971, at the same meeting that agreed New Zealand's special arrangement, the Council of Ministers adopted generalised trade preferences for developing countries, in accordance with the United Nations Conference on Trade and Development (UNCTAD). This made the European Community the first developed power to adopt UNCTAD. By its own estimation, the decision represented 'the most important decision on commercial policy taken by the Community since the conclusion of the Kennedy Round of trade negotiations [in 1967]'.[386] It reflected a Community ambition to become the 'most favoured trade partner' for developing nations by the time of the European Summit in Paris in 1972 and coincided with an undertaking to extend further concessions to developing Commonwealth nations in the course of British accession. The special arrangement for New Zealand, decided at the same meeting at Luxembourg, should be viewed in this context. Despite the protectionist impulses of the CAP, internationalist sentiment among ministers and the European Commission made it less likely they would gravely undermine the economy of a small, relatively benign country on the other side of the world.

Further optimism was found in *détente* and the opening of the People's Republic of China (PRC) in the early 1970s. Encouraged by Peking's strained relations with the Soviet Union, the Nixon administration announced in February 1969 that it was reopening talks with the Chinese Communists.[387] The Canadian Government led by Pierre Trudeau followed suit and several European nations including Italy, Belgium and Luxembourg indicated a willingness to be involved.[388] By 1972 all European Community members had recognised the PRC, established diplomatic links and developed substantial political and economic relations. The Community itself recognised PRC in 1974, signing a trade agreement the following year.[389]

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[385] 'Report by Noel Salter on French attitudes to British Accession to the EEC', 14 May 1971, UWK-NS-5 (2), HAEU.
[386] 'Communication a la Press, Conseil des Communauté européennes', 23 June 1971, CM2-1971-43, HAEU.
[387] Geoffrey Warner, 'Nixon, Kissinger and the Rapprochement with China, 1969-1972', *International Affairs*, 83:4, (2007), 763–781.
[388] John Scott, 'Recognising China', in Malcolm McKinnon (ed.), *New Zealand in World Affairs Volume II: 1957-1972*, (Wellington:1991), 238-9.
[389] Marie Chenard, *The European Community's opening to the People's Republic of China, 1969-1979: internal decision-making on external relations,* PhD thesis, LSE, (2012); Angela Romero and Valeria Zanier,

New Zealand's response to the opening of PRC was not straightforward. In June 1971 when it was suddenly revealed that US National Security Advisor Henry Kissinger had met with Chinese Premier Chou Enlai, the New Zealand Government publicly welcomed the news, but it was greeted with some dismay internally. Prime Minister Keith Holyoake was unhappy with the manner of the US decision to talk to the Chinese Premier and the fact that New Zealand was only told 15 minutes in advance of the announcement. It also ran against New Zealand's (and the Western bloc's) alliance with the Republic of China Government in Taipei. New Zealand's longstanding efforts to achieve greater trade access in Japan were also in jeopardy if it followed the US lead. Nevertheless, despite the short-term diplomatic problems, the longer-term economic possibilities were evident. On 8 June 1971 Holyoake asked officials to look at the feasibility of a New Zealand trade mission to China. He was encouraged to do so by domestic business opinion and by a policy change by the New Zealand Labour Party, which announced in May 1971 that it intended to recognise China if elected.[390]

On 25 October 1971, after much tentative consultation with the UK, United States and Australia, New Zealand representatives in New York eventually voted in favour of Albania's resolution to recognise the PRC as the sole Chinese representative in the UN. The Republic of China subsequently left the organisation. New Zealand officially recognised PRC on 22 December 1972, although as John McKinnon has shown, the decision by new Prime Minister Norman Kirk was reluctant.[391] In recognising China, New Zealand acknowledged that Taiwan is a province of PRC and an inalienable part of Chinese territory. The position on Taiwan and the word 'acknowledge' was taken directly from the communiqué jointly issued by the British and PRC Governments in March 1972, suggesting New Zealand was in line with its long-term North Atlantic allies.[392] The rapprochement and economic liberalisation of China, which gathered much pace after the third plenum of the 11th Central Committee of the China

'Circumventing the Cold War: The Parallel Diplomacy of Economic and Cultural Exchanges between Western Europe and Socialist China in the 1950s and 1960s', *Modern Asian Studies,* 51:1 (2017), 3.

[390] Scott, 'Recognising China', in McKinnon (ed.), *New Zealand in World Affairs Volume II: 1957-1972,* 238-9.

[391] John McKinnon, 'Breaking the Mould: New Zealand's relations with China', in Brown (ed.), *New Zealand in World Affairs III: 1972-1990,* 230.

[392] 'Statement by Prime Minister Norman Kirk: New Zealand in the world in the 1970s', *New Zealand Foreign Affairs Review,* 22:12, (1972), 13.

Communist Party in 1978, galvanised thinking in New Zealand that it had to develop regional links in Asia-Pacific to augment those with Britain and Europe.[393]

The Anglo-New Zealand relationship in the early 1970s was also affected by the changing nature of multilateral institutions. By 1971 the pattern for Commonwealth Heads of Government Meetings, known thereafter as CHOGMs, had changed markedly. New Zealand, along with Britain and Canada, were the only countries to have attended all such meetings, first held as Colonial Conferences in 1887. Successive New Zealand Governments saw them as virtually the only international forum within which New Zealand could exercise any tangible influence.[394] However, in the 1960s decolonisation swelled the number of African, Caribbean and Pacific Island members, collectively known as the 'new Commonwealth'. Southern African problems, particularly relations with apartheid South Africa and responses to the civil war in Rhodesia, dominated media attention in the lead up to CHOGMs and often derailed the prepared agendas. The pattern invariably saw Britain 'in the dock' on such issues, facing criticism from throughout the new Commonwealth. With some important exceptions, New Zealand positioned itself as a loyal British ally in Commonwealth forums. On several occasions it was the only country to do so. The CHOGM of January 1971 followed this pattern, with the issue of South African arms sales and the establishment of the Declaration of Commonwealth Principles applying further pressure on Britain, which New Zealand delegates attempted to mitigate. This arguably helped New Zealand retain influence amongst British officials and politicians, even as they were increasingly frustrated with the Commonwealth as an institution.[395]

An additional geo-strategic consideration clouding the British-New Zealand relationship was defence, particularly the British role East of Suez. The decision to withdraw British forces from the Middle East and Asia had been announced by Harold Wilson's Government in 1967. This concerned those in Wellington with a long-standing Cold War objective to augment New Zealand's own relatively meagre defence provisions by keeping Britain and the US militarily active in Southeast Asia and the South Pacific. Unfortunately, the

[393] Scott, 'Recognising China', in McKinnon (ed.), *New Zealand in World Affairs Volume II: 1957-1972*, 238-9.
[394] W. David McIntyre, 'From Singapore to Harare: New Zealand and the Commonwealth', in Brown, (ed.) *New Zealand in World Affairs III: 1972-1990*, 85, 88.
[395] Ibid.; Sue Onslow, Interview with Simon Murdoch, *Commonwealth Oral History Project*, Institute of Commonwealth Studies, 7 May 2014, transcribed text at https://sas-space.sas.ac.uk/5704/; Murphy, *The Empire's New Clothes*, 140-141.

South Pacific, as viewed from London or Washington, was one of the most benign regions in the world with populations deemed unlikely to fall under Communist influence.[396]

In the 1970 election campaign Heath, as leader of the Conservative Party, promised to restore British forces East of Suez, although there was scepticism as to how this would happen and doubts that it would be anything other than a partial or temporary commitment. Nevertheless, Geoffrey Rippon, Chancellor of the Duchy of Lancaster told New Zealand MPs in 1970 that: 'our vision of European unity is an outward looking one, as is our decision to retain a British military presence East of Suez and to remain with you and our other Commonwealth partners in Malaysia. We are not going to forget our responsibilities in this hemisphere'.[397] Rippon's connection of the two issues (European Community membership and East of Suez) was no accident. From a British point of view, there was a desire to have New Zealand and Australia take of some of the slack from British roll-back in Southeast Asia. There was also an argument, used by British and New Zealand negotiators with the European Community, that if New Zealand's economy was undermined by British accession, New Zealand would not be able to adequately contribute to Western defence against Communism.[398] In November 1971, after lengthy discussions a partial solution came via the Five Powers Agreement. New Zealand, in partnership with Australia and the United Kingdom, agreed to retain forces in Malaysia and Singapore to contribute to the security of the area and strengthen local defence capabilities. This signalled some continuity in New Zealand's post-war defence strategy. Both the National and Labour parties in New Zealand supported the agreement.[399]

1971 also saw the advent of the South Pacific Forum, an inter-governmental organisation aiming to enhance cooperation amongst New Zealand, Australia and the newly independent oceanic states. Both this and the Five Powers Defence Arrangement gave a sense of reorientation towards the Asia-Pacific region, even as the efforts to retain access to British

[396] Ian McGibbon, 'New Zealand Defence Policy: from Vietnam to the Gulf', in Brown, (ed.) *New Zealand in World Affairs III: 1972-1990*, 112-117.
[397] 'Text of Geoffrey Rippon's address to Parliamentary Reception', Wellington, 22 September 1970, *New Zealand Foreign Affairs Review,* 20:9, (1970), 35.
[398] For example, Telegram, UKHC Wellington to Douglas-Home, 'The Implications for New Zealand of British Membership of the European Communities', 1 July 1970, T312-2718, TNA; Telegram, NZHC London to MFA Wellington, 'Change of Government in Britain: Implications for New Zealand', 3 July 1970, MS-Papers-1403-161-5, ATL.
[399] Memo, UKHC Wellington, 'New Zealand: Annual Review for 1971', FCO 160/134/49, TNA.

markets continued apace. As Keith Holyoake put it, 'the events of 1971 have produced among New Zealanders a greater awareness of our nearest neighbours and their needs and aspirations' and that 'our ties [with Britain] though still close, will be less comprehensive than before'.[400] A more active role in the South Pacific had an ancillary benefit to New Zealand's foreign policy, in that it enabled diplomats and ministers to argue within European Community capitals and Washington that New Zealand continued to play a part in the Western alliance, encouraging stability in the region. Even if the South Pacific was a backwater in Cold War terms, it still held some strategic importance for France, among others, for colonial reasons.[401]

A dynamic but promising international political situation was not the only variable that New Zealand and Britain had to deal with in the 1970s. Important technological changes were rapidly and comprehensively altering international economies, with containerisation among the most important. The theory, widely applied from the 1960s and 1970s, was that globally standardised containers should be 'intermodal', that is, easily transported by multiple types of transport such as truck, train or ship (and perhaps by air). On 26 April 1956, one of the first commercial ships filled with standardised containers travelled from Newark, New Jersey to Houston, Texas. Ten years later the first international shipment embarked from Port Elizabeth, New Jersey to Rotterdam in the Netherlands. This coincided with the rapid escalation of the Vietnam War, in which the US military sought more efficient shipping solutions to supply its forces in the Mekong River Delta.[402]

Containers did not require laborious loading and unloading every time the transport mode changed, providing significant efficiency gains. It helped to break a centuries-long symbiosis between factories and docks, which had hitherto tended to be in proximity. Manufacturing could now occur in cheaper and sometimes dispersed locations many miles from the port. Larger ships and deeper ports with container terminals and cranes were now required. Many of the world's preeminent ports and their light industrial and manufacturing hinterlands, including London and New York, became largely obsolete in a short space of time. Thousands of dock and factory workers faced unemployment. According to Marc Levinson,

[400] Keith Holyoake, 'International Affairs', *New Zealand Foreign Affairs Review*, 21:12, (1971), 18-21.
[401] 'Note à l'attention du Professeur Dahrendorf', 7 July 1971, BAC-048-1984/1085, HAEU.
[402] Martin Parker, 'Containerisation: Moving Things and Boxing Ideas', *Mobilities,* 8:3, (2013), 370.

containerisation significantly accelerated late twentieth-century globalisation and the transition of Asia into the manufacturing workshop of the world, although the causality is contested.[403]

Both Britain and New Zealand, heavily dependent on shipping trade, grappled with these changes. The first container terminal had opened in Felixstowe, Suffolk, in the United Kingdom in 1967 and remained the UK's busiest port in 2018.[404] Nevertheless, the global pattern of decline of dockland areas afflicted UK cities such as London's East End, Liverpool, Glasgow, Hull, Newcastle and Belfast. New Zealand's Government and industry saw the container revolution as both a threat and an opportunity. Shipping to and from New Zealand was controlled by a 'Conference' of four British-owned shipping companies in a virtual oligopoly, so its response to containerisation was all important. New Zealand officials, port authorities and producer boards worked with the Conference with an aim to make New Zealand ports compatible with containers by 1973-74. It was hoped that by 1975, 50% of total New Zealand exports to the UK and 80% of imports from the UK would be in containers, which would have vastly increased the efficiency of shipping at a time of rising costs.[405]

In May 1971, the Conference withdrew from this arrangement. There were several reasons given at the time. Although containerisation was clearly more efficient in the long-term, the shipping lines baulked at an upfront capital outlay of £50-60m because of inflationary concerns and cash required for investment elsewhere. In the early 1970s significant transport cost increases were driven by more expensive stevedoring, oil bunkering and by wage growth. The British lines were also unable to secure finance from New Zealand banks. There was additional doubt whether New Zealand Producer Boards, which negotiated shipping rates with the lines on a sectoral basis, would agree sufficient concessions to guarantee profitability. In 1971, the New Zealand Meat and Dairy Boards had successfully forced the British shipping lines to accept a freight payment increase of only 5% (as against a

[403] Marc Levinson, *The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger* (Princeton: 2006), 3-4. For contending views on drivers of globalisation, which include reductions in international tariffs, transport and communication costs, see Meredith A. Crowley, 'Review of *The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger*', *World Trade Review,* 7:2, (2008), 458.
[404] 'The History of the Port of Felixstowe', *Port of Felixstowe Website,* online at: https://www.portoffelixstowe.co.uk/50-years/history/. 'Top 40 Container Ports', *The World Shipping Council,* online at: http://www.worldshipping.org/about-the-industry/global-trade/top-50-world-container-ports.
[405] 'Brief for UK-EEC Discussions', November 1970, MS-Papers-1403-163-3, ATL.

12.5% increase in costs in the southbound trades). A UK Board of Trade official advised that 'this illustrates the danger that producer boards can use organised power irresponsibly to impose a heavy burden on our exports'. Moreover, there was increased pressure on profitability because of competition from European and North Asian shipping lines. In 1970, the New Zealand Apple and Pear Marketing Board broke British shipping's near total control of New Zealand trade by opting for a specialised Danish and Israeli fruit shipper, at lower prices.[406] A further factor was the closure of the Suez Canal 1967-75, which increased costs and shipping distances.[407]

The New Zealand producer boards and the Government were unhappy with the decision to abandon the plans for containerisation. Finance Minister Robert Muldoon said the 'decision to discard their container plans with two days' notice, after many millions of New Zealand dollars had been committed to the project, will be long remembered'.[408] It came at a time of heightened antipathy in New Zealand towards British shipping firms, including from Trade Unions, which blamed them for the rapid rise in freight costs (a 28% increase in 1971). New Zealand Labour Party leader Norman Kirk, typically seizing on a populist opportunity to criticise British interests, called it 'almost commercial piracy'. Further ammunition for critics of the British shipping lines came from a perception that they discouraged the development of regional trade routes.[409] In late 1971, British firm P&O sold the Australian and New Zealand interests of its subsidiary Union Steam Ship Company of New Zealand Limited. For many decades, Union had served New Zealand's coastal, Pacific Island, and Trans-Tasman trade. The sale was reportedly 'unlamented' in New Zealand, such was the distaste towards British shipping.[410] The shipping problems arguably helped to accelerate the diversification of New Zealand trade away from Britain to the Asia-Pacific region. Such factors need to be balanced against the notion that European integration was the primary determinate of such change.

Shipping was not the only industry facing technological disruption in 1971. The introduction of wide-bodied long-range aircraft from the late 1960s made air travel to and from New Zealand more accessible, especially as the Government-owned Air New Zealand

[406] 'Board of Trade Brief for Ministerial Meeting with John Marshall', 21 May 1971, BT 241-2354, TNA.
[407] James Peyer, 'The 1967-75 Suez Canal closure: Lessons for trade and the trade-income link', *Vox CEPR Policy Portal,* online at https://voxeu.org/article/1967-75-suez-canal-closure-lessons-trade.
[408] 'New Zealand: Annual Review for 1971', FCO 160/134/49, TNA.
[409] Hall, *Emerging from an Entrenched Colonial Economy*, 5-6.
[410] 'New Zealand: Annual Review for 1971', FCO 160/134/49, TNA.

began to diversify procurement of aircraft beyond Britain and offered increased flights to Australia and the Pacific, which then met long-distance flights to Britain, the US and elsewhere.[411] Also from the late 1960s, news media and communications in New Zealand were belatedly undergoing a revolution thanks to the advent of satellites and television. As Felicity Barnes notes, television initially reinforced links between the London metropole and periphery, with most of the content watched by New Zealand viewers coming from British sources.[412] The first satellite telephone conversation between New Zealand and Britain occurred in 1965. In 1971 New Zealand's first permanent satellite station was installed at Warkworth, north of Auckland. This enabled rapid transmission of news in both directions for the first time, filed instantly over vast distances. By contrast, footage of the 1969 moon landing had to be flown in from Australia.[413] Events of importance to the Anglosphere such as the 1974 Commonwealth Games held in Christchurch and the 1981 South Africa 'Springbok' rugby tour of New Zealand were among the first live broadcasts from New Zealand to international audiences, although the latter was notable for screening large-scale anti-apartheid protests.[414] It can be seen that the effect of technology on the Anglo-New Zealand relationship was not just diffusive, opening the two countries to the wider world. The reality was more complicated. In some ways, the new technologies enhanced rather than diminishing existing relationships.

Political considerations

The British Government's desire to secure Parliamentary approval for the European Communities Bill was an overriding focus, both before and after the Luxembourg Agreement in June 1971. The domestic political situation was complex, but it seems the British Government was somewhat successful in its strategy of using Protocol 18 to take the sting out of the New Zealand issue in Parliament at the time of the accession vote. New Zealand featured less in Parliamentary debates in the months after Luxembourg.[415] However, until the

[411] Peter Aimer, 'Aviation - Changing times: 1960s and 1970s', *Te Ara - the Encyclopedia of New Zealand,* online at: http://www.TeAra.govt.nz/en/aviation/page-9.
[412] Barnes, *New Zealand's London*, 252-4.
[413] Gavin McLean, 'Warkworth Satellite Earth Station', *NZ History,* online at: https://nzhistory.govt.nz/media/photo/warkworth-satellite-earth-station.
[414] Hamish McDougall, ''The Whole World's Watching:' New Zealand, International Opinion, and the 1981 Springbok Rugby Tour', *Journal of Sport History,* 45:2 (2018), 212.
[415] Telegram, NZHC London to MFA Wellington, 'NZ:EEC', 11 October 1971, R20758978, ANZ.

vote was passed in November 1971, the peril of the New Zealand Government using criticism to sway the votes of wavering MPs remained. Moreover, the Labour Party was now split asunder on the European issue, with 69 rebels disobeying the whip and voting with the Government on accession legislation, while 20 others abstained. This allowed the motion to pass 356 to 244, overcoming 39 Conservatives who voted against. If Labour were to win the next election, a renegotiation of terms now seemed likely, including those secured for New Zealand.[416] This meant British policymakers felt unable to discard New Zealand interests altogether in 1971-72, even if they wanted to.

For its part, the New Zealand Government had a trio of political considerations in the immediate aftermath of the Luxembourg Agreement. Firstly, there was a desire to keep the pressure on the British Government and the European Community to seek additional concessions on price and continuity of New Zealand's special arrangement for dairy products. Secondly, there was a need to position Protocol 18 in the best possible light for a domestic audience, in view of pressure from opposition leader Norman Kirk and the 1972 election on the horizon. Thirdly, there was a contest for power within the National Party, which influenced individual ministerial responses and coloured the interpretation of Protocol 18 in New Zealand. As will be seen, each of these considerations was to some extent contradictory. They will be addressed in turn.

The New Zealand Government's most immediate concern about Protocol 18 was price. As noted in the previous chapter, in November 1970 the British negotiators had proposed a price formula for New Zealand dairy exports to the European Community without consulting the New Zealand Government, with the latter especially unhappy there was no adjustment for inflation or currency variations.[417] In the course of negotiations in Luxembourg, at the instigation of the Cabinet Economic Committee back in Wellington, Marshall had twice gone to the British delegation to ask them to adjust the price provision to be paid for New Zealand dairy during the five-year transition period. In response the Six guaranteed a minimum price based on the average for the years 1969-1972, rather than the originally proposed 1968-71 (1968 was a particularly poor year for butter prices). This was slightly more advantageous for New Zealand, but there was still no provision for inflation or

[416] Ludlow, 'Safeguarding British Identity or betraying it?', 20-21, 31.
[417] Letter, Marshall to Rippon, 6 November 1970, PREM 15/132, TNA.

currency fluctuation. In New Zealand's view, an outline price of £400 per tonne for butter would not be achieved, which had been mentioned as a reasonable target by Heath to Holyoake.[418]

In this context Marshall played a somewhat duplicitous role, slightly disconnected from the political situation back in Wellington. Immediately after the agreement Marshall was personally effusive to Geoffrey Rippon for the efforts made on New Zealand's behalf (belying the earlier tension and the need for the secret meeting via the Red Bridge). Marshall sent Rippon a positive letter, which the British minister then had published verbatim in *The Times.* It read:

> 'The overall package for New Zealand is a good one and in some respects better than we thought could be negotiated. The fact that New Zealand has been unable to endorse one aspect- the price formula -should cause no surprise as the formula at the end of the day is not what you yourself had proposed nor the compromise you had tried to get. Nor should it be an impediment to British entry'.

The handwritten postscript said, 'thank you for your valiant efforts to protect New Zealand'.[419] Rippon cannily invited Marshall to share his flight from Luxembourg to London on 23 June. This meant the pair greeted the waiting media together on touchdown in London. A photograph of the two grinning ministers getting off the plane featured on the front page of the following day's *Daily Telegraph,* which, alongside the Marshall's letter and other positive media coverage, supported the British argument that Protocol 18 was a good deal for New Zealand.[420]

However, to the chagrin of senior figures in the British Government, later on 23 June Marshall issued a media statement saying, even though the package 'on the whole represents a substantial acknowledgement of the New Zealand case for special arrangements... the quantities of butter and cheese which we will still be able to export to Britain are not as great as we asked for and hoped to get'. He went on to say 'I regret very much that I cannot endorse it in respect of the price formula'.[421] Rippon was not consulted on the words, which he felt

[418] Memo, 'Enlargement Negotiations - New Zealand', 26 June 1971, FCO 67/478, TNA.
[419] Letter. Marshall to Rippon, 24 June 1971, MS-Papers-1403-166/3, ATL.
[420] Photo of Rippon and Marshall appeared in *Daily Telegraph,* 24 June 1971, 1.
[421] 'Statement by Rt. Hon. J.R. Marshall at Luxembourg', 23 June 1971, PREM 15/367, TNA.

went against the tone of his previous conversations with Marshall, describing it as 'in all the circumstances, a grudging statement'.[422] The annoyance derived in part because the arrangement was better for New Zealand than had been believed possible up until a short while before. British officials thought the £400 per tonne for butter was achievable in the years after entry, which would compare well with the £300 per tonne New Zealand received on average from mid-1966 to 1970.[423]

In line with previous tactics, Marshall's statement was motivated by a desire to keep the political pressure on the British Government in advance of the publication of its White Paper, the drafting of the Treaty itself and most crucially, the UK Parliamentary vote. Marshall wanted further concessions and clarity on the price issue as well as the procedures for review in 1975, which were vague. Marshall also sought to reduce the rate of digression of New Zealand dairy products in the British market. He aimed to have as high a level of New Zealand dairy in the market as possible at the end of transition in 1978, providing the best starting point to negotiate an ongoing trade relationship in the Common Market during the 1975 review.[424]

Rippon was not the only person Marshall failed to consult in making his post-Luxembourg statement. His Prime Minister Keith Holyoake also did not see the words before they were released. This annoyed Holyoake, not least because he wanted to coordinate Marshall's release with his own statement to Parliament, due later on 23 June. Holyoake had intended to 'fluff' [i.e. fudge] the price issue and make the Parliamentary statement 'positive and forthcoming' about the efforts Britain had made for New Zealand. Holyoake made an apologetic phone call to the UK High Commissioner in Wellington, Arthur Galsworthy, in which the Prime Minister was described as 'genuinely annoyed and upset'.[425] Heath also wrote to Holyoake to encourage a more positive approach, noting:

> 'It would be the greatest pity if any of us were to take the shine off a remarkable achievement by public expression of disappointment about this one feature of the

[422] Telegram, Chancellor of the Duchy of Lancaster in Luxembourg to London, 23 June 1971, PREM 15/367, TNA.
[423] 'Summary Report of a Briefing given by Sir Con O'Neill to Commonwealth Representatives accredited to the Communities, Brussels', UWK-NS/267, HAEU.
[424] 'Marshall speech opening the debate in the House of Representatives', 1 July 1971, MS-Papers-1403-166/2, ATL.
[425] Telegram, UKHC Wellington to FCO London, 23 June 1971, PREM 15/367. TNA.

> agreement [price], when it is as a whole so favourable… I ask you to urge Jack Marshall to make published comments as positive and as welcoming as you can… It is in all of our interests, yours as well as ours, to make the most of this achievement and not to spoil a very good ship by complaints about the lack of the last Ha'p'orth of tar'.[426]

In the event, Holyoake's address to Parliament struck a more positive tone, saying 'we can look back with satisfaction at this concentrated collective effort [between Britain and New Zealand]. It has served this country well… they have been willing to keep in mind their undertakings to us… I am satisfied that the result is the best which the British could, in the circumstances, get for us'. On price, Holyoake was equivocal, saying 'there remains some uncertainty as to the detailed application of the pricing provisions'. He went on to say that New Zealand must diversify its exports to replace the part of the British market that will eventually be phased out.[427] Holyoake's letter back to Heath showed that New Zealand intended to continue to press Britain to make its case within the enlarged Community, writing:

> 'We will be relying on you as a [European Community] Council member to safeguard our interests and we hope you will ensure New Zealand will be fully consulted not only in the presentation of factual material but also in the process of decision-making'.[428]

Holyoake pressed the need for greater positivity on Marshall, whose own Parliamentary address on arrival back in Wellington on 1 July struck a measured tone, playing up the benefits of the arrangement and the significant efforts the New Zealand Government had made to secure Protocol 18.[429]

Holyoake's presentation of the deal in a more positive light was partly driven by his concerns about the reaction from the Leader of the Opposition. Criticism of the agreement fitted nicely with Norman Kirk's sense of populism, nationalism and fairness - strong themes in his politics. Kirk's approach largely mirrored the UK Labour Party leadership, in that he was more inclined to criticise the negotiating tactics and the terms agreed, rather than

[426] Letter, Heath to Holyoake, 23 June 1971, PREM 15/367, TNA.
[427] 'Statement to the House of Representatives by Prime Minister Holyoake', PREM 15/367, 23 June 1971, TNA.
[428] Message, Heath to Holyoake, 6 July 1971, PREM 15/883, TNA.
[429] 'Marshall speech opening the debate in the House of Representatives', 1 July 1971, MS-Papers-1403-166/2, ATL.

questioning the idea of accession itself.[430] For this reason Kirk was anxious to avoid siding too closely with the Anti-Marketeers in the British Labour ranks, declining invitations from Douglas Jay to appear on Anti-Market platforms while in the UK.[431]

To encourage cross-party consensus, Holyoake had invited Kirk to travel with him to Britain in April 1971. In some ways a tough line from Kirk helped keep the pressure on the British Government as he could be more publicly critical of the British approach than Holyoake or Marshall. The Labour leader met Heath, Government Ministers and several of the Labour Opposition front bench. Kirk was privately complimentary to Heath about the effort Britain was making on New Zealand's case and confidentially committed his support to the Five Powers Defence Arrangement.[432]

But such positivity on Kirk's behalf would not last. The Labour leader was rankled by Marshall and Holyoake's decision to exclude him from consultation in the final stages of agreeing Protocol 18 in Luxembourg, which hardened his approach. After Marshall's statement appeared, Kirk told reporters 'I cannot accept that it [Protocol 18] is either satisfactory or just, when these quantitative arrangements will provide that in five years New Zealand butter trade will be cut by 20%. It may be true that this is the best agreement that Britain was able to extract from the Six, but the fact also remains it is not satisfactory to the people of New Zealand'.[433] In later interviews he opined that negotiations 'were too speedy, not allowed to run their natural course', and that he had 'strong reservations' about the outcome, although he thought 'Marshall had done his best'.[434] Kirk also pointed to the dislike the British people had towards the European Community, asking: 'haven't we the guts to try [for a better deal]? Can't we fight for our trading rights with Britain? It would be fair to remind the British Government that the present trade had been developed to meet British needs'.[435] Kirk used an initial absence of an official English language translation of the Luxembourg terms to cast some doubt on the definition of terms. His strong words caused alarm in British

[430] Telegram, UKHC Wellington to FCO London, 26 May 1971, BT 241/2354, TNA.
[431] Telegram, UKHC Wellington to FCO London, 1 July 1971, PREM 15/367, TNA.
[432] 'Record of meeting between Prime Minister and Norman Kirk', 22 April 1971, PREM 15/560, TNA.
[433] 'Not Satisfactory for New Zealand's Needs or Purposes', *Evening Post,* 24 June 1971.
[434] 'N.Z. Deal Not Best', *Dominion,* 2 July 1971.
[435] 'EEC mainly opposed in UK', *The Press (Christchurch),* 6 July 1971.

Government circles, with an FCO official noting on 2 July 1971 that problems with Kirk and the New Zealand Labour Party mean 'we are not out of the New Zealand wood yet'.[436]

This prompted Arthur Galsworthy, UK High Commissioner in Wellington, to invite Kirk into the High Commission for a discussion. At the two-hour meeting Kirk reiterated how unhappy he was at not being kept informed by the New Zealand Government during the Luxembourg talks and that he thought the Dairy Board and Government were underestimating the problem of how to diversify 30% of dairy exports away from Britain. He did make clear to Galsworthy that, if elected the following year, he had no intention of reopening the agreement for further negotiation nor running a public campaign for this in Britain. Tellingly, Kirk also noted that his public criticism of the settlement had not elicited much of a positive response, nor greatly changed New Zealand public opinion on the issue. Nevertheless, he also felt that historically New Zealand food production had helped to power British industry, and therefore Britain had an obligation to help finance New Zealand's economic restructuring. Kirk also noted, somewhat disingenuously, that he would refrain from calling Protocol 18 'unacceptable', although he would continue describing it as 'inadequate, unsatisfactory and unjust'. Galsworthy subsequently told his colleagues that 'we may derive some benefit from the Labour Party's stance here, in that it may impel NZ ministers to a warmer and more spirited defence of the agreement than they would otherwise offer'.[437] This seemed to be the case for Holyoake and eventually Marshall, if not Finance Minister Robert Muldoon.

Kirk had a further outburst on 13 July when the British Government published its White Paper to outline the merits of accession terms to Parliament. Having been given parts of the White Paper in advance by counterparts in the UK Labour Party, Kirk delivered a speech in Masterton on 13 July in which he accused the British Government of trying to 'deceive the New Zealand people' by presenting an 'unrealistically enthusiastic' view of the future of New Zealand cheese in the British market.[438] Kirk also complained to the UK High Commission,

[436] Memo, W. A. Ward, 'Trading Relations with New Zealand', 2 July 1971, FCO 67/478, TNA.
[437] Telegram, UKHC Wellington to FCO London, 1 July 1971, PREM 15/367, TNA.
[438] 'UK Government Accused of EEC Deceit', *Evening Post (Wellington),* 13 July 1971.

prompting a letter of rebuttal from Foreign and Commonwealth Secretary Alec Douglas-Home.[439]

Beyond Kirk, the initial reaction to the agreement struck in Luxembourg in New Zealand was ambiguous. The New Zealand Dairy Board, having been closely involved in the Cabinet decision-making, was not able to unduly criticise it. Chairman Frank Onion welcomed the end to uncertainty and expressed some relief that an agreement had been struck. He was quoted as saying, 'The terms could have been better. They also could have been a great deal worse'. He remained decidedly negative about the price arrangement.[440]

The Meat Producers' Board was unhappy that lamb was excluded from the arrangement and criticised the continued uncertainty this brought. However, Marshall mollified sheep farmers to some extent by having Rippon insert a line into the White Paper confirming there would be 'adequate and remunerative access for [New Zealand] lamb' in Britain, post-accession.[441] In 1971 the criticism by Meat Producers' Board Chairman John Ormond of the British approach was more circumspect than it had been in the 1960s, when he talked of British treachery.[442] Moreover, in 1971 his criticism centred on the fact that the British Government was implementing its own 20% levy on New Zealand lamb imports, that transport costs had increased, that containerisation was delayed; and that there was a glut of sheepmeat depressing wholesale markets in London's Smithfield Market. None of these factors were greatly influenced by European enlargement, and indeed, at this time the Meat Producers Board maintained a policy of being for European regulation for sheepmeat trade, rather than against it.[443]

Given a lack of opinion polling, it is less clear how the wider New Zealand public greeted Protocol 18. However, reports from diplomats and media at the time suggest it was mixed, including a measure of antipathy, ambivalence, and relief. Most of the New Zealand newspapers were broadly complimentary of Marshall's efforts to secure a deal, even if they were suspicious of the terms themselves. The major exception was the Wellington-based

[439] Letter, Douglas-Home to Kirk, PREM 15/883, TNA.
[440] 'FCO Brief for the Chancellor of the Duchy of Lancaster meeting with Chairman of the Dairy Board', 15 July 1971, FCO 67/478, TNA.
[441] 'John Marshall address to Palmerston North Chamber of Commerce', 12 August 1971, MS-Papers-1403-166-2, ATL.
[442] McLuskie, *The Great Debate*, 11.
[443] Memo, UKHC Wellington, 'New Zealand: Annual Review for 1971', FCO 160/134/49, TNA.

daily *Dominion* newspaper*,* which had long been sceptical of the merits of European integration. Almost all of the news media voiced the requirement of New Zealand to develop alternative markets beyond Britain. It was noted that New Zealand had largely exhausted possibilities of influencing the British public to support New Zealand's cause. There were also positive reports of Labour's campaign for '100% of New Zealand's demands'.[444]

Further ambiguity as to the merits of Protocol 18 was fostered by Finance Minister Robert Muldoon. Along with Marshall, Muldoon was a key competitor for the leadership of the National Party (and therefore the Prime Minister role). Their rivalry had gone back years, with Marshall at the rank of Major commanding the younger Sergeant Muldoon in the New Zealand Expeditionary Force during the Italian campaign at the end of the Second World War.[445] Support for the pair split the cabinet, with some suggesting that Muldoon's more abrasive, populist style would be a better counterpoint to Norman Kirk than the mild-mannered Marshall.[446]

On 28 June 1971, with Marshall *en route* to New Zealand from Europe, an article appeared in the widely read Auckland-based daily newspaper *New Zealand Herald,* in which Muldoon complained about the Protocol 18 pricing arrangement. He was critical of the British approach, saying 'New Zealand could not say that Britain had not honoured its assurances, but it had done so without undue generosity, particularly in the pricing clause'. Muldoon also said that the effect of European Community enlargement on the New Zealand economy would not be greater than the 1967 wool slump, which New Zealand had survived (implying his own successful economic management in recent years). Muldoon appeared to be undermining Marshall's achievement in Luxembourg for personal political gain. In the same paper, an additional article (not quoting Muldoon) cast doubt on the idea that Luxembourg was a personal triumph for Marshall. It suggested that Marshall would have settled for a lesser quantitative figure (66% of milk equivalent after five years, rather than the finally agreed 71%) had it not been for the Cabinet Economic Committee chaired by Muldoon stiffening his resolve. It also noted that the 71% eventually agreed still fell short of the 80% figure that the Committee gave Marshall as a mandate on his departure for Europe. The article praised the

[444] Telegram, UKHC Wellington to FCO London, 'New Zealand and the EEC', PREM 15/367, TNA.
[445] Robert Muldoon, *The Rise and Fall of a Young Turk,* (Wellington:1974), 19.
[446] Barry Gustafson, *The First 50 Years: A History of the New Zealand National Party,* (Auckland:1986), 108.

'determination and nerve', of Muldoon, alongside praise for Holyoake and senior civil servants.[447]

If some in the New Zealand Government were undermining the merits of the deal it had secured in Luxembourg, the Australian Government was particularly scathing about the fact it did not have one at all. On 24 June 1971, Australian High Commissioner in London Alexander Downer gave a speech to the Commonwealth Press Union at Marlborough House in which he declared 'I have never been an enthusiast [for British accession]… May I ask our British kinfolk if they honestly believe this is a sensible, let alone a tactful way to treat those of us from the old Commonwealth who are loyal subjects to the Queen?' He went on to suggest that by pursuing accession Britain was 'cutting off its nose to spite its face'.[448] Australian Deputy Prime Minister and Minister for Overseas Trade Douglas Anthony was equally critical, including at a press conference at Heathrow on his way back to Australia, accusing Britain of 'washing her hands of responsibility'.[449] Australian Prime Minister William McMahon said 'It is a matter of regret that Britain has not pressed our case to the Six to an outcome satisfactory to us'.[450] The umbrage appeared to be more driven by political posturing. By British estimates, only 3-4% of Australian exports were at risk from British accession. The UK High Commission in Canberra noted: 'Anthony's petulant outbursts have been widely recognised and dismissed by press and public as ill-conceived and ineffectual exercises in Country Party politics'.[451] Negative views were also tempered by Australian ministers saying the effect of British entry would not be as great as imagined on Australia due to effective diversification efforts and a long, staggered transition period. Nonetheless, the Australian Government's negative views were widely reported in Britain and New Zealand. Despite the New Zealand experience differing markedly from Australia, the pessimism from across the Tasman Sea added to an impression that British entry would be detrimental.

[447] Text of *New Zealand Herald* article is reproduced at: Telegram, UKHC Wellington to London, 29 June 1971, PREM 15/367, TNA.
[448] 'Speech of the High Commissioner for Australia at the Commonwealth Press Union Conference', 24 June 1971, PREM 15/367, TNA.
[449] Quoted in 'Australia's Loss is Britain's too', pamphlet by the Conservative Anti-Common Market Information Service, June 1971, UWK-NS/14, HAEU.
[450] 'Australia Prime Minister's Statement on Britain and the E.E.C'., 1 July 1971, PREM 15/367, TNA.
[451] 'Telegram, UKHC Canberra to FCO London, 'Australia, the EEC and Mr Anthony', 26 July 1971, PREM 15/883, TNA.

In New Zealand the political, media and public interest in the Luxembourg Agreement, along with the subsequent White Paper, burned brightly for a short time. The news media covered the additional milestones, including the passing of the key legislation and the signing of the Treaty of Accession with more calls to diversify New Zealand's economy. Rather than expressions of shock, the dominant tone in media coverage was recognition of the inevitability of entry, mild criticism of the National Government, Britain and the European Community, complaints about lamb not being included, acceptance of the terms and an element of positivity that the New Zealand dairy sector now at least had some certainty for the future.[452]

The late inclusion of a 'unanimity' clause in the Treaty of Accession did make some waves. This made clear that any member state had the power of veto over an extension of Protocol 18 from 1978. As mentioned in Chapter One, at Luxembourg, Marshall successfully asked for the clause to be removed. However, the French Government had it reinserted during the drafting stage. Enoch Powell was among those to point out in the news media that the French Government, or any of the member states, now had an easy route to ending New Zealand access. Powell alleged that Heath and the New Zealand Government had engaged in 'deliberate collusion' to mislead the New Zealand people.[453] In truth, because of Community rules, unanimity would have been required on an extended arrangement for New Zealand whether the text was included in the Treaty, or not.[454]

Engagement between British, New Zealand and European Commission officials did not end with the agreement in Luxembourg. The weeks and months afterwards saw intense talks to try and finalise the details of Protocol 18 and to establish infrastructure to make it work effectively. A delegation of senior New Zealand Foreign Affairs officials shuttled back and forth between Brussels and London, working on the detailed arrangements. Regular technical

[452] Examples of New Zealand media coverage include 'EEC Entry highlights country's urgent need to develop', *Evening Post*, 29 June 1971; 'UK Government accused of EEC deceit', *Evening Post,* 13 July 1971; 'N.Z. deal not best', *Dominion,* 2 July 1971, 'EEC mainly opposed in UK', *The Press,* 6 July 1971; 'Mr Heath Triumphs,, *Auckland Star,* 29 October 1971; 'The Die is Cast', *Christchurch Star,* 29 October 1971; 'Britain in Europe', *The Press,* 30 October 1971; 'Forward in Europe', *Dominion,* 30 October 1971; 'Britain leaves no doubt', *New Zealand Herald,* 30 October 1971.
[453] Michael Robson, 'Sir Keith, U.K. in collusion', *New Zealand Herald,* 6 December 1971.
[454] Memo, John Mann to Con O'Neill, 21 December 1971, FCO 30/1085, TNA; Memo, Marshall to all Government members: 'NZ/EEC – The New Zealand Protocol and the Question of Unanimity', 1 February 1972, MS-Papers-1403-166-2, ATL.

talks were established in Brussels including 'experts' in the operation of agricultural markets, along with New Zealand Government and European Commission representatives. A 'hot line' was organised between the New Zealand Dairy Board and the Commission, via the New Zealand Embassy in Brussels, to facilitate urgent consultation. The Brussels Embassy was also tasked with ensuring the Community adhered to its anti-dumping pledge.[455] The New Zealand Meat Producers' Board established an office in Brussels in 1972.[456] The New Zealand Government stepped up its direct diplomacy in the European Community. An effective working relationship with the European Commission in Brussels was seen as crucial, given that Community policies emanated from there. In December 1971 a ministerial paper, drafted with input from each of the European Community posts, observed that less reticence was required in New Zealand Government relations with the Commission and Community capitals, delivering 'activity which falls somewhere between a public relations campaign and a soft commercial sell — traditional diplomacy with Foreign Ministries will not be enough'. The paper called for staff in European posts with detailed knowledge of economics, agricultural markets, and European languages.[457] Far from a disconnect, such efforts point to a long-term commitment to maintaining New Zealand's diplomatic and trade footprint in the enlarged European Community in 1971-72.

After lengthy speculation, Keith Holyoake finally retired as Prime Minister in February 1972. Muldoon and Marshall both put themselves forward for the leadership election. Marshall's role in negotiating Protocol 18 was not enough of a political impediment to prevent the National Party caucus from electing him as leader by 26 votes to 18. After a cabinet reshuffle Muldoon remained as Finance Minister, assumed the Deputy Leader position and went on to play a prominent role in the 1972 election campaign. Brian Talboys was given the overseas trade portfolio and Holyoake was kept in Cabinet as Minister of Foreign Affairs.[458]

The election was predictably and comfortably won by Norman Kirk's Labour Party in November 1972. Marshall remained as a largely ineffectual Leader of the Opposition for another two years, before finally being deposed by Muldoon in 1974. Tellingly, the European

[455] Memo, MFA Wellington to NZHC London and NZ Embassy Brussels: 'Dairy Products', 23 June 1972, R20759253, ANZ.
[456] Nottage, 'Economic Diplomacy', in Lynch (ed.), *Celebrating New Zealand's Emergence,* 46.
[457] Memo, 'New Zealand's Economic Diplomacy in Europe', 31 December 1971, R20759164, ANZ.
[458] Gustafson, *The First 50 Years*, 108.

Community negotiations did not have a conspicuous role in the 1972 election campaign, which was almost exclusively focused on domestic issues. This probably reflects the fact that, as indicated earlier, Kirk was not getting traction amongst the public on an issue in which Marshall was perceived to be an able and trusted negotiator. Accordingly, Kirk avoided raising it as a topic during the campaign.[459] It is perhaps further evidence that, in the political sphere, impending British accession to the European Community was not a great 'shock', nor seen to sway New Zealand voters.

Interestingly, one of the few international issues to flare during the 1972 election campaign was Britain's decision to impose 'ancestry' immigration restrictions on citizens of Commonwealth countries. This meant that to apply for British residency, New Zealanders (and other nationalities) required a British-born parent or grandparent. Marshall tried to play down the change, pointing out that it would not greatly diminish the ability of New Zealanders to visit Britain. This largely reflected the British Government's intention, which was to introduce a two-tiered immigration system for people in the Commonwealth that favoured the predominantly white citizens of Australia, Canada, New Zealand and South Africa.[460] In contrast, Kirk attacked the proposed new rules hyperbolically, claiming they would deny New Zealanders 'access to their Monarch'. The legislation for the changes was initially voted down in the British House of Commons, which appeared to vindicate Kirk's approach.[461] As Prime Minister, Kirk later raised the issue with UK Defence Secretary Peter Carrington, (unsuccessfully) seeking a bilateral arrangement on immigration between the two countries. This indicates that, in contrast to Kirk's reputation as a nationalist asserting a new identity as an independent South Pacific nation, he too saw value in British ties and sought to preserve them.[462]

While it seems there was a palpable sense of an era ending in New Zealand in 1972, this was not primarily because of Britain's impending European accession. More pertinently, one of the longest running governments in the country's history had finally ended. The

[459] Report, 'New Zealand General Election 1972 - The end of the Holyoake era', 14 December 1972, FCO 160/144, TNA.
[460] Patel, *We're Here Because You Were There*, 88.
[461] Report, 'New Zealand General Election 1972 - The end of the Holyoake era', 14 December 1972, FCO 160-144, TNA.
[462] 'Summary of a conversation between Kirk and the Secretary of State for Defence, Wellington', 31 January 1973, CAB 170/72, TNA.

National Party had been in power for 20 of the previous 23 years. Now a Labour Party with a popular, boisterous, nationalist leader was in charge. There was a much-voiced sense of change, but that should not blind historians to the continuities.

Conclusions

It is accurate to say that Protocol 18 was a reasonably good deal for New Zealand; but it was no panacea, and the political response was complicated in both Britain and New Zealand. The very structure of it compelled New Zealand to continue its tactics of using Britain as an advocate in European circles, while also creating its own direct networks of influence in Brussels and European Community capitals. The overriding feelings in New Zealand in the aftermath of Luxembourg were ambiguity, acceptance, relief, worry at uncertainty and renewed calls for diversification. There was some criticism of the European Community, British and New Zealand Governments, but the 'shock' and accusations of betrayal were limited at the time, even if Norman Kirk and Enoch Powell did suggest (for their own political ends) that the British Government was deceitful.

From New Zealand's point of view the major deficiency of Protocol 18 was the pricing mechanism. This was immediately evident, and it required continuous representations in London, Brussels, and other capitals to mitigate the effects. As discussed in the next chapter, this became even more important as the inflationary crisis deepened in 1973, depriving New Zealand producers of returns at a time when the country faced serious balance of payments problems. In 1971-72 New Zealand also needed to position itself for the review of Protocol 18 in 1975 and a campaign to retain trade access in the Common Market from 1978. A common European Community sheepmeat policy was anticipated in the future, which required preparation, close monitoring of policy developments in Brussels and good relations with Britain, the Commission and the other member states. Longer-term goals such as an international dairy agreement and free trade deal with the European Community were to be worked towards. All of this meant there was no sudden disconnect of New Zealand's relations with Britain and the European Community relations after 1971. If anything, there was more sustained contact, albeit largely focussed on a narrow range of agricultural issues.

Historians arguing that Britain's European accession shocked and betrayed New Zealand have a problem with causality. There is little doubt that New Zealand was diversifying

its economy away from Britain and that its politics and culture were altering in profound ways in the early 1970s. But there is much less evidence that Britain's impending membership of the European Community was the sole or primary agent for this change. It is true that New Zealand politicians, officials and businesses were turning their attention to Asia-Pacific, but this was also because of 'pull' factors, rather than the 'push' of a Britain no longer interested in its allies. These included the opening of China, *détente*, possibilities of partnership with Australia and greater interest in regional cooperation in the South Pacific.

Other factors altering the Anglo-New Zealand relationship included the changing nature of multilateral organisations. However, some of this change induced greater cooperation between Britain and New Zealand; for example, in Commonwealth forums, where New Zealand often (but not always) stood by an increasingly out-of-favour Britain, at least in part to continue to win favour in efforts to retain trade access in the Common Market. Likewise, new technology such as television was largely rolled out on old colonial patterns between the imperial metropole and periphery. In other ways technology was hugely disruptive, such as containerisation, which helped to break the British shipping oligopoly and hastened the rise of Asia as a global manufacturing and trade hub.

The changing domestic political situations also affected the Anglo-New Zealand relationship. In the UK, long-running strands of British political thought contributed to New Zealand issues as a political 'test' of accession. Protocol 18 took some of the heat out of the argument in Westminster, but with much of the Labour Party sceptical of the entry terms negotiated by the Conservatives, New Zealand did not disappear from the British political agenda. As discussed in Chapter Four, New Zealand was to the forefront of the Labour Government's renegotiation of terms and referendum in 1975, and the Dublin Summit in that same year.

In New Zealand, Norman Kirk was also critical of the terms negotiated in Luxembourg. This had a limited effect on the electorate and the issue was not a prominent one in the 1972 election campaign. Kirk is often held up as a staunch nationalist who did much to foster (or reflect) a new liberal, post-colonial national identity in New Zealand. However, he seized on the threat to the long-held right of New Zealanders to emigrate to Britain as a campaigning issue, later proposing a bilateral arrangement with Britain. This shows that he too saw value in the British relationship and did not want to see it unduly dissipate.

The question remains as to why the shock and betrayal thesis remains so pervasive in the historiography and public discourse. Part of the explanation is found in the ambiguous political response in the aftermath of Luxembourg. Marshall, whose memoirs later positioned Protocol 18 as a triumph, was initially cool about the merits of the agreement he secured. His colleague Muldoon was also disparaging, probably to advance his own political ambitions. Holyoake was more positive, but he was overshadowed by an ascendant and highly critical Kirk. The reputation of Protocol 18 suffered as a result.

The Anglo-New Zealand relationship should not be interpreted as fading out in the early 1970s. Significant political, diplomatic, economic, and cultural connections remained. Even the 1971 Lions rugby team won considerable admiration from New Zealanders, despite beating them on the field for the first time. Arguably it was on the rugby fields of New Zealand that the biggest 'shock' of 1971-72 was felt. This thesis now turns its attention to British accession in 1973.

Chapter Four

'Live to see another day': New Zealand and the first year of British membership in the European Community, 1973

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Introduction – 'Fanfare for Europe'

On 3 January 1973 a 'Fanfare for Europe' resonated around the Royal Opera House in Covent Garden, London. The 'celebration in words and music to mark the entry of the United Kingdom into the European Community' was part of a two week series of events, also including a football match at Wembley between a team representing the three new members against the six existing ones.[463] Anti-Common Market protestors gathered outside the Opera House, but could not deter music-loving Prime Minister Edward Heath from declaring the event 'an appropriately high-spirited and good-natured introduction to Britain in Europe'.[464] Performers included the cream of British and continental European artists, including a ninety year old Sybil Thorndike reciting Robert Browning's *Up at the Villa-Down at the City,* Judi Dench, Tito Gobbi, Régine Crespin and Gabriel Bacquier.[465]

As we have seen, New Zealanders were making a habit of taking centre stage during Britain's accession to the European Community. At Covent Garden it was the turn of Māori soprano Kiri Te Kanawa, who co-performed Mozart's *Soave Sia il Vento.* Te Kanawa's presence at a cultural celebration of Britain's relationship with Europe might seem surprising, but it can be understood in the context of a long-standing practice of talented New Zealanders heading to the imperial metropolis to further a wide range of careers, including in high culture.[466] Te Kanawa also joined a long line of successful Māori performing artists succeeding at home and abroad. She achieved more than most in her career, becoming a much-admired celebrity in New Zealand and reaching a high level of international fame, particularly after performing at

[463] Quoted in B.A. Young, 'A Fanfare for Europe', *Financial Times,* 4 January 1973.
[464] Quoted in Wall, *From Rejection to Referendum,* (London:2013), 457.
[465] B.A. Young, 'A Fanfare for Europe', *Financial Times,* 4 January 1973.
[466] Barnes, *New Zealand's London*, 97.

the wedding of Prince Charles and Diana Spencer in July 1981, with an estimated global television audience of 750 million.[467]

Over 18,000 kilometres away from London's West End, New Zealand Prime Minister Norman Kirk was also striking a positive note about Britain's entry into the European Community. In a press statement responding to the momentous occasion, Kirk asserted that 'relations between New Zealand and Britain should be as close and as friendly as they always had been'. While admitting that 'trading relations between Britain and Commonwealth nations, including New Zealand, would obviously be affected', leading to 'some loosening' in ties, Kirk expected Britain to continue to attach great significance to Commonwealth links. For its part, Kirk declared his Labour Government 'intends to do all it can to ensure that our historically close ties with Britain are maintained and strengthened'.[468] Kirk echoed these sentiments later in 1973 in an interview with David Frost, calling for greater Commonwealth economic collaboration to take advantage of Britain's accession.[469]

Kirk's statements bely his posthumous reputation as a nationalist, populist politician, critical of Britain and pursuing a more independent foreign policy.[470] As explained in the previous chapter, his private views of European integration and the agreement reached for New Zealand at Luxembourg in 1971 were bleaker than the statements imply. Within weeks of the Fanfare for Europe, he and his ministers would be openly critical of the British Government's actions to effectively devalue the British Pound, which diminished export returns to New Zealand farmers. Nonetheless, like Te Kanawa's performance and her ongoing popularity in Britain, Kirk's statements present evidence of connections between Britain and New Zealand enduring in 1973, supposedly a moment of irrevocable rupture.

Such continuities run against the grain of much of the historiography on 1973. Although recent revisionist economic historians have questioned the negative effects of

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[467] Karen Fox, *Māori and Aboriginal Women in the Public Eye: Representing Difference 1950-2000*, (Canberra:2011), 80. The estimated television audience is at: 'The wedding of Prince Charles and Lady Diana Spencer', *BBC,* online at: https://www.bbc.com/historyofthebbc/anniversaries/july/wedding-of-prince-charles-and-lady-diana-spencer.

[468] Press statement is reproduced at: Telegram, UKHC Wellington to FCO London, 3 January 1973, FCO 24/1836, TNA.

[469] Kevan Moore (dir.), film clip, 'Frost Over New Zealand', *NZ On Screen,* October 1973, online at www.nzonscreen.com/title/frost-over-new-zealand-the-leaders-1973/

[470] For example David Grant, *The Mighty Totara: The Life and Times of Norman Kirk,* (Auckland:2014), ii; 'Miscellaneous' in FC5 – Folder 15 – Making a difference, Frank Corner Papers, MFAT.

Britain's accession on New Zealand, the widespread view of 1973 is as a pivotal, shocking moment in New Zealand history, prompting a 'black letter day', 'crisis', 'decolonisation at speed' and a 'rejection' by Britain of its former colonies.[471]

This point has been widely made about British decolonisation more generally. David Thackeray found 1973 to be the end point of the 'disintegration' of the British 'world of trade'.[472] Tom Tomlinson argued that the end of the British empire as an economic phenomenon came between 1967 and 1973.[473] John Darwin refers to the 1970s as 'the first post-imperial decade'.[474] Writing more specifically of the East of Suez announcement in 1968, Ronald Hyam argues it signified 'the effective termination of the British imperial-global cosmoplastic system'.[475] In relation to British entry to the European Community, Stephan Wall described 1973 as 'the year of living dangerously', a quote borrowed from James Callaghan.[476]

Historians of British decolonisation have been influenced by a broader historiographical propensity to see 1973 as an epoch-ending year. Eric Hobsbawm wrote that for industrialised nations, 'the world had lost its bearings' after 1973.[477] Elisabetta Bini, Giuliano Garavini and Federico Romero refer to 1973 as the 'symbolic marker for the end of an era' in most Westernised countries.[478] This view was supported by Nigel Ashton in his review of their book.[479] Fiona Venn sees the economic and political crises of 1973 as catalysing and accelerating change, justifying the term 'turning point'.[480]

Such views have some merit. 1973 was undoubtedly a year of change and turmoil, not only heralding European Community enlargement, but the end of the post-war economic boom, wars in the Middle East, Africa and Indochina, the OPEC oil crisis, world food crisis,

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[471] Economic historians questioning the 'shock and betrayal' narrative include Hall, *Emerging from an Entrenched Colonial Economy,* 44; and Easton, *Not in Narrow Seas*, 13. Advocates of the shock thesis include Mein Smith, *A Concise History of New Zealand,* 207; Belich, *Paradise Reforged,* 54-68, 368-78; and Pocock, Deconstructing Europe, *History of European Ideas*, 18:3, (1994), 330.
[472] Thackeray, *Forging a British World of Trade*, 169.
[473] B.R. Tomlinson, 'Imperialism and After: The Economy of the Empire on the Periphery', in Louis et.al. (eds.), *The Oxford History of the British Empire: Volume IV,* 358.
[474] John Darwin, *Britain and Decolonisation*, 324.
[475] Ronald Hyam, *Britain's Declining Empire*, 397.
[476] Wall, *From Rejection to Referendum,* 457.
[477] Hobsbawm, *Age of Extremes*, 403.
[478] 'Introduction' in Elisabetta Bini, Giuliano Garavini and Federico Romero (eds.), *Oil Shock: The 1973 Crisis and Its Economic Legacy,* (London:2016), 1,7.
[479] Nigel Ashton, 'Review of Bini, et al. (eds.), *Oil Shock: The 1973 Crisis and Its Economic Legacy, H-Net*, 2017, online at: http://www.h-net.org/reviews/showrev.php?id=48146.
[480] Fiona Venn, *The Oil Crisis,* (London:2001, republished 2013), x.

Watergate scandal and corresponding flux in international relations. This emphasis on 1973 is reinforced by the early 1970s forming the end point of multitudes of books on colonial, decolonial and international history. However, historians should be wary both of single turning points in history and of monocausal explanations. Some discerning revisionists have questioned Britain's 'end of empire' moment of the late 1960s and early 1970s, arguing that despite the end of formal empire, Britain's pursuit of international power continued, and that some ostensibly decolonial policies were in effect unsubstantial. To take one example, the pledge to remove British defence forces from East of Suez was never fully carried out.[481] This chapter builds on such accounts. A focus on 1973 and British accession to the European Community as either a starting or end point in historical processes can obscure continuities on either side of the date. More specifically, historiographical focus on the years leading up to Britain's accession into the European Community has, perhaps surprisingly, left a relative historiographical 'gap' in the years immediately after Britain, Denmark and the Republic of Ireland entered.[482]

This chapter partially addresses this gap, evaluating the effect of European enlargement on Britain's political relationship with New Zealand in 1973. It sets this in an international context, including the economic and geopolitical troubles that flowed globally in 1973, such as the Nixon shocks and inflationary and currency problems, machinations within the Community and developments in the Cold War, including French nuclear testing in the South Pacific. These problematic episodes in international politics were interspersed with some optimism generated by *détente*, *Ostpolitik*, the launch of the Tokyo Round of GATT talks and elements within the European Community pushing it to take a constructive and coherent approach to the outside world.

The chapter also outlines the objectives pursued by the British and New Zealand Governments in the first year of British membership, assessing how successful each were in achieving these aims and the implications for the relationship. It concludes that, while the Anglo-New Zealand political relationship (along with many of Britain's other relationships) was strained during this time, particularly by the issue of currency valuation, it did not

[481] Shohei Sato, *Britain and the Formation of the Gulf States: Embers of Empire*, (Manchester:2016), 58; and Patel, *We're Here Because You Were There,* 94-95.
[482] This is changing. Recent valuable contributions to the history of Britain in the European Community in the 1970s include Saunders, *Yes to Europe;* Wall, *From Rejection to Referendum*; and Aqui, *The First Referendum.*

disintegrate. Such strains need to be set in context of Britain's deteriorating relations with virtually all its traditional allies in 1973, and problems in the Western alliance more broadly. Both New Zealand and Britain had shared interests in Community enlargement, including smooth operation of Protocol 18, CAP reform, keeping sheepmeat outside the CAP and better functioning of global agricultural markets. They continued to collaborate to achieve them. Political and business elites in Britain and New Zealand saw the relationship as important and strove to ensure its evolution and relevance. Contrary to popular and historiographical opinion, New Zealand was granted some valuable political, economic and diplomatic concessions by Britain in 1973.

British objectives in the first year of membership

The British Government's objectives in 1973 have been set out in a recent book by Lindsay Aqui, which challenges the prevailing idea that the first year of membership was blown off-course by external and domestic factors beyond its control.[483] In addition to the defensive role Britain was pressed into, which involved resisting the adoption of policies against its interests, Aqui notes that the first year of entry was never likely to be smooth, given the multifarious problems experienced in the failed entry attempts in the 1960s. Moreover, British priorities were focussed in policy areas that were highly resistant to change, namely the CAP, budgetary mechanisms, and regional development.[484]

Britain's aspirations as a member of the European Community were linked to its broader aims to stabilise the economic and political turbulence engulfing the country. Failure to do so ultimately led to the Government's downfall, in 1974. There were international elements to these problems. The US Government's decision in August 1971 to 'temporarily' end the US dollar's convertibility to gold, along with a range of import protections, gravely undermined the post-war Bretton Woods system, antagonising Western allies and overvaluing the currencies of America's main trading partners, prompting further inflation. In Britain, this took the gloss off a mild economic boom between 1969 and 1972, which had seen the terms of trade move into surplus.[485]

[483] Butler and Kitzinger, *The 1975 Referendum,* 23; Wall, *From Rejection to Referendum,* 508; Aqui, *The First Referendum,* 1-24.
[484] ibid.
[485] *New Zealand Foreign Affairs Review*, 21:12, (1971), 23.

In March 1972 the existing European Community members moved towards monetary integration, requiring national governments to intervene to maintain a maximum variation of 2.25% in valuations of their currencies, and no more than 4.5% variation from the US Dollar. This was partly a response to American actions, aiming to stabilise currencies and maintain cohesion in the CAP, and partly a step towards the economic and monetary union outlined in the Werner Plan, agreed at Hague Summit in 1969. The scheme became known as the 'Snake' and came into effect in April 1972. Britain joined the following month, a political decision by Heath (against the advice from Treasury officials) to signal willingness to work with future European Community partners. Britain's time in the Snake was unhappy and short. A run on investment meant that on 23 June the Government was forced to drop out and float the Pound on currency markets, with Ireland and Denmark doing the same. Debate persisted within Whitehall as to whether Britain should re-join upon accession on 1 January 1973. However, Treasury officials successfully argued against this. Another 10% devaluation of the US Dollar in February 1973 caused the Snake itself to be suspended between 2 and 19 March. It was reconstituted on 19 March, but Britain declined to join and the Pound remained floating against the US Dollar and the European Community currencies, effectively devaluing Sterling by around 10%. The currency crisis created considerable tensions between Britain and new Community partners, and with its major trading partners globally, not least New Zealand (discussed below). Currency volatility and the failure of the 'Snake' arguably had an adverse effect on British public opinion towards Community membership, and the popularity of the Heath Government itself. This in turn had a detrimental effect on the ability of Britain to achieve its objectives for the first year of membership, including those shared with New Zealand.[486]

The oil crisis initiated in 1969 and intensified by Arab-Israeli war in October 1973 ended a fifty year monopoly on Middle East oil production by Western (predominantly Anglo-American) companies.[487] A combination of a chronic shortage of shipping capacity in the early 1970s, closure of the Suez Canal, a mini economic boom, and the outbreak of war saw the world price of oil quadruple, with ancillary inflationary effects felt around the world, not least

[486] Aqui, *The First Referendum,* 48-49.
[487] Francesco Petrini, 'Eight Squeezed Sisters: The Oil Majors and the Coming of the 1973 Oil Crisis', in Bini et al. (eds.), *Oil Shock*, 95-96.

in the Global South where it induced economic distress and famine.[488] British-led attempts to restore international oil markets were, in practice, a long-term concession by Western powers to oil producing countries in the Global South, and largely failed to control consumer price inflation in the short term.[489] The war, along with US Secretary of State Henry Kissinger's notorious 'Year of Europe' campaign from March 1973, in which he unsuccessfully attempted to use Britain as an American interlocutor and leader within Europe, frayed Britain's relations with its Western allies and diminished the British Government's bargaining power in the Community.[490] Any deterioration of relations between New Zealand and Britain needs to be put in this perspective: that Britain's relations with nearly all its allies were challenged by 1973, and that European integration was not always the root cause.

Reform of the CAP was closely linked to the British Government's priorities for the economy, which included easing inflation, improving the current account and tackling the trade deficit.[491] This objective was made more difficult in the first year of entry by the world food crisis, which began in mid-1972 and lasted until 1975. The causes are complex, but in part include an *El Nino* weather event and poor grain harvest in the USSR in 1972-3, which forced the Soviets to treble imports. To preserve higher prices, Australian, Canadian and US governments subsidised their grain farmers to underproduce. These factors, in concert with a US decision to deplete grain reserves to improve its trade balance and enhance Nixon's 1972 re-election chances in Midwest states, saw the world price for grain increase 250-350%.[492] This had a devasting effect in Africa and Asia, contributing to perhaps two million deaths through starvation and diseases.[493]

The food crisis tended to consolidate domestic political support for the CAP in member countries, seemingly validating the substantial food surpluses generated by the policy. It also prompted support for the contentious tactic of disposing of food surpluses in developing

[488] Phillipe Tristini, 'A Superpower struggle and the end of Iraq Petroleum Company, 1958-72', in ibid., 63-64.
[489] Bernard Mommer, in ibid, 23-30.
[490] Matthew Jones, ''A Man in a Hurry:' Henry Kissinger, Transatlantic Relations, and the British Origins of the Year of Europe Dispute', *Diplomacy & Statecraft*, 24:1, (2013), 77-99.
[491] 'Brief for the Visit of NZ Minister of Overseas Trade', 18 April 1973, FCO 30/1795, TNA.
[492] Christian Gerlach, 'Famine responses in the World Food Crisis 1972–5 and the World Food Conference of 1974', *European Review of History: Revue européenne d'histoire*, 22:6, (2015;) 930; Michael Franczak, *Free Markets, Human Rights, and Global Power: American Foreign Policy and the North-South Dialogue, 1971-1982,* PhD Thesis, Boston College, (2018), 15-19.
[493] Aqui, *The First Referendum,* 76-77.

countries in the guise of aid, despite the debilitating effect this had on local producers in the Global South.[494] Renewed support for the CAP came at a particularly inopportune time for British Government, which had reform of the controversial and costly policy near the top of its ambitions for 1973, and for New Zealand, which held hope that Britain would push enlarged the Community into a more liberal trade position on global agricultural trade, winning over the US and Japan in the process.

As outlined in Chapters One and Two, during accession negotiations the British Government had agreed to the central principles of the CAP, along with a five-year transition period from 1973. This imposed a significant financial burden on the UK, which surpassed receipts from the Community budget in the short-term.[495] CAP reform was largely supported by the New Zealand Government, although for different reasons. Britain wanted to lower its budgetary contributions and the domestic price of food, while New Zealand wanted lower barriers of entry to the British, and (if possible) Common Market as a whole, along with better functioning world markets. For these reasons, New Zealand and British officials collaborated on CAP reform, with New Zealand ministers and officials pressing British counterparts to take as firm a line as possible, both through Community negotiations and in the multilateral negotiations in the GATT.[496]

Such ambitions were made more difficult by the European Community's response to food inflation, which was driven by a political imperative to protect farmer incomes rather than ensure a functioning market. The annual review of CAP prices by the Council of Agricultural Ministers came in March 1973 as the food crisis and global inflation intensified, and as the currency Snake was floundering. A 17% differential had opened between the Deutsche Mark and the Italian Lira, which convinced the French Government and the European Commissioner for Agriculture, Pierre Lardinois, that the integrity of the CAP was at risk. At his instigation, the Commission proposed a 2.76% increase in the price of food, combined with a series of Monetary Compensation Amounts (MCAs), effectively compensating food exporters proportionately for a decline in the currency of the importing

[494] Christian Gerlach, 'Fortress Europe: The EEC in the World Food Crisis, 1972-75', in Kiran Klaus Patel (ed.), *Fertile Ground for Europe? The History of European Integration and the Common Agricultural Policy since 1945,* (Baden-Baden:2009), 241-242.
[495] Aqui, *The First Referendum,* 78.
[496] 'Brief for the Visit of NZ Minister of Overseas Trade', 18 April 1973; 'Annex to Brief No.3 - Trade Negotiations', 10 April 1973, both at FCO 30/1795, TNA.

currency, diminishing the benefits that Britain could accrue from a devalued Pound. This caused dismay in the British Government, as an increase in food prices so soon after entry would validate long-standing criticisms of British membership. As a major importer of food, the MCAs would also hurt the British Exchequer. In addition to applying MCAs to intra-Community trade, the Commission also made clear MCAs should apply to imports of New Zealand dairy products under Protocol 18. As shall be seen, this led to a significant political and economic win for New Zealand later in the year. More importantly, Heath and British Agricultural Secretary Joseph Godber's unsuccessful remonstrations with Lardinois and their Community partners to avoid application of MCAs highlighted the limits of Britain's bargaining power and the political forces aligned against the reform of the CAP.[497]

The Commission's decision in April 1973 to sell 200,000 tonnes of discounted butter to the USSR, half the Community's cold store butter stocks, was welcomed in New Zealand, as it indicated a willingness in Brussels to diminish the 'butter mountain' (even if the sale did not address the structural problems with the CAP).[498] It was greeted much less enthusiastically in the UK, where Common Market critics in the Labour Party saw large food surpluses and the absurdity of the Soviet Union receiving cheaper butter than Britain as evidence that the CAP was incompatible with British interests. This further increased pressure on the British Government to secure meaningful CAP reform and keep the door open for food supplies from third countries.[499]

Given the above factors, retrospectively it seems British efforts to reform the CAP in 1973 through the Community or multilateral trade negotiations were doomed to fail, but this not always evident at the time. Senior officials in the Commission and politicians in member states, including Britain, retained some optimism, despite the engulfing crises. George Thomson, European Commissioner for Regional Policy, was 'not without hope' that the CAP would be reformed in the coming decade.[500] Speaking privately to the New Zealand Minister of Overseas Trade Joseph Walding, British ministers such as Godber and Chancellor of the Duchy of Lancaster John Davies were hopeful the US Government was bringing a constructive

[497] Aqui, *The First Referendum,* 78-79.
[498] New Zealand Dairy Board Press Release, 'EEC Sale of Butter to USSR', 6 April 1973; and Telegram, MFA Wellington to NZ Embassy Brussels, 'EEC butter sales to Russia', 10 April 1973, both at R20759220, ANZ.
[499] Aqui, *The First Referendum,* 83-84.
[500] Telegram, NZ Embassy Brussels to MFA, Wellington, 'Report from Walding's Meeting with Sir Christopher Soames and George Thomson', 18 April 1973, R20759164, ANZ.

attitude to liberalising agricultural trade in the GATT Tokyo Round of trade talks, seeing an initial stalling as a 'you go first' between the US and European Community, which would likely be overcome.[501] This optimism was echoed in Brussels, where External Affairs Commissioner Christopher Soames and Agriculture Commissioner Pierre Lardinois saw the Commission as keen to move on multilateral negotiations on agriculture, even if it had diminished leverage. Soames saw multilateral negotiations as 'New Zealand's best hope, certainly'.[502] Such hopes were to take a very long time to be realised, but at the time, and in the context of global inflation crises, they presented a light at the end of the tunnel for New Zealand and Britain together.[503]

As highlighted in previous chapters, alleviating rising food prices was a particularly important objective for the British Government in 1973. This was a political as much as economic consideration. It reflected gendered stereotypes, with political and policy elites frequently invoking the concerns of the 'British housewife' as she struggled to manage her household budget in inflationary times. Women voters were seen as important for electoral success. The prospect of higher food prices was perhaps the most invoked argument against British membership and played into long-standing intellectual traditions in political discourse.[504]

Such concerns helped make a continued supply of lamb important to the British Government, an objective New Zealand naturally supported. Lamb prices had increased by about 20% in 1972, in part because of increased British exports to the continent diminishing local supplies. To address this, Agriculture Secretary Joseph Godber brought a proposal to Cabinet in November 1972 seeking a temporary ban on UK lamb exports. The Cabinet eventually decided against such a measure, partly because it would antagonise both British

[501] Telegram, NZHC London to MFA Wellington, 'UK/NZ/EEC', 24 April 1973; Telegram, NZHC London to MFA Wellington, 'Report on Walding Meeting with Godber', 19 April 1973, both at ibid.
[502] Telegram, NZ Embassy Brussels to MFA, Wellington, 'Report from Walding's Meeting with Sir Christopher Soames and George Thomson', 18 April 1973, ibid.
[503] When Tokyo Round GATT talks concluded in 1979, industrial goods saw tariff cuts of about a-third; however temperate agricultural products, including dairy, remained largely resistant to liberalisation. New Zealand gained a mere 9,500 tonnes of cheese and 15,000 extra tonnes of butter going into the European Community annually. See Chapter Six and Lind, *Till the Cows Came Home,* 59.
[504] For example, 'Anti-Common Market League newsletter', March 1972, UWK-NS/14, HAEU; Lindsay Aqui, 'Government policy and propaganda in the 1975 referendum on European Community membership', *Contemporary British History*, 34:1, (2020), 13; Ludlow, 'Safeguarding British identity or betraying It?', 24.

sheep farmers and future European partners.[505] Nevertheless, it illustrates the importance Britain's political elites placed on keeping lamb prices at affordable levels.

For these reasons, in 1973 the British Government continued to resist the introduction of sheepmeat into the CAP for fear it would increase prices and discourage New Zealand imports. There was a concern that a common policy would push lamb prices in Britain up to those in France, where it was consumed at lower quantities as a luxury item. There was also a desire to have the European Community's Mountainous Area Directive finalised in advance of any common sheepmeat policy, providing more specific financial assistance to hill country sheep farmers. From the British point of view, the depreciation of Sterling in 1973 and the introduction of MCAs made it a bad time to be adding lamb imports to the CAP.[506]

In September 1972, the European Commission prepared a study illustrating divergent views on potential sheepmeat policy within the Community. In May 1973, at a meeting of Community agricultural ministers, France and the Republic of Ireland requested a common sheepmeat policy to be drafted by the Commission. Recognising British reluctance, French Agriculture Minister Jacques Chirac visited London for talks with Godber in July, proposing technical discussions between British and French officials to overcome the disparities across the two markets. However, British Ministers were, at most, lukewarm supporters of steps towards a common policy, and at other moments openly opposed it. This was despite British sheep farmers, particularly those in Scotland and Wales, increasingly favouring an introduction of lamb into the CAP.[507]

As the largest global exporter of lamb, with price and counter-seasonal advantages, New Zealand was the beneficiary of the shared objective with Britain of keeping lamb outside the CAP. New Zealand was promised early warning and close consultation by British ministers on the emergence of a common sheepmeat policy. This undertaking was echoed by Soames in the European Commission, who predicted 'something nice' for New Zealand in the event a

[505] 'Conclusions of Cabinet Meeting at 10 Downing Street', 30 November 1972, CAB-128-50-55, TNA.
[506] 'European Community Background Information, Agriculture No. 3/1973', 31 May 1973, Archive of European Integration (AEI), online at http://aei.pitt.edu/60627/.
[507] 'Brief on Sheepmeat for Minister's Meeting with M. Chirac on 4 July 1973', FCO 24/1837, TNA; and 'Meeting with M. Chirac', 4 July 1974, FCO 24/1836, TNA.

policy came to fruition.[508] Although Godber told New Zealand Ministers that having lamb inside the CAP 'would clarify the situation for all of us', he also recognised the danger it posed to supplies and prices in the British market.[509] In November 1972, these considerations induced the British Government to delay the planned February 1973 implementation of the third stage of a levy on New Zealand lamb imports, in return for New Zealand slowing its plans to diversify lamb exports to other countries.[510] This earnt New Zealand lamb exporters an additional NZ$4.5m annually.[511] Prime Minister John Marshall called it 'a most welcome decision… of undoubted benefit to the New Zealand sheep farmer'.[512] He conveyed his Government's warm appreciation to Heath.[513] In April 1973, Godber told his New Zealand counterpart Colin Moyle that the UK would be willing to consider a further 50% reduction in the import levy on New Zealand lamb, in return for 20,000 additional tons in that year.[514] In the event, New Zealand was contractually committed to exports elsewhere and had lower production because of drought, so could not fulfil the British request. This caused Godber to lament that Britain had previously pushed New Zealand too hard to diversify lamb markets and was now 'paying the price for this'.[515] Such British Government encouragement of New Zealand lamb imports runs counter to the narrative of a sudden rupture of trade and political relations in 1973.

This is not to say that the relationship was plain sailing. Other tactics employed by the British Government to ease inflation and improve the balance of trade caused considerable problems for New Zealand. Not the least of these was the January 1973 decision taken by the European Commission, at the encouragement of the UK Government, that New Zealand's butter and cheese import prices should be calculated using the recently floated Sterling against the NZ Dollar. This was rather than, as New Zealand representatives argued, using Units of Account (UAs) derived from a basket of European currencies' relationship with the

[508] Note, NZ Embassy Brussels to MFA Wellington, 'Report on Walding meeting with Soames', 13 April 1973, R20759164, ANZ. The European Commission record is at: 'Meeting of Mr Walding, NZ Minister for Overseas Trade, with Sir Christopher Soames', 17 April 1973, BAC-048-1984/1085, HAEU.
[509] Report, 'Visit of Rt. Hon. Joseph Godber, Minister of Agriculture, Fisheries and Food, United Kingdom', 1974, R20825122, ANZ.
[510] 'FCO Brief for DTI for the Visit of Mr Walding', 12 April 1973, FCO 30-1795, TNA.
[511] Telegram, MFA Wellington to NZHC London and NZ Embassy Brussels, 'Mr Talboys' Visit to London and Brussels', R20759164, ANZ.
[512] *New Zealand Foreign Affairs Review*, 22:11, 1972, 54.
[513] Letter Marshall to Heath, 10 November 1972, CAB 170/72, TNA.
[514] 'Note of Minister's meeting with the New Zealand Minister of Agriculture', 5 April 1973, ibid.
[515] Telegram, Walding (in London) to MFA Wellington, 'UK/NZ/EEC', 19 April 1973, R20759164, ANZ.

US Dollar. Using the floating Sterling rate effectively reduced New Zealand dairy exports to Britain by around 9-10%. As discussed in Chapter Two, New Zealand had been granted a minimum price for dairy products exports taken from the average of 1969-72, which failed to account for inflation and currency fluctuations. The removal of the US Dollar from the Gold Standard in 1971 and additional devaluations undermined the New Zealand case, which the British Government never accepted anyway. The British Government's strong adherence to the use of Sterling to set the prices for New Zealand dairy imports was driven by fears that other exporters, including those in Hong Kong and Cyprus, would argue similarly. Floating the Pound had, according to one Treasury minister, 'caused problems all over the world'. However, in this case, stabilising inflation and improving the terms of trade and current account was given priority over foreign relations.[516] Britain's position was not universally supported within the European Commission. Soames privately told Joseph Walding that the decision to not apply UA prices 'had not been an easy one to make', acknowledging the doubtful logic and that some officials considered it to be inconsistent with the Luxembourg Agreement.[517]

Part of improving Britain's economic performance and Treasury revenue was, of course, linked to export receipts. In 1972 New Zealand only received 1.6% of total British exports, and as a market it never rivalled Australia or Canada as an export destination, let alone Western Europe. Nevertheless, British officials and ministers still encouraged British firms to export to New Zealand post 1973 and pressed their New Zealand counterparts to delay the removal of British preferences for as long as possible to facilitate this. In September 1972, the New Zealand Government agreed to delay the phasing out of British preferences for 18 months after entry. This was to happen in three annual steps beginning on 1 July 1974, with exemptions for vehicle imports. The concession came despite New Zealand's preferences in Britain being eliminated as soon as the CAP was applied on 1 February 1973. New Zealand's position contrasted with Australia, which immediately terminated British preferences from 1 February.[518] A later report from the UK High Commission in Wellington noted, with some satisfaction, that despite adverse economic conditions and competition from Japan, British

[516] ibid.
[517] Telegram, NZ Embassy Brussels to MFA Wellington, 'Report from Walding's Meeting with Sir Christopher Soames and George Thomson', 18 April 1973, R20759164, ANZ.
[518] Brief for Talboys' visit to London and Brussels, 'Elimination of British Preferences', October 1972, R20759164, ANZ.

exports to New Zealand remained at record levels in 1974-76.[519] It is a small piece of evidence and New Zealand's imports were clearly diversifying beyond Britain; but such continuities suggest the 'brutal snap' of economic links in 1973 has been overstated.

British relations with the old Commonwealth

Much has been written about the reorientation of British foreign policy away from the Atlantic Alliance and the Commonwealth towards Western Europe in the 1970s. Some of this has missed the fact that, while plenty in the British Government considered relations with the old Commonwealth nations as being of diminished status, they remained an important element in Britain's foreign policy, even after British entry. This was the main thrust of a lengthy speech delivered by Prime Minister Heath to the Australian, Canadian, and New Zealand High Commissioners at Chequers a year before entry. Heath outlined his views on the profound change in world power relationships brought about by European Community enlargement. He felt the implications had not yet been fully understood and that one, admittedly paradoxical result could be stronger ties between Europe (including Britain) and the old Commonwealth. Heath reasoned that the Community, as the 'largest trading bloc the world had ever known' could advance a new round of multilateral trade negotiations between the US and Japan, with the implication that the old Commonwealth would benefit from global liberalisation of trade. The Community, according to the Prime Minister, would prove a useful balance against the economic dominance of the US over Canada and of Japan over Australia. He also felt the 1971 monetary crisis had shown that the US could no longer act unilaterally, heralding a more collaborative approach from Washington. Heath even stated that the Community would come to rival the US in defence capacity, with enhanced European nuclear capability.[520]

The audience was not uniformly impressed. Canadian High Commissioner Jack Warren expressed the view that the US would retain its military and nuclear predominance over Europe (which proved correct). This comment prompted Heath to remark later to his officials that Warren was out of step with his own Prime Minister, Pierre Trudeau, who was conscious of the threat of American imperialism to Canada's interests.[521] Nevertheless, Heath's

[519] 'New Zealand: Annual Review for 1977', FCO 24/2504, TNA.
[520] 'Record of Prime Minister's after-dinner speech at Chequers', 2 January 1972, PREM 15/901, TNA.
[521] Ibid.

Chequers speech is illustrative of several broader points. To begin with, the British Prime Minister saw it necessary to specially brief his old Commonwealth allies on the strategic direction of his Government's foreign policy and reassure them of Britain's commitment. This was despite the terms of British accession being largely settled and Parliamentary approval all but sealed. In part, this may reflect an enduring historical institutionalism and racial hierarchy prioritising relations with the predominantly white, wealthy nations within the Commonwealth. Heath, and the British Government more generally, were certainly frustrated by recently decolonised Governments from the Global South using Commonwealth forums to put Britain 'in the dock', particularly on southern African issues. The British Government was clearly deprioritising multilateral Commonwealth activity; nevertheless, bilateral relations with the old Commonwealth nations remained of value.[522] The meeting seemed to demonstrate that potential negative reactions towards European integration from the old Commonwealth Governments still held political potency within the UK. The Prime Minister did not want negative opinion from these countries to blow British accession or his premiership off-course, even as the route to membership now seemed clear.

To this end, visits to New Zealand by British ministers, officials, Royals, defence personnel and trade representatives continued at a steady pace. The rhetoric from British envoys on such visits was mostly warm, reassuring of continued British commitment to the future of the relationship.[523] In mid-1972 Foreign Secretary Alec Douglas-Home included New Zealand and Australian stops on a tour of Asia, and was pleased to report to Cabinet that in Canberra and Wellington he heard no further criticism of Britain's decision to enter the European Community, and that both Governments were considering how to take advantage of the new opportunities entry would give them. Douglas-Home thought such attitudes would continue, along with defence collaboration in the Five Powers arrangements, despite centre-left parties being likely to gain power in Australia and New Zealand before the end of the year.[524]

In December 1972 an FCO report to Cabinet found the new Labor and Labour Governments in Australia and New Zealand to be more likely to adopt openly critical policies

[522] 'Paper on the Commonwealth after UK Accession to the EEC', FCO 49/398, TNA.
[523] For example, 'Report on Visit of Rt. Hon. Joseph Godber', R20825122, ANZ.
[524] 'Conclusions of Meeting of the Cabinet at 10 Downing Street', 13 July 1972, CAB 128-50-37, TNA.

in the context of European Community accession, especially in relation to the issue of French nuclear testing in the Pacific. However, it was noted that Norman Kirk's Labour Government in New Zealand was 'not unsatisfactory', having remained committed to the Five Power Defence Agreement, distinguishing itself from the Gough Whitlam Government, which was 'proceeding cautiously'.[525] Optimism also came from outside the British Government. In April 1973, Commonwealth Secretary-General Arnold Smith visited Wellington to discuss the upcoming CHOGM in Ottawa. Smith gave a speech to the New Zealand Institute of International Affairs in which he stressed that Britain's entry into the European Community was to the overall benefit of New Zealand and the wider Commonwealth.[526]

New Zealand's enduring political importance in Britain

Why did Heath's Government continue to attach importance to relations with New Zealand, even after the matter of British entry was decided both by the European Community and the British Parliament? Part of the answer lies in the domestic political situation in the UK. As noted in earlier chapters, Opposition leader Harold Wilson had reorientated his position on membership towards attacking the terms of entry negotiated by the Conservative Government, rather than membership *per se*. This helped him to straddle the divide within the Labour Party between those for and against the Common Market. Both could, to some extent, be accommodated by the catch-cry 'not on Tory Terms'. Of those terms, the Protocol 18 arrangement for New Zealand was relatively easy to attack. This aligned with the long-standing strands of political thinking about cheap food, and concerns about the financial burden of the CAP. As discussed in the previous chapter, Wilson was critical of Protocol 18 in 1971 and 1972, particularly the price arrangements, a view echoed by then Labour leader of the opposition in New Zealand, Norman Kirk.[527] There was an expectation in New Zealand Government that, if the British Labour Party were to win the next election, it would press very hard for New Zealand's interests in the Community. This view was substantiated by European Commissioner (and former minister in a Labour Government) George Thomson.[528]

[525] 'Conclusions of a meeting of the Cabinet, 10 Downing Street', 7 December 1972, ibid.
[526] Note, UKHC Wellington to FCO London, 'Visit of Mr Arnold Smith', 4 April 1973, FCO 30/1795, TNA.
[527] For example: Letter, Leader of the Opposition PPS to Editor of *The Times (London),* 6 May 1972, R20759054, ANZ; Report, 'Kirk and the EEC', 26 August 1971, MS-Papers-1403-166-2, ATL.
[528] Telegram, NZ Embassy Brussels to MFA Wellington, 'Report from Walding's Meeting with Sir Christopher Soames and George Thomson', 18 April 1973, R20759164, ANZ.

If the British political left continued to support New Zealand's case, so too did the right. Backbencher Enoch Powell, although broadly contemptuous of Commonwealth relations, continued to use New Zealand as an issue with which to attack British membership of the European Community. In June 1972 Powell suggested that the French Government was pressing the Community to shorten the five-year duration of Protocol 18 in retaliation for a New Zealand trade union protesting against French nuclear testing. Powell won support for his view in the *Daily Express*.[529] Strongly pro-Common Market Conservative MP Tufton Beamish was moved to tell the Parliamentary Political Affairs Committee that Parliament had a right to scrutinise and debate the trade arrangements for New Zealand, as part of broader scrutiny of European trading relationships. Beamish was reported in *The Times* as saying MPs could not face their constituencies nor Westminster colleagues, if 'too hard a bargain was driven [by the European Community] on New Zealand dairy products'.[530] Encouragement for the New Zealand case also continued from British business interests, including food, financial, insurance and shipping industries, with which New Zealand ministers and officials cultivated relations.[531] Among others Charles Denman, a Conservative peer, businessman and philanthropist played a facilitative role for New Zealand trading interests, setting up meetings for New Zealand business executives with British politicians and officials.[532] Denman's numerous roles included being on the board of National Mortgage Agency (NMA), a subsidiary of which financed farms and farm equipment in New Zealand.[533] Such efforts maintained pressure on Edward Heath's Conservative Government from within, while Wilson and others on the left pressed from without. Heath and senior ministers were ever more focussed on European integration and calming the political waters at home, but they never lost sight of the fact that continued positive relations with the old Commonwealth needed to be maintained after British entry.

New Zealand objectives in the first year of membership

[529] Memo, NZHC London to MFA Wellington, 'EEC: Special Arrangements', R20759253, ANZ.
[530] Quoted in 'Early debate on New Zealand sought', *The Times (London),* 18 January 1973.
[531] For example, in 1972 a function was arranged for Brian Talboys in London with members of the trade, insurance and banking industries, alongside senior British officials. Letter, 'Official Reception - Hon. B.E. Talboys', 22 December 1972, R20759164, ANZ. See also: Letter, J.D.E. Nelson, Glaxo-Allenburys to E. Farnon, NZHC London, 11 May 1972, R20759253, ANZ.
[532] Note, P.H.R. Marshall to Mr Hickman, 'NMA Wright Stephenson', 17 July 1973, FCO 24/1838, TNA.
[533] 'One of New Zealand's Best Friends Mourned', 27 November 2012, *Stuff.co.nz,* online at http://www.stuff.co.nz/business/8000389/One-of-NZs-best-friends-mourned.

New Zealand's political and diplomatic efforts to retain trade access in the United Kingdom did not end on 1 January 1973. This was partly an economic imperative. While the New Zealand economy was growing strongly at the start of 1973 with low levels of unemployment, there was persistent inflation and a need to protect precarious overseas currency reserves and the balance of trade through export growth.[534] As well as controlling imports and prices at home, the Labour Government under Norman Kirk continued efforts to diversify export markets. As highlighted in previous chapters, retaining exports to Britain was not seen as inimical to this. Brian Talboys, Overseas Trade Minister in the previous Government, told the Royal Commonwealth Society in London in October 1972, 'continuity of trade in butter and lamb [to Britain] is the platform to launch our programme for diversifying. The programmes are linked'.[535] In this, New Zealand sought to have the prices received for its agricultural exports keep better pace with inflation and have exports to Britain 'plateau', arresting the degressivity of dairy exports insisted on by the French Government.

As with its predecessors, Kirk's Government hoped that multilateral negotiations would provide the path to enhanced trade access outside the Community, enabling diversification. There was optimism that the enlarged Community, with Britain inside and pushing it in a more liberal direction on trade, would support this. The Tokyo Round of GATT negotiations, launched in 1973 with a record 102 participating nations, gave cause for optimism. At the Paris Summit of October 1972, European Community heads of government declared they attached 'great importance' to the GATT negotiations, which they hoped would conclude by 1975 to ensure the 'harmonious development of world trade'. The Community pledged to use the Tokyo Round to maintain constructive dialogue with the US, Japan and China, and to progress the United Nations Conference on Trade and Development (UNCTAD), which sought to open markets in wealthy countries for exporters from the Global South.[536]

Such efforts at multilateral trade liberalisation came amongst a groundswell of agitation in the Global South. This included, among other tactics, a UN declaration in May 1974 of a 'New International Economic Order', aimed at economic decolonisation. This

[534] 'DTI Economic Report on New Zealand, quarter ending 31 March 1973', FCO 30/1795, TNA.
[535] Notes for Talboys' Address to the Royal Commonwealth Society, 'Britain's entry to Europe: The challenge for New Zealand', September 1972, R20759164, ANZ.
[536] 'EEC Heads of Government Communiqué', 20 October 1972, *New Zealand Foreign Affairs Review*, 22:10, (1972).

pressure was felt in the European Community, which in 1973 had begun renegotiation of the Yaoundé Convention to add developing countries in the British Commonwealth to the existing members of the trade preference scheme. The Associated African Countries and developing Commonwealth formed a united front, taking a particularly hard line in negotiations. Important gains were made in industrial cooperation, paving the way for the Lomé Convention in 1975, which gave former European colonies preferential trade access in the European Community, and access to aid programmes.[537] The New Zealand Government remained deliberately distant from trade concessions pursued by developing Commonwealth countries, partly in an effort to preserve its own privileged status gained in Luxembourg in 1971; however, it was clear there were considerable forces in the Community seeking a productive relationship with decolonising states in the outside world, especially in the context of US retrenchment, *détente* and *Ostpolitik*. New Zealand's diplomacy in Community capitals played on such considerations.[538]

As explained in the previous chapter, New Zealand's enhanced foreign policy and trade focus on the Asia-Pacific region in the 1970s was not always, nor primarily, a result of being 'pushed' away from Britain and an integrating Europe. There was also a strong 'pull' coming from Asia's rise as a global manufacturing hub with increasingly affluent middle classes, and by the opening of China.[539] Roberto Rabel suggests that the antipathy towards New Zealand's involvement in the Vietnam War led to the public reorientating perceptions of Asia away from defence and containment, towards engagement, particularly economic.[540] New Zealand's increased trade, aid and regional diplomatic involvement in the South Pacific was done with the approval and collaboration of the US, Britain and Australia, and frequently held up in Western capitals as examples of New Zealand's contribution to the Western alliance in the Cold War.[541]

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[537] Garavini, *After Empires*, 190-193.
[538] Report, 'New Zealand's Economic Diplomacy in Europe', 31 December 1971, R20759164, ANZ; *New Zealand Foreign Affairs Review*, 22:1, (1972), 4-5.
[539] Note, 'Labour Party international affairs policy', undated (likely late 1972), MS-Papers-1403-086/4, ATL.
[540] Roberto Rabel, 'Case Study: From commitment to engagement - The Vietnam War as a turning point in New Zealand's Asian journey', in Lynch (ed.), *An Eye an Ear and a Voice,* 131-140.
[541] Among many examples see: 'Cabinet Committee on Overseas Trade Policy, Minutes of a meeting held with French Minister de Lipkowski', 28 January 1971, R20758814, ANZ; Memo, UKHC Wellington to Douglas-Home, 1 July 1970, TNA, T312/2718; 'Record of the meeting between Muldoon and Haferkamp in Brussels', 29 March 1977, BAC-79-1982/240, HAEU.

Alongside such strategic considerations, making the Protocol 18 arrangement work effectively was an immediate priority. This required improved relations with the European Community members and the European Commission in Brussels. The steps towards this outlined in the previous chapter produced some benefits, including European Commission officials occasionally taking New Zealand's side in arguments with Whitehall.[542] Nevertheless, there was an enduring perception in European Community circles that New Zealand was something of a 'problem' to be solved. This *demandeur* reputation hampered the ability of New Zealand diplomats to move the relationship with the Community beyond agricultural trade issues and onto other potential areas of collaboration such as defence, aid, cultural exchange, industry or cooperation in multilateral institutions.[543] For these reasons, although New Zealand's relationships with Brussels and Community capitals (especially Bonn) were increasingly important, not least to influence forthcoming agricultural policy, they never rivalled that with London, which remained broad and deep (if increasingly fractious) in 1973, demonstrating New Zealand's continued 'insider' status.[544]

As New Zealand policymakers saw it, price was an impediment to the effective operation of Protocol 18. Chapter Two noted that the price problem was identified by New Zealand ministers and officials in 1970, and the Holyoake Government withheld unequivocal endorsement of the Luxembourg Agreement on this basis. In January 1973, shortly ahead of the CAP's implementation, the Commission set the levy establishing the in-market price for New Zealand butter and cheese.[545] Almost immediately, it was clear the levy was too high to allow the agreed level of New Zealand dairy quantities to be purchased in the British market. This provoked protests from New Zealand officials and ministers to reduce the levy, among other price remedies. In this, Britain was largely supportive, as it wanted to ease butter prices for consumers and reduce the alarming growth of unsold butter stocks, which in turn would help the upcoming review of Protocol 18 in 1975.[546] In November 1973, the European Community's Dairy Management Committee agreed to the European Commission's proposal

[542] For example: Letter, 'NZ Ambassador Brussels to Commissioner for External Relations', 18 January 1973, BAC-48-1984/1086, HAEU; Letter, New Zealand Ambassador Brussels to Commissioner for External Relations, 30 November 1972, BAC-48-1984/415, HAEU.
[543] O'Brien, 'Britain, the EU and New Zealand', in Lynch (ed.), *Celebrating New Zealand's Emergence,* 35.
[544] *New Zealand Foreign Affairs Review*, 22:1, (1972), 4-5.
[545] 'Règlement (CEE) No 73 Du Counseil', 29 January 1973, BAC-48-1984/415, HAEU.
[546] 'Brief for call on Mr Davies by the Hon J A Walding', 19 April 1973, FCO 30/1795, TNA.

to adjust the butter levy downwards from the following April. Cheese prices remained unchanged. This was the Community's first recognition that the price for New Zealand butter should reflect the conditions in the British market, rather than historic price levels. It was the first of four such price improvements for New Zealand dairy products in the 1970s.[547]

Closely linked to the price question for New Zealand products was a reform of the CAP. New Zealand ministers were seriously concerned at the alarming rise of European dairy production, which by March 1973 had seen Community butter stocks reach 412,000 tonnes, more than double the previous year. CAP was seen as the root cause of this and a contributor to dysfunctional dairy markets globally.[548] The New Zealand Government pursued improvement on several fronts, including bilaterally in both London and Brussels. New Zealand officials also continued to take a leadership role in the Dairy Committee of the GATT negotiations, although gains remained modest in the Tokyo Round thanks to intransigence by American, Japanese and especially European Community negotiators.[549]

The issue of prices for New Zealand dairy exports to the United Kingdom reached a critical point in January as the British Government chose to stay outside of the currency Snake, meaning an effective 9.2% devaluation of the now floating Pound. New Zealand officials pointed out that a 10% devaluation in Sterling would cost its exporters about NZ$16 million in the first year of British entry, and substantial amounts in subsequent years.[550] An argument was mounted by the New Zealand Government in both Whitehall and Brussels that Protocol 18 should be calculated not on the Pound versus NZ Dollar rate, but in units of account. However, as outlined above, the Commission supported the British view.[551] Joseph Walding subsequently asked for the currency issue to be included as part of the annual review of Protocol 18, but Joseph Godber rebuffed this by suggesting it would prompt the French Government to revisit the entire Protocol 18 arrangement.[552] Finding UK Treasury officials

[547] 'Note a l'attention Sir Christopher Soames', 1 November 1973, BAC-48-1984/415, HAEU.
[548] Press Statement, 'Visit of Mr Walding to Europe', 23 March 1973, R20759164, ANZ.
[549] Lind, *Till the Cows Came Home*, 59; 'Analysis of the characteristics, of the structure and the problems of world trade in Dairy Products', 13 October 1975, MTN-DP-W-10, GATT, online at https://exhibits.stanford.edu/gatt/catalog/nz787wr2668.
[550] Letter, NZ Ambassador Brussels to Commissioner for External Relations, 18 January 1973, BAC-48-1984/1086, HAEU.
[551] Memorandum for Cabinet Economic Committee, 'New Zealand/EEC: Protocol 18: MCAs', 3 July 1973, R20825122, ANZ.
[552] Telegram, NZHC London (Walding) to Wellington, 'UK/NZ/EEC', 19 April 1973, R20759164, ANZ.

impervious to argument, New Zealand acting High Commissioner Merwyn Norrish emphasised the political ramifications to the FCO Permanent Under Secretary on 22 January 1973, saying he expected his Prime Minister Norman Kirk, who had been previously unhappy about the price arrangement, to react 'very severely'. In Norrish's view this would be 'unfortunate', given that Kirk's attitude towards British relations since assuming office had been moderate.[553]

Norrish may have over-emphasised Kirk's reaction. The New Zealand Prime Minister did write a strongly-worded letter to Heath and raised the currency issue with Defence Secretary Peter Carrington in Wellington in late January. At the meeting, Kirk said he did not 'intend to let the matter drop' but appeared to accept the British reasoning. Crucially from the British point of view, Kirk agreed with Carrington to continue New Zealand's commitment to the Five Powers Defence Arrangement in Southeast Asia (at a time that his Australian counterpart, Gough Whitlam, was prevaricating). As mentioned in the previous chapter, Kirk also used the meeting to (unsuccessfully) request a bilateral immigration arrangement with Britain.[554]

The Kirk Government, like its predecessors, was compelled to action on better access and pricing for New Zealand agriculture by the domestic farming lobby. Although farming interests were not as intrinsic within the Labour Party as they were for National, they still held considerable influence, not least because Labour's electoral success was partly based upon winning semi-rural Parliamentary constituencies. The continued importance of farming in retaining export earnings and economic growth was also evident, especially as inflation worsened throughout 1973. Several Labour ministers delivered speeches to farming audiences in 1973 in which they promised to take up pricing and access issues with Britain and the European Community in strong terms.[555]

New Zealand farming interests also kept direct pressure on the British Government. Senior British ministers met with the producer boards and Federated Farmers on visits to New

[553] Note, 'EEC/New Zealand', 22 January 1973, FCO 24/1836, TNA.
[554] Telegram, UKHC Wellington to FCO London, 'EEC/New Zealand', 2 February 1973, FCO 24/1836, TNA.
[555] For example, see a report of Finance Minister Wallace Rowling's speech to Federated Farmers at: Telegram, UKHC Wellington to FCO London, 'New Zealand and the Luxembourg Agreement', 21 June 1973, FCO 30/1795, TNA.

Zealand.[556] The Chairman and Managing Director of the New Zealand Dairy Cooperative visited the UK in May 1973 and secured a meeting with the Prime Minister at 10 Downing Street, which Heath apologetically cancelled at short notice.[557] John Kneebone, Vice President of Federated Farmers (the New Zealand farmers union) met with senior FCO officials in June 1973, expressing optimism about the future of New Zealand farm exports and hope that close friendship and co-operation between New Zealand and the UK would continue.[558] Likewise, Ron Trotter, Managing Director of NMA Wright Stephenson, the largest stock agency and supplier of farm equipment and finance in New Zealand, undertook an extensive tour of the UK in mid-1973, in which he met with senior British ministers and officials. Trotter also expressed positivity about the New Zealand economy and sought and received assurances on the continued viability of New Zealand's trade with the UK.[559]

The British Government's intractability on the Sterling issue saw increased public criticism by New Zealand ministers. This was amplified by news media in New Zealand and Britain. The issue was reported in Fleet Street newspapers on 26 January.[560] Walding told a February meeting of the New Zealand Export Institute that he was 'disappointed not to have the support of the British Government', and several New Zealand newspaper editorials echoed the view.[561] Finance Minister Wallace Rowling told an audience of Federated Farmers in June that the UK Government had been 'most unhelpful'.[562]

Further disgruntlement in New Zealand stemmed from perceived a lack of support from the British Government on the issue of French nuclear testing in the South Pacific. New Zealanders had been largely content to allow British and American testing in Australia and the Pacific Islands in the 1940s and 1950s. However, the public mood towards nuclear weapons began to change in the 1960s, not least because of the transnational peace movement. As

[556] Letter, Secretary of Foreign Affairs to Secretaries of other relevant departments, 28 June 1972, R20759253, ANZ.
[557] Letter, A.H. Woolven to Edward Heath, FCO 30-1795, TNA; 'Brief for the call on the Prime Minister by Mr R S Bates and Mr A H Woolven of the New Zealand Dairy Company', 30 May 1973, FCO 30/1795, TNA.
[558] Letter, E.W. Kelley to UKHC Wellington, FCO 30/1795, TNA.
[559] Note, 'Call on John Davies by Mr Trotter of NMA Wrightson', 10 July 1973, FCO 24/1837, TNA; Note, P H R Marshall to Mr Hickman, 'NMA Wright Stephenson', 17 July 1973, FCO 24/1838, TNA.
[560] David Cross, 'New Zealand loses £8m in new price agreement, *The Times (London)*, 26 January 1973.
[561] Telegram, UKHC Wellington to FCO London, 'EEC and New Zealand Milk Products', 13 February 1973; NZPA Staff Correspondent London, 'Signs of Strain Appearing in Relations with Britain'; 'Special Arrangement' for NZ now wearing thin', *Wairarapa Times-Age,* 9 April 1973;' all at FCO 24/1836, TNA.
[562] Telegram, UKHC Wellington to FCO London, 'New Zealand and the Luxembourg Agreement', 21 June 1973, FCO 24/1836, TNA.

well as catering to changing domestic opinion, which was now more populist and nationalist, New Zealand governments supported South Pacific nations in their opposition to nuclear testing as part of wider efforts to exert influence in the region, in the context of decolonisation and the Cold War.[563]

Lodging bilateral objections in Paris seemed futile, so, in 1972 the New Zealand Government joined the campaign for a comprehensive test ban treaty through the UN General Assembly. In 1973 New Zealand joined the Australian-led legal effort to ban nuclear testing in the International Court of Justice. During lengthy court deliberations to decide whether to hear the case, the French authorities decided to end atmospheric nuclear testing, although it is unclear whether this was because of the legal action.[564] At the Ottawa CHOGM in August 1973, Kirk called for a Commonwealth Declaration condemning France's nuclear testing in the South Pacific. Through an intervention by Heath, this was watered down to avoid direct mention of France, although Kirk still claimed a victory, generating considerable media coverage.[565] Such efforts had negligible effects on France's testing programme, which continued underground at Moruroa until 1997 thanks to tacit approval by the other Western nuclear powers. However, they did place further strains on the Anglo-New Zealand relationship, even if these did not prevent accommodations for New Zealand in the context of European integration.

In July 1973, Kirk and senior ministers were (perhaps naively) surprised and disappointed that the British Government did not pass on to them information from a French nuclear detonation picked up by the Royal Fleet Auxiliary ship, *Sir Percivale*, patrolling near the blast site at Moruroa. Walding expressed dismay to senior British Ministers, saying it 'stuck in the gizzard' after many years of 'close defence and intelligence cooperation between the two countries'.[566] The explanation from Heath and Douglas-Home was that they did not want to provide the New Zealand Government with information that would immediately be used to publicly criticise a NATO ally and European Community partner. Douglas-Home also

[563] McKinnon, *Independence and Foreign Policy,* 189.
[564] Malcolm Templeton, *Standing Upright here: New Zealand in the Nuclear Age 1945-1990*, (Wellington:2006), 123, 138; Malcolm Templeton, 'New Zealand and the Development of international Law', in Brown (ed.), *New Zealand in World Affairs III: 1972-1990*, 69.
[565] W. David McIntyre, 'From Singapore to Harare: New Zealand and the Commonwealth', in ibid., 93.
[566] 'Record of a conversation between the Prime Minister and the New Zealand Assistant Foreign Minister (sic)', 16 July 1973, FCO 24/1837, TNA.

restated Britain's support of a partial test ban treaty on atmospheric testing, but seemed unhappy that Kirk's position appeared to have moved towards a full test ban, which Britain did not support. Kirk's mid-1973 decision to send two New Zealand Royal Navy Frigates to the testing area was at least in part an attempt to generate intelligence withheld by the British authorities and prove that underground tests could not be undertaken without detection, as the French Government claimed.[567]

Both the British and New Zealand Governments were aware of the potential of the nuclear issue to hinder New Zealand's efforts to retain trade access in the Common Market, especially considering the French attachment to the CAP. New Zealand initiatives to end nuclear testing in 1973 were never likely to succeed, which possibly led Whitehall and Quai d'Orsay to treat them less seriously. British diplomats in New Zealand hoped that the powerful domestic farm lobby would press the Kirk Government to ease up on criticism of the French Government, thereby improving New Zealand's chances of a successful review of Protocol 18 in 1975. As Leader of the Opposition, John Marshall accused the Government of 'going to extremes' in its protests against French nuclear testing, which he warned would jeopardise the Protocol 18 review.[568] This had little effect on public opinion in New Zealand, with the anti-nuclear stance striking a nationalist chord. Nevertheless, nuclear testing remained a secondary issue in New Zealand's official relations with Britain and the European Community. New Zealand Government efforts to protest French nuclear testing subsided in 1974, partly because of the physical ailments of a dying Kirk.[569] In interacting with Britain and the European Community, ensuring better returns for agricultural products remained New Zealand's paramount concern.

New Zealand's campaign for Monetary Compensatory Amounts (MCAs)

Coming amid disagreement over French nuclear testing, Anglo-New Zealand relations reached a low point in June-July 1973 because of the issue of Monetary Compensatory Amounts (MCAs). As mentioned above, these were agreed by the European Community's

[567] 'Record of Conversation Between the Foreign and Commonwealth Secretary and the New Zealand Minister of Overseas Trade and Associate Minister for Foreign Affairs', 16 July 1973, FCO 24/1837, TNA.
[568] Letter, A F Baines (FCO) to J R B Vaughan (MAFF), 12 July 1973, FCO 24/1838, TNA.
[569] McKinnon, *Independence and Foreign Policy*, 190. New Zealand protests against French nuclear testing stepped up again from late 1975 after Rowling became Prime Minister and Foreign Minister, following Kirk's death.

Council of Agricultural Ministers in March to take effect from 4 June 1973. They allowed exporters to European Community countries to receive compensation for downward currency fluctuations (and vice versa – if currencies appreciated, importers were compensated).[570] Britain had opposed the MCAs, not least because the payment burden would fall on the Exchequer. New Zealand officials were initially unaware of the positive implications of the Council ruling, but by late June the Brussels Embassy had alerted ministers. The New Zealand High Commissioner in London then raised the issue with Godber, and Walding was dispatched to London and Brussels to press the case for MCAs to be applied to New Zealand dairy exports to the UK.[571]

The British Government's initial response was to ask the European Commission to change its decision. In this, New Zealand had allies in Brussels. The European Commission's Director-General for Agriculture Berend Heringa told British representatives in Brussels that it would be 'unthinkable, as well as unequitable' to retrospectively establish a new sterling parity for New Zealand butter and cheese. Agriculture Commissioner Lardinois said he was prepared, if External Relations Commissioner Soames agreed, to do as the UK wished, but only if the British Government terminated the Sterling flotation, which it was not prepared to do. Even if so, Lardinois considered this would give the New Zealanders 'a rough deal', treating them worse than Australia or Finland.[572] Aside from using the issue to get the British Government to rethink its Sterling flotation, the episode provides an example of the Commission supporting New Zealand's side of the argument against Britain, running counter to the dominant narrative of the Community consistently harming third country interests in the course of enlargement.

British ministers and officials declined several New Zealand requests to apply MCAs to dairy imports, which produced still stronger criticism from New Zealand ministers. Kirk wrote to Heath, declaring himself 'deeply disappointed' and asking for the decision to be delayed

[570] 'Note on the Revised System of Monetary Compensation Amounts', 31 May 1973, FCO 30/1795, TNA.
[571] Telegram, Douglas-Home to UKHC Wellington, 'Monetary Compensatory Amounts on imports under Protocol 18', 27 June 1973, FCO 30/1795, TNA; Cabinet Economic Committee Memorandum, 'New Zealand/EEC: Protocol 18: MCAs', 3 July 1973; Cabinet Economic Committee, Meeting Minutes, 4 July 1973, documents at R20825122, ANZ.
[572] Telegram, UKREP Brussels to FCO London, 'MCA's and New Zealand', 21 March 1973, FCO 24/1836, TNA.

until Walding could fly to London to discuss it.[573] Walding wrote a similar letter to Douglas-Home saying it 'raises fundamental questions for New Zealand as to whether a change has taken place in the spirit in which our trading relationship with Britain has traditionally been conducted'.[574] Ted Woodfield, a senior official in the New Zealand Department of Trade and Industry conveyed to the UK High Commissioner in Wellington that Walding saw the issue as a 'patent injustice', and said it could cause the New Zealand to look again at the extension of British trade preferences.[575]

Unbeknown to the New Zealanders, British officials and ministers were in a tricky position. UK Government lawyers had made clear that withholding the MCAs from New Zealand was probably illegal, and that in the event of legal proceedings the European Court of Justice would likely find in favour of the Community. Perhaps more importantly, having the Commission publicly side with New Zealand in a legal action against the British Government would publicly damage the Government's reputation. The UK Permanent Representative to the European Community Michael Palliser argued that 'however well-founded our case, such an initiative would be widely presented as an attack on New Zealand interests and would certainly be wilfully exploited for political purposes both at home and abroad'. Palliser was also of the view that continuing to resist the Commission on New Zealand dairy would likely damage efforts to secure better margins for UK sugar refining, which he saw as financially more important.[576] Media coverage also built pressure on the British Government, especially once it was known that Walding was on his way to London to seek compensation.[577]

Palliser's view eventually won acceptance in the Cabinet. Godber wrote to Heath, Chancellor of the Exchequer Anthony Barber and Douglas-Home saying that rejecting the New Zealand request would cause 'great presentational and political difficulties… and damage relations with New Zealand…. I believe the political difficulties… combined with the unlikelihood of success are too great to make [rejection] a practical option'.[578] Barber wrote

[573] See reproduction of Kirk's letter at 'Message from New Zealand High Commissioner London to Chancellor of Duchy of Lancaster (John Davies)', 3 July 1973, CAB 170/72, TNA.
[574] Cable, Douglas-Home to NZHC Wellington, 'MCAs Under Protocol 18', 3 July 1973, FCO 30/1795, TNA.
[575] Telegram, UKHC Wellington to FCO London, 'MCAs and Protocol 18', 5 July 1973, FCO 24/1837, TNA.
[576] Telegram, UKREP Brussels to FCO London, 'New Zealand Monetary Compensatory Amounts under Protocol 18', 11 July 1973, FCO 24/1837, TNA.
[577] Wellington Correspondent, *The Guardian,* 'Farm pay-out mission', 6 July 1973.
[578] Letter, Joseph Godber to senior ministers, 'Sterling Payments for New Zealand', 25 June 1973, FCO 30/1795, TNA.

to John Davies saying that 'with considerable reluctance, I am prepared to agree that we should … [concede] to the Commission and the New Zealanders'.[579] Douglas-Home concurred, although he wanted informing the Commission to be 'relatively low-key', presumably to limit awareness of the British climb-down and reduce compensation requests from other third-country exporters.[580]

Walding was told of the British decision to grant to New Zealand all MCAs backdated to March in a meeting with Heath at 10 Downing Street on 16 July 1973. The first half of the meeting involved a 'blunt' exchange primarily about French nuclear testing and Sterling depreciation, in which Walding reportedly said it was 'regrettable that bilateral relations were turning sour'. Upon being informed of the MCA news, Walding was, according to British officials present, 'somewhat taken aback', and 'delighted'. One FCO official wrote that 'few ministers can have won so much hard cash so quickly as Mr Walding'.[581] Heath made clear that the MCAs should be applied against any proposed price rise for New Zealand dairy products in the coming year and that they were uncovenanted, not representing a legal agreement.[582] Nevertheless, the sense of victory was real for Walding, who telegrammed Kirk with the good news. The New Zealand Government estimated it would result in between NZ$15-20m of additional export receipts annually.[583] Kirk immediately issued a triumphant press statement. This conveniently ignored the legal obligations on the British Government but conveyed that he was 'most appreciative' for Britain accepting New Zealand's claim in full, giving credit to Walding for his negotiating efforts.[584] News coverage in New Zealand was almost all positive, with the leading Wellington-based daily newspaper *The Dominion,* writing in an editorial:

> 'Walding has scored a notable success… Mr Heath may well have been worried about a deterioration in British / New Zealand relations which had set in on a surprisingly

[579] Letter, Anthony Barber to John Davies, 'New Zealand Butter', 13 July 1973, FCO 24/1837, TNA.
[580] Note, Douglas-Home to UKREP Brussels, 'New Zealand and MCAs', 20 July 1973, FCO 24/1837, TNA.
[581] 'Record of a conversation between the Prime Minister and the New Zealand Assistant Foreign Minister', 10 Downing Street, 16 July 1973; Letter, J K Hickman to UKHC Wellington, 'Walding's visit', 19 July 1973, both at FCO 24/1837, TNA.
[582] 'Communication from 10 Downing Street to the New Zealand High Commissioner', 16 July 1973, FCO 24/1837, TNA.
[583] 'NZHC News Bulletin', 18 July 1973, FCO 24/1837, TNA.
[584] 'Press Statement by Mr Kirk in Wellington', 17 July 1973, FCO 24/1837, TNA.

wide front. With this gesture, which justice has demanded, the two countries should be able to restore much of their past cordiality'.[585]

It was a useful political win for Kirk and the Labour Government, given their vocal criticism of the price aspects of the deal negotiated by his opposite number John Marshall. Kirk later described it as the biggest achievement by an individual minister in his Government.[586] It also undermined Marshall's argument that New Zealand's protests against French nuclear testing would result in reduced trade access in the Common Market.

The UK High Commissioner in Wellington was instructed to convey again to the New Zealand Government that the application of MCAs was not due to New Zealand's threats of a rupture in bilateral relations; however, at least in part, the archival evidence suggests otherwise.[587] Senior officials such as Michael Palliser and ministers such as Godber, Barber and Douglas-Home all suggested that, in addition to the legal obligation, the decision to make the MCA payments was made as a political consideration to lessen reputational damage and criticism, both domestically and internationally. It appeared that New Zealand problems had retained their political potency beyond the point of British entry.

Conclusions

Political and diplomatic exchanges between New Zealand, Britain and the European Community in 1973, set against the broader international context, illustrate some important points. Perhaps most notably, for New Zealand there was no 'brutal snap', 'black letter day', nor 'decolonisation at speed' at the moment of British entry. The New Zealand Government, encouraged by domestic political and international economic factors, continued to strive for an effective operation of Protocol 18, multilateral trade negotiations and reform of the CAP. In these, its interests were largely aligned with Britain, although disagreements remained over currency valuations and nuclear testing. For Britain, relations with the old Commonwealth, while perhaps less important than before, nonetheless retained some value. Both Governments strove for the relationship to evolve and endure. Like the agreement

[585] Quoted in: Telegram, UKHC Wellington to FCO London, 'Monetary Compensation Amounts under Protocol 19: New Zealand press content', 23 July 1973, FCO 24/1838, TNA.
[586] 'Frost Over New Zealand', *NZ On Screen,* October 1973, online at www.nzonscreen.com/title/frost-over-new-zealand-the-leaders-1973/
[587] Note, D.J. Hall to F.B. Wheeler, 'Protocol 18 and MCAs', 19 July 1973, FCO 30/1796, TNA.

secured in Luxembourg, this was not altogether driven by sentimental ties nor altruism. There were powerful political forces on the left and right of British politics taking a close interest in how New Zealand was treated in the first year of entry, spurring an increasing beleaguered Government into action. The Anglo-New Zealand relationship was strained by the economic and political crises sweeping the world in 1973, but there was nothing unique in this. The Western alliance was creaking to a degree possibly not seen since 1956. Perhaps surprisingly, the European Commission emerged as something of a sympathetic actor for New Zealand interests, siding with it on the MCA issue. This is less remarkable considering the forces in the Community that sought freer world trade and positive relations with third countries.[588]

As with Kiri Te Kanawa at Covent Garden, the show would go on for Anglo-New Zealand relations. The Wilson-led Labour Party won the 1974 UK election after promising a renegotiation of the terms of British entry, followed by Britain's first national referendum. British membership of the European Community was once again the subject of fierce political debate. This presented new threats but also significant opportunities for New Zealand in 1975, as we shall see in the next chapter.

[588] See Chapter Three; and Elizabeth Buettner, 'How unique is Britain's Empire Complex?' in Ward and Rasch (eds.), *Embers of Empire in Brexit Britain,* 39-41.

Chapter Five

‘Just can’t lose’: Renegotiation, referendum and the review of New Zealand’s special arrangement, 1975

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Introduction – ‘help for the Commonwealth’

At the end of May 1975 an official pamphlet from Her Majesty’s Government dropped through the letterboxes of approximately 22 million British households.[589] Titled *Britain’s New Deal in Europe,* the 15-page document set out the British Government’s recently renegotiated terms for European Community membership, recommending a ‘yes’ vote to stay in, in the upcoming referendum on 5 June. Among the pamphlet’s reasoned points about jobs, food and Britain’s global influence was a personal appeal from Prime Minister Harold Wilson, who felt the Government had secured ‘a deal that will help us, help the Commonwealth and help our European partners’. Importantly, the pamphlet also included a prominent quote from Wallace Rowling, Prime Minister of New Zealand, alongside similar quotes from his Australian and Jamaican counterparts. On a page titled ‘Help for the Commonwealth’ Rowling proclaimed, ‘it would not be in the long-term interest of the New Zealand economy if Britain were to withdraw from the Common Market’.[590]

Rowling’s pronouncement in favour of British membership barely conveys the challenging process of reaching a satisfactory outcome for New Zealand in the renegotiations of 1974-75. Three months previously Michael Palliser, UK Permanent Representative at the European Communities in Brussels, had written to Foreign Secretary James Callaghan to warn that ‘New Zealand could be the straw that broke the back of the renegotiation donkey, maybe’.[591] A senior British official judging the stakes of the New Zealand issue to be so high raises interesting questions. How and why did the New Zealand Government find itself once more in a prominent and pivotal position on the question of British membership? And what

[589] Aqui, ‘Government Policy and Propaganda’, 12.
[590] *Britain’s New Deal in Europe,* HM Government, 1975, viewed online via LSE Library, https://digital.library.lse.ac.uk/objects/lse:fug282yox.
[591] Telegram, UKREP Brussels to FCO London, 'New Zealand: Renegotiation’, 18 February 1975, FCO 30/2928, TNA.

effect did this have on the renegotiated terms secured by the British Government, and the referendum vote in 1975?

Until recently, historians have been largely reticent to address such questions about 1975, despite it being an important moment both in British political history and the history of European integration. The previous year, 1974, saw two tightly contested General Elections in Britain, with the two largest political parties bitterly divided over the European question. Throughout much of 1974 and the first part of 1975, the British Government 'renegotiated' the terms of British membership, which in June 1975 were put to the public in the first UK-wide referendum. For decades this escaped much close scholarly attention apart from David Butler and Uwe Kitzinger's seminal work.[592]

Orthodox 'missed the bus' scholars who have tackled the history of Britain and European integration of the 1970s tend to argue, among other things, that the Commonwealth had diminished importance in British political debate in the 1970s, thereby paving the way for the 1975 referendum result, which confirmed British membership for a generation.[593] This interpretation often presumes British membership of the European Community almost entirely precluded ongoing close relations with the Commonwealth. Moreover, Commonwealth institutions, nations and their multifarious interests have regularly been aggregated, presuming a monolithic entity suddenly and unilaterally discarded by British policymakers once the value of Community membership was appreciated. As Robert Saunders shows, treating the Commonwealth in such a way tends to obscure British history, not least because it masks the Commonwealth's diversity and denies the agency of decolonising peoples and states.[594] More importantly for the purposes of this thesis, orthodox scholars have largely ignored or failed to explain an obvious point; that at least one Commonwealth country, New Zealand, was deemed important enough by Wilson's Governments in 1974-75 to assume a prominent place in the renegotiation and referendum campaign. Moreover, the specific political and economic commitments secured for New

[592] Butler and Kitzinger, *The 1975 Referendum.*
[593] May, 'The Commonwealth and Britain's Turn to Europe, 1945–73', 37; Reynolds, *Island Stories*, 198.
[594] Saunders, 'Brexit and Empire: 'Global Britain' and the Myth of Imperial Nostalgia', 1142.

Zealand by the British Government in 1975 were substantial, even if the renegotiated terms collectively were not.[595]

The dearth of revisionist scholarship on Britain and the European Community in 1975 has recently changed, with Wall's official history followed by Saunders' well received *Yes to Europe!* and Aqui's *The First Referendum.* These cast light on the motivations of the political actors, the domestic political situation and in Aqui's case, the referendum's interaction with Community politics.[596] A smattering of articles have also appeared, including Katja Seidel and William Loux's respective explanations of the Labour Government's inability to achieve substantial changes to the CAP in 1975.[597]

Nevertheless, there are gaps in explaining Anglo-New Zealand relations in 1975, including New Zealand's prominence in the renegotiation and referendum. Some historians point to Harold Wilson's personal affinity with the Commonwealth, particularly his 1974 quote that he could 'personally name 44 relatives from New Zealand'.[598] Others show there were political advantages in Wilson's rhetoric, with Stephen George describing the phrase as 'a typical populist touch'.[599] Aqui notes the electoral benefits that Wilson and his Government gained from presenting improved terms for New Zealand and other Commonwealth countries to the public in the context of the referendum. Wilson hoped this would help reaffirm British membership and bridge the deep rifts in his Cabinet and the Labour Party at large. Aqui has also placed Wilson's advocacy for New Zealand in a longer-term context, noting consistency with previous policy and political decision-making on Britain's relationship with the European Community.[600]

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[595] Stephen George considered the renegotiation a 'tactical device' in *An Awkward Partner*, 77; Sean Greenwood described it as a 'sham' in *Britain and European integration since the Second World War*, (Manchester:1996), 100; John Young agreed with Greenwood in *Britain and European Unity*, 113; and Dominic Sandbrook called it a 'sideshow' in *Seasons in the Sun: The Battle for Britain, 1974–1979*, (London:2013), 315, 321.

[596] Wall, *From Rejection to Referendum*; Saunders, *Yes to Europe*; Aqui, *The First Referendum*.

[597] William A. Loux, 'The impact of global commodity prices on the Wilson government's attempted CAP reform, 1974–1975', *Agricultural History Review*, 68:1, (2020), 86-108; Seidel, 'Britain, the Common Agricultural Policy and the challenges of membership in the European Community: a political balancing act', 179-203; Seidel, 'The Challenges of Enlargement and GATT Trade Negotiations: Explaining the Resilience of the European Community's Common Agricultural Policy in the 1970s', 352-370.

[598] Pimlott, *Harold Wilson*, 18–20, 433–4.

[599] George, *An Awkward Partner,* 86.

[600] Aqui, *The First Referendum,* 8, 154-155.

This chapter pulls together and builds upon the above explanations for Harold Wilson and the Labour Government's support of New Zealand in 1974 and 1975. For the first time it uses sources from the UK, New Zealand and the European Community collectively. It argues that there were several interconnected factors encouraging the British Government to support the New Zealand cause in 1975. These included Wilson's personal affinity for New Zealand, which was linked to his experiences of 1967 and 1971. Wilson may have also been motivated by promises made to the deceased New Zealand Prime Minister Norman Kirk, and by a desire to help the New Zealand Labour Party to win the November 1975 General Election.[601]

However, such concerns were not the main determinants of New Zealand's prominence in the renegotiation. An enhanced arrangement for New Zealand's dairy trade and keeping barriers to lamb trade at bay helped deliver several strategic objectives for the British Government in 1975. These were predominantly political and partly economic. Support for New Zealand helped Wilson with his Party and Parliamentary management, which was perhaps his most important consideration. The New Zealand issue appealed to both pro- and anti-marketers and across the crossbenches, thereby generating support for the renegotiated terms. Improved access for New Zealand, along with other measures such as the Lomé Convention and enhanced sugar agreement, also demonstrated tangible benefits for small Commonwealth nations. Contrary to the orthodox narrative, these had grown in political significance, not least in the Labour Party in the 1960s and 1970s, and remained of importance to the British electorate more broadly. Solutions for New Zealand also helped the British Government demonstrate that it was tackling the politically and economically debilitating problem of rising food prices. New Zealand's dairy and lamb could still be purchased at significant discounts to the Community's intervention prices. This made solutions for New Zealand in the renegotiations of 1974-75 more politically and economically attractive than for other Commonwealth products, such as Australian wheat or Canadian beef.[602]

[601] 'Record of conversation between Sir Oliver Wright and the NZ High Commissioner (sic) in London', 7 February 1975, FCO 24/2153, TNA.
[602] Loux, 'The impact of global commodity prices', 86-108; Seidel, 'Britain, the Common Agricultural Policy and the challenges of membership', 179-203; Aqui, *The First Referendum,* 154-155.

Moreover, ongoing assistance for New Zealand offered a potential pathway for reforming the CAP. As explained in previous chapters, the British Government had been forced to accept the CAP (with sheepmeat excluded) as a *fait accompli* during accession. This made a common sheepmeat regime even more important, as it represented the first occasion Britain could influence a specific aspect of the CAP from inception. Officials and ministers hoped to use a liberal sheepmeat scheme as an exemplar to their more protectionist Community partners, signposting improvements to the CAP as a whole. Britain and New Zealand's interests were largely aligned on this. British ministers and officials continued to collaborate with New Zealand counterparts in 1975 to fend off a common sheepmeat regime and keep tariffs low, while simultaneously preparing for a future common policy.[603]

Importantly, a win for New Zealand trade in the renegotiation would allow British ministers to hold up a tangible, positive result in the areas of agricultural reform and cheap food imports. This became crucial in late 1974, once the British ministers leading the renegotiation decided they would not seek amendments to European Community treaties nor secure wholesale changes to the CAP in advance of the referendum. At that point New Zealand was seized upon as an important renegotiation objective only because, coincidently, Protocol 18 of the Treaty of Accession (the special arrangement for New Zealand dairy products agreed in Luxembourg) was being reviewed in 1975 anyway. This meant that improvements for New Zealand could be achieved without recourse to Treaty change, making it an attractive proposition for the British Government.[604] Broader still, a solution for New Zealand could demonstrate that the British Government had the ability to persuade its Community partners to take actions that were in the British national interest. The British electorate had not seen much evidence of this by 1975, with Britain's 'loss of sovereignty' under regular criticism from anti-Common marketers.[605]

Unlike in previous negotiations, in 1975 the impetus for a prominent special arrangement for New Zealand did not come from Wellington. The New Zealand Government

[603] Note of a Meeting between Roy Hattersley and Brian Talboys, 8 March 1975, PREM 16/1785, TNA.
[604] Note, James Callaghan to Harold Wilson, 'Access for Commonwealth Food', 6 December 1974, PREM 16/395, TNA.
[605] For example, leaflet by the Commonwealth Industries Association, '12 Reasons why Britain should not join the European Common Market', UWK-NS/14, HAEU; Record of a meeting between the Prime Minister and Christopher Soames, 6 March 1975, PREM 16/409, TNA; AUEW pamphlet, 'Vote no to the Common Market', LSE Library Brexit Collection, online at https://digital.library.lse.ac.uk/.

was largely content to stay aloof from the politically fraught referendum and let the review of Protocol 18 take its course via the European Commission and Council of Agriculture Ministers. Instead, the push came from Foreign Secretary James Callaghan, who in December 1974 convinced his Prime Minister, who was well disposed to New Zealand in any case, to elevate New Zealand dairy access to the forefront of the renegotiation objectives to be decided at the Dublin Summit in March 1975. This suggests that Callaghan was more in favour of British membership than some of the historiography allows. As referenced below, the contemporary opinion of Commission and Whitehall officials felt this reprioritisation of New Zealand came with the risk of harming Britain's ambitions to improve the European Community budget mechanism.[606]

This is not to say that Britain's support of New Zealand in 1975 was simply a cynical, short-term ploy for presentational purposes in the referendum. As discussed in previous chapters, British support for New Zealand agricultural trade dated at least to Harold Macmillan's first attempt at entry in 1961-63, and continued through 1967, 1971 and 1973. Nor did Britain's political support for New Zealand end with the affirmative referendum result in June 1975. In the second half of the year, Wilson, Agriculture Secretary Frederick Peart and others pressed their European counterparts to make the political declaration secured at Dublin a commercial reality for New Zealand.[607]

In addition to the considerable political considerations, there were also economic and geo-strategic reasons for continued British support for New Zealand. These included efforts to maintain British export and investment returns from New Zealand, which were imperilled by competition from Asia and the prospect of import controls. Other British considerations included encouraging New Zealand (and Australia) to invest in aid, development and defence in the South Pacific and Southeast Asia, areas in which Britain was retrenching in the mid-1970s.[608]

[606] Telegram, UKREP Brussels to FCO London, 'New Zealand: Renegotiation', 18 February 1975, FCO 30/2928, TNA; Note, James Callaghan to Harold Wilson, 'Access for Commonwealth Food', 6 December 1974, PREM 16/395, TNA.
[607] For example: 'Prime Minister's Brief for the CSCE Summit in Helsinki, Access for NZ Dairy Products', July 1975, PREM 16/396, TNA; Letter, NZHC London to Frederick Peart, 8 October 1975, FCO 30/2738, TNA.
[608] 'Country Assessment Sheet: New Zealand', 24 September 1975, FCO 30/2738, TNA.

From the New Zealand Government's point of view, British support was appreciated for both political and economic reasons. The impending November election, the rise of Opposition leader Robert Muldoon and ongoing economic problems meant any improvement to New Zealand export returns were of importance to Rowling's Labour Government in 1975. There was a continued desire to see traditional exports to Britain level out, rather than continue to decline, so they could help the Government manage a chronic terms of trade crisis and remain a basis for economic diversification. The New Zealand Government also maintained its credentials as a member of the Western alliance, retaining defence, aid and development interests in Southeast Asia and the Pacific.[609] In this sense, 1975 was marked by continuity in Anglo-New Zealand relations.

British Government objectives in 1974-75

The Labour Party manifesto for the General Election of February 1974 pledged to address a series of long-running contentious problems (as seen in Labour circles) relating to British membership of the European Community. It was also conditioned by Britain's economic travails including unemployment, which reached a 40-year high in mid-1975, deteriorating terms of trade and inflation, which remained a 'major preoccupation and priority'.[610] The manifesto vowed to safeguard the interests of the Commonwealth and developing countries, seek major changes to the CAP and finance the Community budget in a fairer way (from Britain's point of view). It also rejected economic and monetary union and called for improved Parliamentary powers to implement regional, fiscal and industrial policies. The manifesto noted that, should the above and other aspects be successfully renegotiated, a Labour Government would give the British people the right to decide through a 'General Election or a Consultative Referendum'. If those provided a mandate, then the Government would play 'a full part in developing a new and wider Europe'. If not, then Britain would negotiate a withdrawal from the European Community.[611]

Most scholars agree that the manifesto's renegotiation and referendum promises were clever tactics deployed by Wilson to maintain party unity and shore up Parliamentary

[609] 'Consultations with New Zealand - Record of Plenary Sessions', 24 -25 November 1975, BAC-048-1984/1085, HAEU.
[610] 'Speech given by Eric Deakins', 25 August 1975, FCO 30/2738, TNA.
[611] *The Labour Party Election Manifesto 1974: Let Us Work Together, Labour's Way Out of the Crisis*, London:1974; Aqui, *The First Referendum,* 117-118; Wall, *Rejection to Referendum,* 511.

support. This became especially important after the February election delivered a hung Parliament, with Wilson forming a minority Government only after Edward Heath failed to reach a coalition agreement with Liberal Party leader Jeremy Thorpe and the Ulster Unionists. A further election followed in October, with Labour gaining a slender three seat majority, winning less than 40% of the vote. In retrospect, the terms renegotiated by the British Government in 1975 were insubstantial but were presented by Wilson in a way that generated enough support from Cabinet, Parliament and the public at large to deliver a 67% vote in favour of Community membership in the June 1975 referendum.[612]

In the eyes of many British political elites, New Zealand had a part to play in these British political problems. Why was this? Much of the existing literature has focussed on Harold Wilson and his personal affinity for the Commonwealth.[613] This view has some merit. As noted in Chapter One, Wilson was considered 'a Commonwealth man', an image he cultivated. [614] When journalist Bernard Levin described him as 'not caring' for New Zealand trade in *The Times* in 1972 Wilson, then Leader of the Opposition, had his Parliamentary Private Secretary write to the Editor, outlining his lengthy credentials as an advocate for New Zealand. His claims included arguing strongly on New Zealand's behalf in the Parliamentary debates of 1961; that he was involved in discussions with New Zealand (Labour Party) Opposition leader Walter Nash in the early 1960s; and that he had influenced the famously pro-Commonwealth Hugh Gaitskell's attitude towards Europe. Wilson also pointed to his record of asking Parliamentary questions about New Zealand at the time of the Luxembourg Agreement in July 1971.[615]

By 1975, Wilson was consistently saying that New Zealand's special arrangement was among the most unsatisfactory aspects of Britain's Community membership. His justification for helping New Zealand included claims that, during the 1967 application he sought and gained assurances from European Community leaders that New Zealand's interests would be safeguarded (as discussed in Chapter One), and that he was critical of New Zealand's terms in

[612] Aqui, *The First Referendum,* 117-118; and Wall, *Rejection to Referendum,* 511.
[613] Glen O'Hara and Helen Parr, 'Introduction: the rise and fall of a reputation', *Contemporary British History,* 20:3, (2006), 295.
[614] Pimlott, *Harold Wilson*, 18–20, 433–4.
[615] Letter, Leader of the Opposition PPS to Editor of *The Times* (*London)*, 6 May 1972, reproduced at R20759054, ANZ.

when they emerged in 1971.[616] Wilson argued this obliged him to rectify New Zealand's terms in 1975.[617]

Contemporaries were among those who thought that a better deal for New Zealand was a personal ambition for Wilson in 1975. Ministry of Agriculture, Food and Fisheries (MAFF) Permanent Secretary Frederick Kearns felt New Zealand interests were 'very much in the Prime Minister's mind', and that in the opinion of some ministers, the issue carried great weight in public opinion.[618] New Zealand's Deputy High Commissioner to London Denis McLean was under the impression that Wilson had agreed a common approach in 1971 with fellow Labour Opposition leader Norman Kirk, and that the emphasis on New Zealand in 1975 reflected this.[619] There may be some truth to this. As evidenced previously, Wilson and Kirk met and corresponded in 1971. Their tactical approaches to the question of British membership were similar, questioning the terms rather than membership *per se*. In September 1975 Wilson agreed to personally meet New Zealand Trade Minister Joseph Walding despite a working preference to only receive heads of government, 'because of earlier correspondence with Norman Kirk'.[620] At that point Kirk had been dead for over a year, suggesting Wilson's responsibilities to the former Prime Minister extended beyond the grave.

The prominence of New Zealand in British politics in 1975 was not all driven by the personal predilection of Wilson. The issue of food prices loomed large for the British Government in the renegotiation and referendum, and this drew New Zealand into the political debate. The 1974 Labour Party election manifesto had linked reform of the protectionist elements of CAP and access for the Commonwealth with improved consumer prices. Government rhetoric substantiated this claim, including from Wilson.[621]

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[616] For example, 'New Zealand brief by FCO and MAFF', 11 March 1975, FCO 30/2929, TNA; 'Record of a meeting between the Prime Minister and the Prime Minister of New Zealand, Chequers', 10 February 1975, PREM 16/395, TNA.

[617] 'Record of a meeting between the Prime Minister and the Prime Minister of New Zealand, Chequers', 10 February 1975, PREM 16/395, TNA.

[618] Note of Permanent Secretary's Meeting, 'Protocol 18: Discussions with the New Zealand Government', 13 February 1975, FCO 30/2928, TNA.

[619] 'Record of conversation between Sir Oliver Wright and the NZ High Commissioner [sic], London', 7 February 1975, FCO 24/2153, TNA.

[620] Memo by R.N, Dales, FCO, 'New Zealand Minister for Overseas Trade', 8 September 1975, FCO 30/2738, TNA.

[621] Note, Patrick Wright to Agriculture Minister, 'New Zealand', 4 March 1975, PREM 16/396, TNA. In the document Wilson conveyed that British consumers are paying more for food 'because of the Common Market terms'.

Despite the fact the CAP was not the only contributor to higher prices, a belief permeated the British Labour Party that freer global trade and better access to Commonwealth and developing countries agricultural produce would lead to lower prices at the till, and therefore improved electoral prospects, winning favour from the stereotyped 'British housewife'. This was true for both pro- and anti-marketeers in the Cabinet. Peter Shore, Secretary of State for Trade, was perhaps the most sceptical of the benefits of the Common Market, in part because he saw the Commonwealth as a source of large-scale, cheap but good quality food.[622] This view tended to overlook the surge in world commodity prices in the mid-1970s and the emergence of Asia and the Middle East as trade hubs and consumer markets, which had seen Commonwealth producers increasingly favour export destinations other than Europe. The important (but partial) exception remained New Zealand, the dairy and lamb from which still offered a significant discount to Community prices. This was largely thanks to efficiency gains made by New Zealand farmers and continued agricultural trade protection in North America and Asia, which curtailed world demand.[623]

The Wilson Government continued a long held but consistently thwarted British policy of reforming the CAP, although as Katja Seidel points out, Wilson and Callaghan did not have clear objectives in mind for the renegotiations other than to secure concessions that could be presented as a success to Labour anti-marketeers and the wider public.[624] There was a recognition that CAP reform could alleviate Britain's budget contributions and improve public perceptions of the Community. There was also pressure to assist British farmers struggling with increased fuel and feed prices, weak consumer spending and uncertainty about beef and dairy markets.[625]

As recounted in the previous chapter, the world food crisis solidified political support for the CAP across the Community. This was also true in Britain where, as Robert Saunders demonstrates, the 'Britain in Europe' campaign successfully used the food crisis to deflect anti-Marketeers' arguments that membership was to blame for food price increases. Instead,

[622] Cabinet Memorandum, 'Report on visit to EEC Capitals', 30 April 1974, R20825122, ANZ.
[623] Cabinet Economic Committee, 'Minutes of a Meeting', 20 May 1974, R20827156, ANZ; Easton, *Not in Narrow Seas,* 200-201.
[624] Seidel, 'Britain, the Common Agricultural Policy and the challenges of membership in the European Community: a political balancing act', 186.
[625] 'Report on British Farmers Organisations and the EEC', 17 March 1975, UWK-NS/53, HAEU.

as prices were rising faster outside the Community than inside, they turned it into an argument about the CAP providing food security at reasonable prices.[626]

The Labour Government's first challenge to the CAP came in early 1974, with Britain isolating itself from its Community partners by resisting price increases.[627] Between June 1974 and February 1975 Frederick Peart worked assiduously to make changes to the CAP. His achievements included partial reform of the beef sector, which allowed the UK (and other member states) to effectively continue the deficiency payment system for domestic beef production, funded by £45m via the Community budget.[628] In February 1975 the European Commission issued a report, *Stocktaking of the Common Agricultural Policy,* which prepared for a full review of the CAP later that year. Wilson claimed this as a renegotiation 'win', although it was partly a West German initiative and had been prescribed in the Lardinois Memorandum in 1973.[629] The future prospect of substantial CAP reform remained, even if it would not be achieved before the referendum. This failed to placate anti-Common Marketers in the Cabinet, including Peter Shore and Barbara Castle.[630]

The intersection of New Zealand and the reform of CAP reared up, yet again, on the issue of sheepmeat. In the mid-1970s 40-50% of the UK's lamb imports came from New Zealand and there was a keenness in Whitehall, both at ministerial and official level, to retain a reliable year-round supply at guaranteed, preferably cheap prices.[631] As outlined in Chapters Two and Three, the British Government had repeatedly blocked Irish and French Government attempts to have the Commission introduce a common sheepmeat regime, although it was recognised that this could not be delayed indefinitely. The inclusion of sheepmeat in the CAP was likely to cause problems for New Zealand lamb; however, it was also seen as something of an opportunity within the British Government. There was expectation that, as the Community's largest producer, importer and consumer of lamb, Britain was in a dominant position to influence a new sheepmeat policy. Additionally, this would be the first product introduced to the CAP in which Britain would be involved from inception. It was hoped a

[626] Rob Saunders, *Yes to Europe,* 289–91.
[627] Aqui, *The First Referendum,* 89-90.
[628] Seidel, 'Britain, the common agricultural policy and the challenges of membership', 187-8.
[629] Aqui, *The First Referendum,* 148.
[630] Letter, Peter Shore to James Callaghan, 2 February 1975, PREM 16/409, TNA; Seidel, 'Britain, the common agricultural policy and the challenges of membership', 187.
[631] Cabinet Memorandum, 'Report on visit to EEC Capitals', 30 April 1974, R20825122, ANZ.

liberal sheepmeat policy would provide an example to Community partners that could be applied to other aspects of the CAP.[632] Partly for this reason, Peart and his officials continued to collaborate with New Zealand counterparts to prepare for a prospective common sheepmeat regime throughout 1975.

The Community sheepmeat tariff was a further area of collaboration. Irrespective of sitting outside the CAP, sheepmeat exports from third countries (of which New Zealand was the largest supplier) to the European Community were subject to a steadily increasing tariff over the transition period. This was due to be raised from 12.8% to 15.2% on 1 January 1975, on its way to a maximum of 20% in 1978.[633] In this context, Britain continued to go to considerable lengths to maintain reasonably priced lamb to the British market. In September 1974 Peart agreed with Walding to publicly announce that the British Government would seek to eliminate or reduce the lamb tariff in the European Community.[634]

This position was temporarily discarded during the renegotiation. Peart and Callaghan took the view, encouraged by officials, that pushing too hard for a reduced lamb tariff at the Agricultural Ministers Council in March 1975 would harm broader renegotiation efforts, and potentially precipitate a Common sheepmeat policy, creating problems ahead of the referendum.[635] Pressure on this view came from Cabinet anti-Marketeers such as Peter Shore, who continued to call for lower tariffs to alleviate consumer prices. Pro-Marketers such as Shirley Williams were also concerned.[636] Partly to mollify such opposition and to further help New Zealand, Peart agreed with Callaghan to make a statement about sheepmeat at the Council of Agricultural Ministers on 4 March. This made clear that in the British Government's view, there was 'no necessity in the foreseeable future for a common Community organisation for the marketing of mutton and lamb', and that if one were proposed, it must be satisfactory for Britain and New Zealand. Peart also called the 20% tariff 'unnecessarily high' and said that Britain would seek to eliminate or reduce it at the earliest opportune

[632] 'Minutes of a Meeting of Officials with Eric Deakins', 26 August 1975, R17722938, ANZ.
[633] Note, Avery to David Hannay, 'Mutton and Lamb: Britain moves towards the CET', 4 December 1974, UWK-NS/53, HAEU.
[634] Press Statement, 'Minister Meets New Zealand Minister of Overseas Trade', 12 September 1974, FCO 30/2738, TNA.
[635] Letter, Callaghan to Wilson, 'New Zealand Foodstuffs', 20 February 1975, PREM 16/395, TNA.
[636] Letter, Shirley Williams to Fred Peart, 'New Zealand Foodstuffs', 14 February 1975, PREM 16/395, TNA; Letter, Frederick Peart to Peter Shore, 'Sheepmeat', 26 August 1975, FCO 30/2738, TNA.

time.[637] This position was criticised in the Agricultural Council, but further illustrates the political importance of the lamb trade to Britain, and the alignment with New Zealand interests.[638]

This British position on sheepmeat did not relent after the referendum, which suggests it was more than simply a presentational tactic for the vote. In August 1975, Peart told Peter Shore that 'our own aims remain unchanged. We want to retain for as long as possible our system of guaranteed prices; and we want to eliminate or reduce the tariffs on [lamb] imports from New Zealand'.[639] There was general agreement in Whitehall that the tariff on New Zealand lamb should be reduced, but disagreement on the level. In September 1975 MAFF proposed a quota and 12% tariff on New Zealand lamb, while FCO took a stronger view, pointing to the political advantages of even a small reduction in the tariff and called for a 10% tariff (which was the eventual long-term position).[640] Lamb remained outside the CAP in 1975, thanks to British opposition and differences between Community markets. As covered in the next chapter, Britain continued to advocate on New Zealand's behalf when sheepmeat was finally introduced to the CAP in 1980.

To address its economic problems in 1974-75, the British Government encouraged export growth, seeking freer markets through multilateral trade negotiations, while resisting strong domestic pressure to impose import protections.[641] British attempts to promote export markets did not overlook New Zealand. The South Pacific nation remained a large recipient of British investment, estimated at over £200m at the end of 1973.[642] Trade Minister Eric Deakins visited Wellington in September 1975 to launch the British exhibit at the International Trade Fair. This was attended by 74 British firms, described as an 'excellent' showing by the UK High Commission.[643]

New Zealand markets of particular interest for Britain were motor vehicles and public sector contracts. Thanks to an earlier agreement by the New Zealand Government to retain parts of the Commonwealth preference after British accession (see Chapter Four), British cars

[637] Minister's Statement on Sheepmeat, 'Speaking Note', 4 March 1975, PREM 16/396, TNA.
[638] Letter, Peart to Callaghan, 'EEC: Mutton and Lamb', 10 March 1975, FCO 30/2929, TNA.
[639] Letter, Peart to Shore, 'Sheepmeat', 26 August 1975, FCO 30/2738, TNA.
[640] FCO Note, 'Sheepmeat', 25 September 1975, FCO 30/2738, TNA.
[641] 'Minutes of a Meeting of Officials with Eric Deakins', 26 August 1975, R17722938, ANZ.
[642] 'Country Assessment Sheet: New Zealand', 24 September 1973, FCO 30/2738, TNA.
[643] Note, UKHC Wellington to FCO London, 'British-New Zealand Trade Relations', FCO 30/2738, TNA.

assembled in New Zealand only attracted an 8% tariff in 1975, giving British firms a considerable advantage over Japanese competitors, which were charged a 48% tariff. Likewise, fully British-made cars exported to New Zealand attracted a 20% duty, compared to 55% for Japanese producers. Despite the preferences, British car makers had seen their share of the New Zealand car market fall from 57% in 1973 to approximately 40% in 1975 (around 4% of total UK car exports).[644] Japanese manufacturers had gained a 28% share of the New Zealand car market by 1975 and the Japanese Government was lobbying the New Zealand Government to have British preferences removed.[645]

Alongside the danger to car exports, British officials saw New Zealand public sector contracts as another important interest to protect in 1975. This was particularly true of the Auckland regional bus contract, in which the British Government strongly supported British manufacturer Leyland in its (ultimately unsuccessful) competition with Mercedes. Among other tactics, UK High Commissioner to Wellington David Scott raised the issue with Prime Minister Rowling in a meeting with European Community Ambassadors in May 1975.[646]

Underlining British fears of lost export markets was the prospect of restrictions imposed by the New Zealand Government on imports and immigration. Rowling's Labour Government was under significant pressure to constrain imports to address the trade deficit, but instead resorted to overseas borrowing and currency devaluation. This induced criticism from National Party leader Robert Muldoon, who was in favour of import restrictions. Scott found himself in a political storm in November 1975 when he used his farewell address to an Auckland business audience to say he hoped the New Zealand Government, like the British one, would not resort to import controls.[647] This prompted a sharp rebuke from Muldoon, who told journalists 'I regard it as extremely disappointing that a diplomatic representative of the UK would make a public statement bearing on issues being debated in a New Zealand election campaign… If Sir David is correctly reported his statement represents a gross breach of accepted diplomatic conduct'.[648]

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[644] Report to the Cabinet Economic Committee, 'Tariffs on Motor Vehicles and Related Automotive Products', 23 December 1975, R17722938, ANZ.
[645] Dai Hayward, 'Pressure to increase NZ duty on British cars', *Financial Times,* 8 September 1975.
[646] Telegram, UKHC Wellington to FCO London, 'Protocol 18', 3 May 1975, FCO 24/2151, TNA.
[647] Telegram, UKHC Wellington to FCO London, 'Auckland Speech', 7 November 1975, FCO 24/2151, TNA.
[648] Telegram, UKHC Wellington to FCO London, 'Muldoon's Comments', 7 November 1975, FCO 24/2151, TNA.

In this context, the UK Department of Trade and Industry increasingly pressured New Zealand ministers and officials to avoid import restrictions, to maintain protection for British car exports, and to look favourably on British bids for public sector contracts. As they saw it, this would reciprocate for the UK Government's considerable efforts on behalf of New Zealand in European Community negotiations.[649] British trade officials also felt periodic European Community price reviews for New Zealand dairy exports were preferable over a system automatically linked to Community intervention prices, as it would give more opportunities for the UK to apply leverage to the New Zealanders on other trade matters.[650] It is a further example of the structure of New Zealand's special arrangement with the European Community inducing greater contact between the two Governments.

Beyond economic concerns, the British Government retained an interest in New Zealand's defence policy and operations. It published a major defence review in March 1975 which recommended the withdrawal of personnel from Southeast Asia for which it was hoped that, in part, Australia and New Zealand would pick up the slack.[651] Visits to New Zealand in 1975 included those by the UK Chief of Air Staff Sir Andrew Humphrey, Adjunct General of the British Army Sir Cecil Blacker, First Sea Lord Admiral Sir Edward Ashmore, and representatives of the Royal College of Defence Studies. These were augmented by Tasmanex, a joint exercise involving New Zealand, Australia and British naval ships and aircraft in the Tasman Sea in November 1975.[652] Importantly for Britain, New Zealand remained a partner in the five power defence arrangements for Malaysia, Singapore and in SEATO and ANZUS, despite calls from within the New Zealand Labour Party for the Government to withdraw.[653]

British ministers and officials also encouraged the New Zealand Government's proactive engagement with the South Pacific region.[654] Britain hoped New Zealand and

[649] 'Country Assessment Sheet: New Zealand', September 1975, FCO 30/2738, TNA.
[650] Letter, P. Gent to D.H. Andrews, 'Access for New Zealand Dairy Products', FCO 30/2738, TNA.
[651] Robert Saunders, *Yes to Europe,* 276; 'Country Assessment Sheet: New Zealand', 24 September 1975, FCO 30/2738, TNA.
[652] 'New Zealand Annual Review for 1975', FCO 24/2315, TNA.
[653] 'Country Assessment Sheet: New Zealand', 24 February 1975, FCO 30/2738, TNA; 'Record of a meeting between the Prime Minister and the Prime Minister of New Zealand, Chequers', 10 February 1975, PREM 16/395, TNA.
[654] Greg Fry, *Framing the Islands: Power and Diplomatic Agency in Pacific Regionalism,* (Canberra:2019), 128; Terence O'Brien, 'Facing the Challenge of New Zealand's near abroad', *New Zealand International Review,* 35:2, (2010), 21.

Australia would mitigate British withdrawal from the region and retain western influence, post decolonisation. New Zealand's aid budget peaked at 0.55 of Gross National Product in 1975-76, an effective doubling since 1973, with just over half (£18.5m) going to the South Pacific.[655] This met with British approval and was sometimes delivered jointly with Britain.[656]

New Zealand Government objectives in 1974-75

Throughout 1975 the New Zealand Government's priority was managing the economy, which was buffeted by international events. New Zealand's terms of trade had fallen to the lowest levels since the Great Depression, there was a record deficit on current account (NZ$1,068m for year ending April 1975) and an inflation rate of around 13%. The long-term policy aspiration of zero unemployment no longer seemed tenable, putting considerable political stresses on the Labour Government and hardship on the population. Hoping for a rebound in export prices, the New Zealand Government financed the deficit by running down reserves and by overseas borrowing, with loans totalling NZ$912m in the year ending 30 November 1975. The NZ Dollar was devalued by 15% in August 1975.[657]

This saw economic management become the foremost issue for the November 1975 General Election. The Government's efforts were criticised by the resurgent National Party opposition as 'borrow, boom and bust', with Muldoon advocating for import controls and greater support for exporters.[658] New Zealand was strident in seeking reduction of global barriers to agricultural trade; however, given the parlous state of the economy it sought to retain protections of its own small manufacturing and industrial base via tariffs and an import licensing system. This duplicity did not go unnoticed in London, Brussels and at the GATT in Geneva, all of which pressured Wellington to reduce barriers to manufactured imports.[659]

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[655] McKinnon, *Independence and Foreign Policy*, 267; and Ron Crocombe, *Pacific Neighbours: New Zealand's relations with Other Pacific Islands,* (Christchurch:1992), 71.

[656] Note. S.G. Cook to R.M. Jackson, 'Briefing for Mr Rowlands visit to the Pacific', 27 August 1975; 'Brief for Mr Rowlands Visit to the Pacific', 28 August 1975, both documents at FCO 30/2738, TNA; 'New Zealand Annual Review for 1975', FCO 24/2315, TNA.

[657] Easton, *Not in Narrow Seas,* 381-2; 'New Zealand Annual Review for 1975', 1 January 1976, FCO 160/176, TNA.

[658] Letter, S.G. Cook to Bevan and PS of Roy Hattersley, 'Call on the new Minister of State by the New Zealand Minister of Overseas Trade', 9 September 1975, FCO 30/2738, TNA.

[659] Cabinet Economic Committee, 'Minutes of a Meeting', 29 January 1975, R20825122, ANZ; 'Statement by the representative of New Zealand to GATT', 23 June 1975, MTN/DP/W/1, GATT, online at: https://exhibits.stanford.edu/gatt/catalog/kh477zg8886; 'Speech given by Eric Deakins', 25 August 1975, FCO

Wallace 'Bill' Rowling assumed the role of Prime Minister after Norman Kirk's death in September 1974. Rowling's closest contender in the leadership contest was Deputy Prime Minister Hugh Watt who, after missing the top job, was moved to London to become High Commissioner. This retained the tradition of having high-ranked political appointees in that role and was presented to the British as a reaffirmation of the importance of ties between the countries. In reality, it was motivated by political expediency during a Cabinet reshuffle. Unusually, Watt kept his cabinet rank and MP status while in London.[660]

Rowling was from a farming family. Before entering politics, he spent time as an economics lecturer before serving abroad in a military capacity in Singapore during the Malaya Emergency. He was perceived by the UK High Commission to be 'a deep and able man', more attentive to economic management, trade and foreign relations than the national populist Kirk, who the High Commissioner described as treating such topics with 'disdain'.[661]

Like its predecessors, Rowling's Labour Government saw exports to Britain as one of the keys to rectifying its economic problems, viewing these as indispensable to navigate the short-term payments crisis and as a longer-term base for economic diversification.[662] There was no desire to return to over-dependence on exports to Britain. However, the New Zealand Government continued to make clear to British officials and ministers that it wanted a large and stable part of the British food market, even as it diversified elsewhere.[663] Knowing the British were vexed by rising food prices, an important part of New Zealand's messaging was that it could produce quality food at lower prices than other nations. Complicating this was the objective of increasing export prices to reasonable levels, not least to improve the balance of trade and farmer returns. The New Zealand Government was also keen for an enduring export arrangement with Britain and the European Community, not one that would patch over the short-term economic problems.[664]

30/2738, TNA; Note, Leslie Fielding to Hijzen, 'Protectionism in New Zealand: Need for bilateral consultations', 16 March 1976, BAC-048-1984/1085, HAEU.

[660] 'Brief for the Call by the Hon R.D. Muldoon MP, Leader of the Opposition in New Zealand', 13 March 1975, FCO 30/2929, TNA.

[661] John Henderson. 'Rowling, Wallace Edward - Biography', *Dictionary of New Zealand Biography*, https://teara.govt.nz/en/biographies/6r1/rowling-wallace-edward; 'New Zealand Annual Review for 1975', 1 January 1976, FCO 160/176/14, TNA.

[662] 'Minutes of a Meeting of Officials with Eric Deakins', 26 August 1975, R17722938, ANZ.

[663] Cabinet Economic Committee, 'Minutes of a Meeting', 28 May 1974, R20827156, ANZ.

[664] Cabinet Memorandum, 'Report on visit to EEC Capitals', 30 April 1974, R20825122, ANZ.

New Zealand ministers continued to publicly affirm the relationship with Britain for political and economic purposes. In February 1975 Rowling told Wilson that 'the last thing New Zealand wanted was to turn her back on Britain and the Commonwealth', confirming New Zealand's commitment to SEATO, the Five Powers Defence Arrangement, ANZUS and aid in the South Pacific, all of which were in Britain's interests.[665] Rowling invited Wilson to visit New Zealand on several occasions. The British Prime Minister never made the trip, despite telling Rowling 'there is nothing I would like more' in March 1975.[666] In the estimation of the British High Commissioner in Wellington, the New Zealand Government was 'warmly (although quietly) appreciative of British efforts in the European Community context'. Ties were strengthened in other areas too, such as the joint British Airways / Air New Zealand DC10 air service between London and Auckland, via Los Angeles, inaugurated on 8 February 1975.[667]

Although the New Zealand Labour Party was less beholden to the farming sector than the National Party, it also felt pressure from agricultural interests, who were suffering from inflation and diminished returns. In January 1975 New Zealand Agriculture Minister Colin Moyle announced a NZ$45m programme to stabilise the incomes of New Zealand sheep farmers.[668] The Chairman of the Dairy Board was integral to the setting of New Zealand's policy objectives during the renegotiation, arguing strongly for continuity of dairy trade and improved pricing, which Ministers took forward into talks with British counterparts.[669]

The timing of the General Election also saw New Zealand ministers and officials press their British and European counterparts for a speedy solution. It was desirable for the Commission to publish an anticipated report on post-1977 New Zealand dairy arrangements by July 1975, so it would be considered by Community Governments before the summer recess. This offered hope of agreement at the November Agricultural Council, thereby delivering a win for New Zealand ministers during the election campaign.[670] The

[665] 'Record of a meeting between the Prime Minister and the Prime Minister of New Zealand, Chequers', 10 February 1975', PREM 16/395, TNA.
[666] Letter, Wallace Rowling to Harold Wilson, 1 March 1975; Letter, Harold Wilson to Wallace Rowling, 4 March 1975, FCO 30/2929, TNA.
[667] 'New Zealand: Annual Review for 1975', FCO 24/2315, TNA.
[668] Ibid.
[669] Cabinet Economic Committee, 'Minutes of a Meeting', 29 January 1975, R20825122, ANZ.
[670] Letter, NZ Ambassador Brussels to Christopher Soames, 22 April 1975, BAC-048-1984/1085, HAEU.

Government's need for speed was encouraged by leader of the Opposition Muldoon, who stated New Zealand should have 'bankable assurances' on British trade access by the time of the referendum, to maximise its political leverage.[671]

Rowling was mostly non-committal on the merits of British membership of the European Community, often arguing it was 'a choice for Britain'. This approach represented continuity from the early 1960s. It encouraged Britain to seek the best deal possible for fear of public rebuke by New Zealand ministers. On rare occasions, Rowling disclosed that continued British membership of the Common Market would be in New Zealand's interests, which was noticed with approval in Whitehall. This included a press conference in Paris in February 1975, from which Rowling was quoted in the official referendum pamphlet mentioned at the start of this chapter.[672] Greater positivity towards British membership partly distinguished Rowling from Kirk who, as already noted, tended to be privately acerbic about Britain's Community membership (a view perhaps shared by Joseph Walding). Rowling's position was echoed by Muldoon, who in a meeting with British junior Foreign Minister Roy Hattersley declared himself 'pro-market' for economic reasons, and that he would 'not rock the boat' in renegotiations.[673]

Rowling and other ministers made clear to British counterparts that they saw a renegotiated post-1977 arrangement for New Zealand dairy 'as a package', meaning that if objectives were not met in one aspect of the renegotiation, then this would be weighed against the other factors before deciding whether New Zealand would publicly support the revised terms.[674] Nonetheless, it was clear that pricing was of primary importance, due to the ongoing economic problems. After months of lobbying, a price rise of 18% for New Zealand butter and cheese had been secured in the European Community Agriculture Council in November 1974. This was a satisfactory result, close to the 20% which Peart had argued for.[675]

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[671] Telegram, UKHC Wellington to FCO London, 'New Zealand and the EEC', 24 April 1975, FCO 24/2153, TNA.
[672] Telegram, UK Embassy Paris to FCO London, 'Renegotiation: New Zealand', 22 February 1975, FCO 30/2928, TNA; and *Britain's New Deal in Europe,* HM Government, 1975, online at: https://digital.library.lse.ac.uk/objects/lse:fug282yox.
[673] 'Record of Conversation between Minister of State and the New Zealand Leader of Opposition', FCO 30/2929, TNA.
[674] Note, Frederick Peart to the Prime Minister, 'New Zealand', 3 March 1975, FCO 30/2929, TNA.
[675] Note, G.J.L. Avery to Christopher Soames, 'Agricultural Council', 20 November 1974, UWK-NS/53, HAEU; Document de travail, 'Proposition de reglement (CEE) du Conseil modifiant le reglement (CEE) No. 226/73', 12 November 1974, BAC-48-1984/415, HAEU.

Despite this, New Zealand's dairy export prices were still 46% below the intervention price paid to European Community producers.[676]

As New Zealand officials saw it, the ongoing problem of the fixed dairy price was its inability to respond to inflation, currency fluctuations or changes to the Community's intervention price. Because of this New Zealand proposed to automatically tie the price paid to New Zealand exporters to a percentage of the Community intervention price, meaning as the price of butter set by the Agricultural Council went up in its annual reviews (as it almost invariably did), New Zealand's export receipts would go up proportionately. This would have the dual purpose of improving returns and reducing ongoing political remonstrations required in Brussels and London to induce price movements for dairy exports. The importance of price improvements was underscored by the New Zealanders' indication that they would be willing to give way on quantities and duration to secure an adequate pricing arrangement, which was 'of paramount importance'.[677]

Beyond pricing, there was a desire to extend arrangements for New Zealand dairy exports for as long as possible. This would provide the farming sector with certainty and establish a large foothold in the UK dairy market beyond the transition period, due to finish at the end of 1977. New Zealand ministers initially proposed a five-year extension, although the final British brief for the renegotiation aimed for three years, ending in December 1980.[678] Closely linked to duration was the New Zealand objective of ending the annual diminishment of butter and cheese export quantities specified in the Luxembourg agreement, known as 'degressivity'.[679] Arguments on this were made difficult by New Zealand's failure to fully meet its quota allowances in 1973 and 1974, although as New Zealand negotiators explained, this was due to temporary market openings elsewhere and the unsatisfactory prices, which gave incentive to export elsewhere.[680] New Zealand also sought access for 'milk equivalent', providing the ability to interchange butter and cheese exports based on market conditions.[681]

[676] 'New Zealand Annual Review for 1975', 1 January 1976, FCO 160/176/14, TNA.
[677] Cabinet Economic Committee, 'Minutes of a Meeting', 19 January 1975, R20825122, ANZ.
[678] Cabinet Economic Committee, 'Minutes of a Meeting', 29 January 1975, R20825122, ANZ; 'New Zealand brief by FCO and MAFF', 11 March 1975, FCO 30/2929, TNA.
[679] 'New Zealand Annual Review for 1975', FCO 24/2315, TNA.
[680] Cabinet Economic Committee Memorandum, 'NZ/EEC: British Renegotiation Dairy Products', 28 January 1975, R20825122, ANZ.
[681] Letter, Callaghan to Wilson, 'New Zealand Foodstuffs', 19 February 1975, PREM 16/395, TNA.

Beyond dairy, New Zealand ministers and officials sought to retain traditional British lamb exports, which were undergoing a particularly tough time because of increased costs and depressed world prices. This had been induced by the oil crisis. Most of the Northern Hemisphere meat herds were 'corn-fed' and heavily oil intensive. The spike in the cost of animal feed and transport led to a culling of herds, with the meat unloaded onto world markets, sharply deflating prices.[682] New Zealand ministers and officials asked their British counterparts to make the case with the European Commission and Council of Agricultural ministers to reduce the tariff on New Zealand lamb and to stave off its introduction into the CAP. New Zealand also pressed the case directly with the Commission.[683] Like Britain, New Zealand was preparing to launch a campaign to protect its interests in the seemingly inevitable event that lamb exports to Britain would be included in the CAP.[684]

Part of New Zealand's strategy in 1975 was to broaden and deepen its relations with the European Community. This was not straightforward. Since the early 1960s, interaction was overwhelmingly predicated on New Zealand's requests for agricultural access, to the detriment of other areas of potential collaboration. In November 1974 New Zealand officials again reviewed and discounted the prospect of New Zealand becoming an associate of the European Community, a status achieved by Turkey, Greece, Austria and others. It was concluded the Community would be unlikely to agree such concessions to a distant and developed country and even if it did, it would likely exclude agricultural products and require New Zealand to open its nascent manufacturing and industrial base to competition. It was also felt that Associate status might harm New Zealand's chances of multilateral concessions via the GATT, which was still seen as the best long-term prospect for opening the Common Market to New Zealand exports.[685]

Nevertheless, an enhanced relationship with the European Community was seen as advantageous. In July 1974 the New Zealand Ambassador in Brussels Ian Stewart canvassed

[682] Easton, *Not in Narrow Seas*, 381-2.
[683] 'Consultations with New Zealand - Record of Plenary Sessions, 24 and 25 November 1975', BAC-048-1984/1085, HAEU.
[684] 'Record of meeting between the Minister of State and the New Zealand Minister of Overseas Trade', 10 September 1975, FCO 30/2738, TNA; Cabinet Economic Committee Memorandum, 'New Zealand/EEC: Lamb', 8 July 1975, R20825122, ANZ.
[685] Cabinet Economic Committee Memorandum, 'Association of New Zealand with the EEC', 22 November 1974, R20825122, ANZ.

Christopher Soames, External Affairs Commissioner, on the potential of informal annual talks at official level alternating between Brussels and Wellington (with similar talks inaugurated for Australia at the same time). This would be similar to twice-yearly talks already established by the Commission with Canada. The Commission's response was grudging. It saw little economic benefit from improved relations with Australia and New Zealand, unlike those with Canada, a major supplier of raw industrial materials. There were concerns about setting precedents for other countries. Nevertheless, it was felt that talks would assist the political situation in the United Kingdom, and that New Zealand had demonstrated itself a reliable partner in GATT, OECD, UN, and other multilateral institutions.[686] Eventually it was decided that talks would commence from late 1975. Soames visited New Zealand in September 1974, at which point the regular informal talks were announced. Through Soames' visit New Zealand ministers made clear they saw the European Community as an important part of their foreign policy and wanted collaboration in areas of mutual interests, such as the South Pacific and in multilateral organisations.[687] The first meetings of New Zealand and Commission officials took place in Brussels on 24 and 25 November 1975. As well as agricultural trade access, the agenda included discussions on multilateral trade negotiations, defence, aid, industrial development and relations with third countries.[688]

New Zealand, renegotiation and the Dublin Summit

For the British Government, New Zealand was initially a peripheral issue for their renegotiation of terms of British membership in the European Community in 1974. There was no specific mention of it in the 1974 Labour Party election manifesto, although of course support for New Zealand was implicit in the policy priorities of Commonwealth relations, the CAP, and cheaper food. Improvements for New Zealand trade was mentioned in Callaghan's statements to the Foreign Council in April and June 1975; however, for most of 1974, both he and Wilson seemed willing to leave this task to Agriculture Secretary Frederick Peart. Peart's

[686] Note, Th. Hijzen to E.P. Wellenstein, 'Constructive Dialogue with New Zealand and Australia: Desirability, feasibility and implications', 10 July 1974, BAC-048-1984/1085, HAEU.
[687] Rapport sur le voyage de Sir Christopher Soames, 7 October 1975, BAC-048-1984/1085, HAEU; Cabinet Economic Committee Memorandum, 'Discussions with Sir Christopher Soames', 9 September 1974, R20825122, ANZ.
[688] Note, 'Consultations regulières a haut niveau Commission / Nouvelle-Zélande', 10 November 1975; Note, Leslie Fielding to D.H.A. Hannay, 'Constructive dialogue with New Zealand and Australia', 10 July 1974; 'Consultations with New Zealand - Record of Plenary Sessions 24 and 25 November 1974', BAC-048-1984/1085, HAEU.

calm and considered approach had won trust, respect and several valuable policy concessions from his European Community counterparts in 1974.[689]

The New Zealand Government was largely content with this. New Zealand officials advised their ministers to stay distanced from the renegotiation and referendum and let the scheduled review of Protocol 18 take its course in 1975 via the European Commission and Council of Agriculture Ministers. It was a view also shared by opposition leader Muldoon.[690] There was a fear that if New Zealand gained prominence in yet another set of negotiations on British membership it would further cement its reputation as a problematic *démandeur* in European capitals, hampering diplomatic efforts to broaden its relations with the Community. Moreover, there were concerns that, if either the renegotiated terms proved unsatisfactory for Britain or the referendum returned a negative result, possibly fracturing the Labour Government in Britain in the process, then New Zealand would be fingered as a culprit on both sides of the English Channel, putting it in a very difficult diplomatic position.[691]

Both the British and New Zealand approach changed drastically from late 1974. The impetus for this largely came from UK Foreign Secretary James Callaghan. In March 1974, Wilson had cleverly appointed Callaghan, a self-professed agnostic towards European membership, to lead the bulk of the renegotiation from the FCO. Callaghan also chaired the ministerial Committee on European Questions, one of two key committees established by Wilson from March 1974 to administer the renegotiation.[692] In April 1974 Callaghan had initially taken an aggressive stance towards improved terms. This softened throughout the year, in part through the advice of officials keen to preserve a route to a successful renegotiation and partly because of negative reaction from within the Community. In June, Callaghan delivered a statement to the Council of Foreign Ministers saying Britain would not seek substantial changes to the CAP and the budget, almost certainly removing the need for

[689] Document de travail, 'Declaration faite par le Ministre britannique de l'agriculture', 18 June 1974, BAC-48-1984/415, HAEU; Aqui, *The First Referendum,* 148.
[690] Report of meeting between Robert Muldoon and Christopher Soames in Brussels, 'New Zealand', 4 March 1975, FCO 30/2929, TNA. The European Community report is at 'Report from Meeting of Robert Muldoon, NZ Leader of Opposition, with Sir Christopher Soames', 4 March 1975, UWK-NS/53, HAEU.
[691] Cabinet Economic Committee Memorandum, 'NZ/EEC: British Renegotiation Dairy Products', 28 January 1975; Cabinet Memorandum, 'Report on visit to EEC Capitals', 30 April 1974, both at R20825122, ANZ; 'Record of conversation between Sir Oliver Wright and the NZ High Commissioner [sic] in London', 7 February 1975, FCO 24/2153, TNA.
[692] Wilson craftily gave pro-marketeers majorities in both committees. See Aqui, *The First Referendum,* 120.

Treaty changes, and thereby vastly improving the prospects of reaching agreement on the renegotiated terms.[693]

Callaghan's June statement noted 'we shall need satisfactory and continuing arrangements for New Zealand [dairy]'.[694] This came alongside an emphasis on sugar, which had been stockpiled and rationed over the British summer, and beef.[695] However, Peart's corresponding statement in June suggested that the New Zealand aspects would be pursued in the Agricultural Council once the review of Protocol 18 and proposal for ongoing arrangements were presented by the European Commission.[696] Until late 1974 it was assumed that, if a declaration on New Zealand was to be issued by the European Community at the Dublin Summit of March 1975, it would be vague and limited.[697]

At Wilson's request, in November 1974 the Cabinet Office produced a review of progress on the renegotiations. On New Zealand, it found there was a reasonable chance of achieving extended arrangements for butter, although cheese was more difficult.[698] The prospect of success for New Zealand may have piqued the interest of Callaghan, who wrote to Wilson on 20 December 1974 suggesting a solution for New Zealand be prioritised in the renegotiation. Callaghan wrote that even though the benefits to the British housewife (meaning reduced retail prices) were unclear, there were evident domestic political advantages in the Government talking about sourcing additional cheap food from across the Commonwealth. This, according to Callaghan, was weighed against New Zealand's reluctance to be seen as 'cheap food suppliers', with Australia still less so. The 'cheap food' rhetoric also potentially antagonised the French Government, which was conscious of preserving CAP principles, thus jeopardising a successful outcome at the Dublin Summit. The solution, Callaghan felt, was focussing on select Commonwealth products that would not upset the principles of the CAP, improving the chance of success. Arrangements for New Zealand butter and cheese were among the most appealing of these, as the Treaty of Accession prescribed a

[693] Ibid., 126.
[694] Telegram, FCO London (Callaghan) to UK Embassy Paris, 'Renegotiation: New Zealand', 18 February 1975, FCO 30/2928, TNA.
[695] Aqui, *The First Referendum,* 126, 134-136.
[696] Document de travail, 'Declaration faite par le Ministre britannique de l'agriculture', 20 June 1974, BAC-48-1984/415, HAEU.
[697] Cabinet Economic Committee, 'Minutes of a Meeting', 29 January 1975, R20825122, ANZ.
[698] Wall, *From Renegotiation to Referendum,* 552.

review in 1975 in any case. Callaghan felt that the Government could present a good record on the Commonwealth overall if it delivered a mix of product-based results, including New Zealand dairy and sugar, in addition to the arrangement for developing Commonwealth countries and emergency aid for Bangladesh and India.[699] This approach showed that Callaghan had largely reached the same conclusion as the Macmillan Government in 1962. Wilson, for reasons previously explained, was personally disposed to New Zealand's concerns and assented to Callaghan's proposal. Starting with a speech by Wilson to Labour Mayors in December 1975, the language on New Zealand changed to reinforce its newfound political importance.[700]

Callaghan and Peart assembled an initial proposal to take to the New Zealanders for their feedback.[701] The elevation of New Zealand dairy to the forefront of the renegotiation came as a surprise in Wellington. In late January (traditionally a quiet, mid-summer month), New Zealand officials were given only two days over a weekend to respond to the British proposal. This sought, on New Zealand's behalf, annual price reviews and non-degressive annual fixed quantities of around 160,000 tons of 'butter equivalent', a phrase designed to get around Protocol 18's lack of specificity on cheese. After hurried consideration, the New Zealand Cabinet Economic Committee felt the new situation provided New Zealand with 'an unexpectedly strong bargaining position', as a majority of British ministers wanted to stay in the Community, so would seek a good outcome for New Zealand to achieve this. Preparations were made for Prime Minister Rowling and Trade Minister Walding to visit London and Community capitals in February and March respectively, seeking an arrangement for a minimum of five years and proportionately linking the price received for New Zealand dairy exports to the Community intervention price.[702] Even though the new British proposal was embraced, New Zealand ministers and officials made clear in meetings in Community capitals that London was the driving force. They aimed to protect New Zealand's reputation in the event of a failed renegotiation or 'no' vote in the referendum. This was to the chagrin of

[699] Note, Callaghan to Wilson, 'Access for Commonwealth Food', 6 December 1974, PREM 16/395, TNA.
[700] 'Record of a meeting between the Prime Minister and Sir Christopher Soames', 6 March 1975, PREM 16/409, TNA.
[701] 'New Zealand brief by FCO and MAFF', 11 March 1975, FCO 30/2929, TNA.
[702] Cabinet Economic Committee, 'Minutes of a Meeting', 29 January 1975, and Cabinet Committee on Policy and Priorities, 'Minutes of Meeting', 5 February 1975, both at R20825122, ANZ.

Downing Street and Whitehall, where it was seen to undermine the negotiation position with European partners.[703]

The elevation of New Zealand to the forefront of the renegotiation at a relatively late stage was not welcomed in Brussels. As Aqui has shown, the European Commission was generally an ally to the UK through the renegotiation.[704] However, it was initially hostile to a detailed agreement on New Zealand at the Dublin Summit on 10-11 March 1975. This seemed an objection on procedure, as much as principle. The view, articulated by President François-Xavier Ortoli, Soames and others, was that it was for the Commission, not the heads of government, to deliver the review of Protocol 18 and to propose the ongoing import arrangements for New Zealand. The Commission also objected to setting import prices for an important commodity three to five years in advance, preferring to reserve pricing decisions until closer to the time to account for market changes. There was also concern that British proposals on New Zealand dairy would not be accepted in Community capitals, placing the entire renegotiation, and therefore British membership, in peril.[705]

Several European Community capitals also had a negative response to the late proposal on New Zealand dairy. Unsurprisingly French Ministers expressed disapproval, especially on the proposed price remedy, which they felt would heighten the 'butter mountain'. However, there were suggestions from Paris that compromises could be made on butter quantities.[706] The Republic of Ireland Government was also negative, while the Netherlands Government objected more to the proposed quantities than increased prices (an inverse of the French position).[707] The West German Government, strongly in favour of continued British membership, was more positive on New Zealand, to the extent it proposed its own quantity formula for butter. However, this was a transitional arrangement, rather than

[703] Note, South West Pacific Department, FCO to UK Embassy Ireland, 'Renegotiation and New Zealand', 26 February 1975, FCO 30/2929, TNA.
[704] Aqui, *The First Referendum,* 131.
[705] Telegram, UKREP Brussels to FCO London, 'Renegotiation: New Zealand: Talk with President of the Commission', 23 February 1975, and Telegram, UKREP Brussels to FCO London, 'Renegotiation: New Zealand' 23 February 1975, both at FCO 30/2928, TNA.
[706] Telegram, UK Embassy Paris to FCO London, 'Renegotiation: New Zealand', 21 February 1975, PREM 16/395, TNA; Telegram, UK Embassy Paris to FCO London, 'Renegotiation: New Zealand', 22 February 1975, FCO 30/2928, TNA.
[707] Telegram, UK Embassy The Hague to FCO London, 'Renegotiation: New Zealand', 4 March 1975, PREM 16/396, TNA.

a permanent one.[708] The only unequivocally positive responses came from Italy and Luxembourg.[709]

The negative reaction from Europe, especially President François-Xavier Ortoli in Brussels, induced UK Permanent Representative in Brussels Michael Palliser to write to Callaghan saying, 'New Zealand could be the straw that broke the donkey's back, maybe' (as noted in the Chapter's introduction). Palliser was concerned that France and FRG may use the New Zealand issue to prevent meaningful progress on the budget, and that without Commission support the Dublin talks would fail.[710] Other officials cautioned Wilson and Callaghan that pressing hard on New Zealand dairy was not necessarily in Britain's interests, and that the importance of a special arrangement for New Zealand had diminished through economic diversification.[711] Such official caution on New Zealand was reminiscent of 1971, when Con O'Neill and other advisors were less inclined to push for satisfactory terms for New Zealand, relative to their political masters (see Chapter Two).

It was not only officials who raised concerns. Chancellor of the Exchequer Denis Healy wrote to Wilson a week ahead of the Dublin Summit, urging the Prime Minister to dilute the draft political statement on New Zealand to help secure a better solution for Britain on the budget mechanism. Healey contrasted a costly arrangement for New Zealand with improvements to the budget mechanism, which would benefit the Treasury by over £100m a year.[712] Others in the Cabinet were unsure too, with junior Foreign Minister Roy Hattersley arguing for 'realism' in the objectives for New Zealand.[713] Peter Shore and Shirley Williams were among the Cabinet ministers suggesting arrangements for Commonwealth producers and improvements to the CAP did not go far enough.[714]

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[708] Telegram, UK Embassy Bonn to FCO London, 'Renegotiation: New Zealand', 21 February 1975, FCO 30/2928, TNA; Telegram, UK Embassy Bonn to FCO London, 'Renegotiation: New Zealand', 24 February 1975, PREM 16/395.
[709] Telegram, UK Embassy Rome to FCO London, 'Renegotiation: New Zealand', 26 February 1975; Telegram, UK Embassy Luxembourg to FCO London, 'Renegotiation: New Zealand', 24 February 1975, both at FCO 30/2928, TNA.
[710] Telegram, UKREP Brussels to FCO London, 'New Zealand: Renegotiation'. 18 February 1975, ibid.
[711] 'FCO Brief for the Visit of the Prime Minister of New Zealand', 10 February 1975, ibid.
[712] Note, Dennis Healey to Harold Wilson, 'Renegotiation: New Zealand and the budget', 6 March 1975, FCO 30/2929, TNA.
[713] 'Record of a meeting between the Prime Minister and the Prime Minister of New Zealand, Chequers', 10 February 1975, PREM 16/395, TNA.
[714] Letter, Peter Shore to James Callaghan, 2 February 1975, PREM 16/409, TNA.

Wilson, Callaghan and Peart strongly pushed back against the Commission, European Community member states, and their own officials by re-emphasising the great political importance of securing an enhanced arrangement for New Zealand.[715] Wilson wrote to each of the Community Governments, restressing the political importance of getting an adequate solution for New Zealand.[716] Callaghan responded to Palliser's donkey metaphor by saying the pressure must be maintained on President François-Xavier Ortoli as 'this is a case of political necessity and I hope the Commission won't interpose itself unduly, or we will be heading for the rocks'.[717]

Callaghan was also unhappy at officials' suggestions the British Government should accept a diluted formula on New Zealand (along the lines proposed by FRG) to help secure a better outcome on the budget. After Deputy Permanent Secretary Oliver Wright had written as much to Wilson, Callaghan wrote to his Prime Minister to say it was 'not good enough. I don't think there should be any "trade off" here. In my view we should put our statement in and then fight for it and, if necessary, break down. And we should go all the way on the budget too… if it appears in the press, that will be all the more reason for standing fast on the wording [for New Zealand] or its equivalent'.[718]

Such bullishness emphasises the political importance assumed by New Zealand, although there was some evidence of Wilson and Callaghan softening their approach to ensure the best chance of agreement at Dublin. At the Summit, Britain sought a declaration of political intent, rather than a statement that established policy, to avoid any suggestion of eroding the Commission's policy-making powers. Wilson, Callaghan and Peart also pressed the New Zealanders to ensure that their demands conformed to what the British considered realistic. Before Rowling headed to London in February 1975, New Zealand's Cabinet Economic Committee agreed he should seek continued non-degressive exports of 160,000 tonnes of milk fat equivalent for five years after 1977, with 40,000 tonnes of this to be cheese, and a price formula linked to the Community intervention price (the level of which should be

[715] Telegram, FCO London (Callaghan) to European Community Posts, 'Renegotiation: New Zealand', 20 February 1975, PREM 16/395, TNA.
[716] Telegram, FCO London to Bonn and other EEC posts, 'Renegotiation', 27 February 1975, FCO 30/2929, TNA.
[717] Callaghan quoted in: Note, P.J. Weston to Braithwaite, 'Renegotiation: New Zealand', 24 February 1975, FCO 30/2928, TNA.
[718] Note, P.J. Weston to Butler, 'New Zealand', 26 February 1975, FCO 30/2928, TNA.

agreed in discussion with Wilson).[719] After Rowling and Walding's discussions with British counterparts, the target quantity for Dublin was revised down to 120,000 tons per year over three years, with no or very limited degression.[720]

On price, Walding suggested to Soames in Brussels that New Zealand butter exports be accorded 76% of the Community intervention price on an ongoing basis from 1978 (up from the current 46% level), to which Soames reacted negatively.[721] Although the New Zealanders suggested this was just a negotiating mark, mention of such a high price annoyed Callaghan and senior officials, who were keen to present a New Zealand solution as alleviating high food prices. Callaghan brusquely told Walding that he did not want food from New Zealand that was as expensive as Community food, not least because the Chancellor of the Exchequer would not permit the balance of payments costs involved.[722] British ministers and officials were also irked by New Zealand's (accurate) comments in Community capitals that it was London, rather than Wellington, behind the elevation of New Zealand onto the Dublin Summit agenda. [723]

Partly to impose some discipline on the New Zealanders, Peart and his officials prepared a secret memorandum of understanding between the British and New Zealand Governments, to be agreed by the respective Prime Ministers. This outlined what Britain was prepared to seek on New Zealand's behalf prior to and at the Dublin Summit.[724] Even though it was intended to be flexible, and Peart made clear that some objectives may not be achieved, the memorandum represented a substantial British commitment towards seeking New Zealand's objectives. It aimed to automatically set New Zealand dairy prices as a percentage of the Community intervention price, with an initial goal of 65%. It also sought dairy quantities of not less than 121,000 tonnes per annum from 1978-80, with annual reviews of both price and quantity. As in 1971, there was agreement to pursue a Community

[719] Cabinet Economic Committee, 'Minutes of a Meeting', 29 January 1975, R20825122, ANZ.
[720] 'New Zealand brief by FCO and MAFF', 11 March 1975, FCO 30/2929.
[721] Telegram, UKREP Brussels to FCO London, 'Renegotiation: New Zealand', 26 February 1975, FCO 30/2928, TNA.
[722] 'Record of conversation between Callaghan and Walding at the FCO', 29 February 1975, FCO 30/2929, TNA.
[723] Note for the Prime Minister, 'Renegotiation and New Zealand', 18 February 1975; Telegram, UK Embassy Bonn to FCO London, 'Renegotiation: New Zealand', 19 February 1975, PREM 16/395, TNA.
[724] Note, Peart to Wilson, 'New Zealand', 3 March 1975, FCO 30/2929, TNA.

guarantee that it would not dump surplus dairy into third markets.[725] The political importance of the memorandum was reinforced by the fact that the price concessions for New Zealand butter would cost Britain around £25m of foreign exchange annually, and more if cheese were to be included. To the Community it would mean accepting New Zealand permanently retaining a large share of the UK dairy market.[726] British ministers and officials impressed the need for secrecy of the memorandum, especially from Community capitals and the opposition party in New Zealand.[727] To this author's knowledge, this document has not been previously mentioned in published sources.

The UK Government's soft peddling on procedural positions and emphasis on the political importance of a New Zealand solution seemed to bring the European Commission onside. On 1 March 1975, Edmund Wellenstein, Director General of External Relations at the European Commission, prepared a draft statement on New Zealand largely along the lines of British wishes (but without a specific pricing formula), to be delivered at the Council of Foreign Ministers Meeting scheduled for 4 March.[728] At the Council, Callaghan gave the proposal his enthusiastic endorsement. His opening statement impressed that 'for the United Kingdom, New Zealand was not and could not be just another developed country, it was almost a part of ourselves'.[729] After a short discussion, the Council agreed the matter was of such political significance that it should be referred to the Dublin Summit. It was now clear that New Zealand and the budget would be the two outstanding items to be addressed in Dublin.[730] Also on 4 March, Peart delivered his aforementioned statement to the Council of Agriculture Ministers, outlining Britain's intention to keep regulation and tariffs for New Zealand lamb to a minimum.[731] In the intervening days, Wilson sent his Personal Private Secretary Robert Armstrong to Paris to speak to the French Secretary-General and several ministers, where he

[725] 'Memorandum of Understanding between the United Kingdom and New Zealand', 3 March 1975, ibid.; Letter from Peart to Walding, 7 Match 1975, FCO 24/2153, TNA.
[726] Note, Peart to Wilson, 'New Zealand', 3 March 1975, FCO 30/2929, TNA.
[727] 'New Zealand brief by FCO and MAFF', 11 March 1975, ibid.
[728] Telegram, UKREP Brussels to FCO London, 'Renegotiation: New Zealand', 1 March 1975, PREM 16/396, TNA.
[729] Telegram, UKREP Brussels to FCO London, 'Renegotiation: New Zealand', 4 March 1975, ibid.
[730] Wall, *From Rejection to Referendum,* 575.
[731] 'Minister's Statement on Sheepmeat - Speaking Note', 4 March 1975, PREM 16/396, TNA.

received the feedback that, in the French view, Britain was being 'more New Zealand than the New Zealanders'.[732]

At the Dublin Summit

Some scholars suggest that Wilson pressed too hard on the New Zealand issue at the Dublin Summit, to the detriment of securing a better arrangement on the budget mechanism.[733] In fact, the European Commission's papers suggest that nearly all aspects of the New Zealand text in the Dublin Declaration were settled at a day-long discussion at the pre-summit meeting of COREPER, the Committee of Permanent Representatives. In Palliser's absence, the UK was represented by Frederick Kearns, who upheld much of what the Commission proposed in the face of lengthy counter-arguments by other representatives. The British gave way on some minor points. The Committee replaced the words 'annual review' with a not dissimilar 'periodic review'. On price, the British argument to have the New Zealand price indexed against the Community intervention price alone was removed, in an effort by the Commission to avoid establishing prices several years in advance. The final text indicated New Zealand dairy price reviews should consider (but not be indexed against) the intervention price, along with considering changes to costs in New Zealand, freight costs and market conditions in each of the Community countries.[734]

On butter quantities, COREPER concluded (except for the French delegate), there should be a continued slow and linear degression in New Zealand dairy exports along the lines already established for 1973-75. An intervention by Wilson in the later heads of government meeting slightly amended this to indicate the dairy quantities allowed in 1980 should be approximate to the 1975 levels, which gave the impression degression would not necessarily apply. In fact, the use of 1975 was an error as dairy export figures were as yet unknown for that year. The Declaration should have referred to the 1974 figures (both dates were included on the Commission's published version of the Declaration). A side discussion between Callaghan and Ortoli clarified that the quantities of New Zealand dairy imports for 1980

[732] Wall, *From Rejection to Referendum,* 574; and Letter, P.D. Nairne to R.T. Armstrong, 'Pre-Dublin: Mr Armstrong's Visit to Paris', 4 March 1975, FCO 30/2929, TNA.
[733] For example, Wall, *From Rejection to Referendum,* 576.
[734] Note, 'Genese et interpretation de la declaration adoptee par les chefs de gouvernement', 15 March 1975, BAC-48-1984/415, HAEU.

'should be close to' 125,000 tonnes of dairy products, which was the 1974 figure. This remained a matter of 'bona fides' between the two men.[735]

Much of the CORPERER discussion focussed on whether New Zealand cheese should be eliminated from the British market altogether from 1978, as Protocol 18 had prescribed. Kearns asked that 'the door not be closed' on New Zealand cheese, while several delegations, including Denmark, argued the inverse. Wellenstein wanted to avoid placing the Commission in the position of proposing the total removal of cheese, so left 'dairy products' as suggested text in brackets in the draft Declaration, with an indication to the heads of government that agreement on this had not been reached in the Committee. The heads of government subsequently approved the suggested text and, at Wilson's urging, included a pledge that the cheese issue will be addressed with 'appropriate urgency'.[736]

Wilson's opening statement to the heads of government at Dublin put the New Zealand case strongly. He stressed the particularly close links between Britain and New Zealand, and that the British people think the 'Community's willingness to respond to these deep emotions is a test of the Community's ability to take account of the political interests of its members'. This echoed the arguments of 1967 and 1971, in which New Zealand was also regarded as a 'test' of terms agreed by Britain upon entry. Wilson said New Zealand had always been a 'crucial' issue, stemming from concerns he raised in 1967, and that the arrangement secured in 1971 'was far from satisfactory'. Slightly disingenuously, he stated that 'New Zealand has always figured high in the list of renegotiation requirements'.[737]

A short discussion followed, at which the Dutch and Danish leaders expressed opposition. The issue was then put aside, followed by a nine-hour discussion on the budget mechanism and other matters. The New Zealand topic was returned to late on the Summit's second day, when agreement came relatively easily. As mentioned above, the heads of government made minor changes to affirm the wording on cheese and commit the Commission to present proposals with appropriate urgency.[738]

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[735] Ibid.

[736] Ibid.; Telegram, European Commission to EEC delegations internationally, 'Dublin-Bilan du Premier Conseil European', 13 March 1975, BAC-48-1984/415, HAEU.

[737] 'New Zealand brief by FCO and MAFF', 10-11 March 1975, FCO 30/2929, TNA.

[738] Wall, *From Renegotiation to Referendum,* 576; Note, 'Genese et interpretation de la declaration adoptee par les chefs de gouvernement', 15 March 1975, BAC-48-1984/415, HAEU.

The British Government gave way considerably on the budget mechanism during the Summit. There is debate as to why Wilson did not press this issue with more force. It is clear there was strong opposition to the budget proposals, particularly from FRG Chancellor Helmut Schmidt. Stephen Wall writes that Wilson was 'bored' and 'unmotivated' on the budget issue, while much more concerned about New Zealand and steel.[739] It may not be a coincidence that agreement on the New Zealand issue came with relatively little discussion, shortly after Britain gave way on the budget. French President Valéry Giscard d'Estaing was reasonably encouraging in response to Wilson's opening statement on New Zealand, accepting an extension for butter exports for three years, along with the need to ensure an equitable return for New Zealand farmers taking production costs into account. He was less positive on cheese, which 'represented a political problem'. Wilson pressed hard for a speedy resolution of the Protocol 18 review (by April, as he had agreed with Rowling), although Ortoli suggested that July was more realistic.[740]

Wilson himself later said the gains for New Zealand at Dublin were 'illusionary'.[741] However, that seems to considerably underplay them. The Dublin Declaration represented a substantial political achievement for New Zealand, although the credit can barely be attributed to its own diplomacy. Just three months earlier the New Zealand Cabinet Economic Committee had thought the most that could be achieved at Dublin was a vague expression of principles, and the Declaration vastly exceeded this. Despite not being legally binding, the Declaration established a firm instruction to the Commission to review Protocol 18 and set post-1977 dairy imports in a way that advantaged Britain and New Zealand. The Commission gave informal undertakings to the heads of government that firm proposals on price and quantities would be established by July and considered by the Agricultural Council in the Autumn, which fitted with the desired timeline, ahead of the General Election in New Zealand in November (although in the Commission's view, this did not commit it to a decision on cheese until 1977). The Declaration also noted the 'Community should not deprive New Zealand of outlets [for dairy products], which are essential for it', and that quantities exported in 1980 should remain close to those sent in 1974 and 1975. Not only was this in line with New Zealand and Britain's secret pre-Summit objectives, it established the principle of New

[739] Wall, *From Renegotiation to Referendum,* 576.
[740] 'Record of EEC Heads of Government Meeting at Dublin Castle', 10 March 1975, PREM 16/636, TNA.
[741] Harold Wilson*, Final Term: The Labour Government, 1974-1976,* (London:1979), 102.

Zealand dairy products remaining a major part of the British market after the end of the transition period, and therefore for the foreseeable future. The worst fears of a total exclusion of New Zealand dairy from the British market had almost certainly been averted. On price, the assurances were vague, proposing 'fair' periodic reviews that considered the Community intervention price along with other extraneous factors. This reflected the Commission's wish to retain control of an important commodity import price. The Declaration also indicated 'ever closer cooperation be developed between the institutions of the Community and the New Zealand authorities with the objective of promoting in their mutual interest an orderly operation of world markets'. A potential world dairy agreement remained on the cards, and the Declaration's wording encouraged the Commission to commence annualised informal consultations with New Zealand officials from November 1975.[742]

Wilson was wary of an adverse New Zealand Government reaction to the Dublin Declaration, which could be detrimental to his efforts to secure Cabinet, Parliament and public approval for the renegotiated terms. To keep Rowling onside he sent a lengthy letter appraising the agreement secured in Dublin. Wilson felt that, although the talks were 'difficult', the UK had secured the vital points set out in the memorandum of understanding, except for an automatic adjustment of price. Wilson thought it would still be possible to negotiate for New Zealand the targeted butter price of 65% of the Community intervention price during the Protocol 18 review, although it would be difficult to automatically tie this to the Community price.[743] This indicated yet further detailed and complex talks on dairy prices between New Zealand, the UK and Community for months and years in future.

Rowling's letter crossed Wilson's. It conveyed gratitude while keeping the political pressure on his British counterpart. Rowling wrote that 'we in New Zealand very much appreciated the efforts of you and your colleagues', and that there was 'real scope for improvement in New Zealand's position'. He also felt that 'New Zealand's trading relations with Britain, now over a century old, are not only of special economic importance to us. They are a significant part of the wide range of political and bilateral links between our two countries which, I believe, are highly valued by us both'. However, Rowling differed from Wilson by saying the Declaration was less specific than New Zealand would have wished and

[742] 'Dublin Declaration 10-11 March 1975', BAC-048-1984/1085, HAEU.
[743] Letter from Wilson to Rowling, 14 March 1975, FCO 30/2929, TNA.

'far less satisfactory' than the pre-Summit proposal. Rowling reiterated the importance of tying the New Zealand butter price to the Community intervention price and bringing the Commission's proposals forward as quickly as possible (implicitly to give his party a 'win' ahead of the November election, and to maximise the political opportunity provided by the referendum). This implication, later explicitly stated by Rowling to UK High Commissioner in Wellington David Scott, was that the New Zealand Government may express dissatisfaction about the renegotiated terms if a satisfactory pricing proposal did not appear before the referendum.[744]

This threat from Rowling was never carried out and both his and Wilson's public statements remained upbeat. Wilson (over-optimistically) suggested in a press conference that New Zealand dairy products would no longer be subject to degressivity. Rowling's public statement after Dublin noted 'the goodwill of the Member States and the Commission towards New Zealand… I am grateful that the British Government, which raised this issue, has shown such understanding of New Zealand's position'.[745] The media reaction to the Dublin Declaration was also positive in both Britain and New Zealand. In the latter, it was slightly muted, possibly reflecting the lack of clarity on pricing and that there were other more pressing economic travails facing New Zealand in 1975 than European integration. New Zealand ministers did not want to publicly engage in a debate about the merits of British membership. It was a view shared by Opposition leader Muldoon, who was in London at the time.[746]

New Zealand and the referendum

In his recent book about the 1975 referendum, Saunders concludes that 'Commonwealth sentiment formed one of the strongest cards in the anti-market pack'.[747] For many Britons 'Commonwealth' mostly meant the white Commonwealth, especially Australia and New Zealand, although there was also a significant constituency on the left concerned about the developing world. A report by the Social Policy Centre in 1974 found that Australia (36%), New Zealand (34%) or the US (17%) were the countries that people thought Britain should join with

[744] Letter from Rowling to Wilson, 14 March 1975, ibid.
[745] Telegram, UKHC Wellington to FCO London, 'Renegotiation: New Zealand' 14 March 1975, ibid.
[746] 'Brief for the Call by the Hon R D Muldoon MP', 13 March 1975; 'Record of Conversation between the Minister of State and the New Zealand Leader of Opposition', FCO 30/2929, TNA.
[747] Saunders, *Yes to Europe,* 265.

instead of Europe.[748] In this context Britain in Europe (BIE), the organisation leading the campaign to stay in, attempted and largely succeeded in neutralising the Commonwealth as an issue for the anti-marketeers in the referendum debate. The key message was that the Commonwealth was previously against British entry, but now supported it.[749]

In May 1975, the Anti-Common Market campaign organisation National Referendum Campaign (NRC), suggested the New Zealand Government was underplaying the antipathy of the New Zealand people towards British membership. In doing so they quoted Tom Weal, Chairman of the New Zealand Anti-Common Market Association. The New Zealand High Commissioner in London Hugh Watt issued a strong rebuttal to the NRC and Weal's claims, calling suggestions that New Zealanders wanted Britain out of the Common Market 'irresponsible', and arguing that Weal's organisation, with a membership of 380, could not possibly represent New Zealand's view. Watt also maintained that Community membership was a decision for Britain to make.[750] NRC's own research suggested that the High Commissioner had truth on his side. A phone survey of 500 New Zealanders found that 49.4% of respondents wanted Britain to remain in the European Community and only 3% thought New Zealand would benefit if Britain withdrew.[751]

A further fillip for New Zealand came in May 1975 when the European Commission issued its annual review of the operation of Protocol 18, in which it signalled further periodic price improvements. Walding issued a warm, optimistic statement in response, in which he noted 'It is satisfying to see that the EEC Commission has now come to recognise the need for frequent price adjustments'.[752] Nonetheless, despite British prompting, New Zealand ministers largely declined to publicly support the 'Yes' campaign in the lead up to the referendum. Rare exceptions included New Zealand's assistance for Britain at the Kingston CHOGM in April-May 1975. Rowling was supportive of the British position during a bitter debate on the merits of Britain's Community membership which had angered Wilson. Rowling also supported the parts of the CHOGM Communiqué advanced by Jamaican Prime Minister

[748] Barry Hedges, 'The Final Four Years: From Opposition to Endorsement', in Roger Jowell and Gerald Hoinville (eds.), *Britain into Europe: Public Opinion and the EEC 1961–75*, (London:1976), 59.
[749] Saunders, *Yes to Europe,* 265.
[750] 'Press Statement by the New Zealand High Commission', 14 May 1975, FCO 30/2929, TNA.
[751] Neil Marten papers, c.1132, Bodleian Libraries, Oxford, cited in Saunders, *Yes to Europe,* 270.
[752] Walding is quoted in Letter, F.B. Wheeler to S.G. Cook, 'Protocol 18: Annual Commission Report', 5 May 1975, FCO 30/2929, TNA.

Michael Manley welcoming the Lomé Convention and looking forward to 'the further development of relations between the EEC... on the one hand and developing countries, including the Asian and other Commonwealth countries on the other'.[753]

Another exception to the New Zealand Government's neutrality on the referendum was the UK Government pamphlet quoting Rowling, mentioned in the introduction to this chapter. There is no evidence to suggest Rowling gave consent for his name to be used in this way, and it may be telling that the quote itself was made several months beforehand, at a press conference in Paris. This suggests it may have been inadvertent on Rowling's behalf, or was primarily aimed at a French audience, rather than indicating a firm New Zealand endorsement of British membership to the British public.[754]

British support for New Zealand after the referendum

The renegotiated terms that Wilson and Callaghan brought back from Dublin were, in turn, accepted by the Cabinet (voting 18-7 in favour) and a largely uncritical Parliament. This was partly thanks to the new Conservative Party leader Margaret Thatcher, who confirmed her support for Britain in Europe. In the 5 June Referendum around two-thirds of voters opted for Britain to stay in the Community, although as several scholars have pointed out, the British public endorsement of membership was 'unenthusiastic'.[755] Nonetheless, it was the result that Wilson and most in the British Government wanted, suggesting the tactical use of the New Zealand issue in 1975, alongside other campaign issues, paid off. However, it would be wrong to suggest that Wilson and senior ministers opportunistically or cynically seized upon the New Zealand issue for the sole reason of presentational benefits in the referendum. Support for New Zealand trade access in the context of British membership dated from the early 1960s. Moreover, such support remained after the referendum, when New Zealand's political leverage appeared diminished.

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[753] 'Final Communiqué, CHOGM in Kingston Jamaica', 29 April-6 May 1975, *Commonwealth Secretariat,* available online at https://library.commonwealth.int/Library/Catalogues/Controls/Download.aspx?id=2296; W. David McIntyre, 'From Singapore to Harare: New Zealand and the Commonwealth', in Brown (ed.), *New Zealand in World Affairs: Volume III, 1972-1990,* 92.

[754] *Britain's New Deal in Europe,* HM Government, 1975, viewed online via LSE Library, https://digital.library.lse.ac.uk/objects/lse:fug282yox; Telegram, UK Embassy Paris to FCO London, 'Renegotiation: New Zealand', 25 February 1975, FCO 30/2928, TNA.

[755] Butler and Kitzinger, *The 1975 Referendum,* 23, 45 and 280; Aqui, *The First Referendum,* 239, 263.

The European Commission published its proposal for post-1977 New Zealand dairy imports in July 1975. As New Zealand and Britain had been asking, this was delivered before the summer holidays, so gave the potential for agreement in the Council of Agricultural Ministers in the Autumn, in time for the New Zealand General Election in November. On butter quantities, the Commission proposed New Zealand be allowed to export 129,000 tons in 1978, 121,000 tons in 1979 and 113,000 tons in 1980. The post-1980 figures would be decided in 1978. On price, it proposed periodic examinations taking account of the criteria laid down at Dublin.[756] New Zealand officials acknowledged positives in the overall quantities, which averaged 121,000 tons, approximately what was sought in Dublin, but they were unhappy at the continued presence of degression. There was also unease at the lack of mention of cheese, with the Commission seeing itself uncommitted to a timeframe on this.[757]

Yet again, New Zealand found a willing advocate in the British Prime Minister. New Zealand High Commissioner Hugh Watt raised the problems with Wilson at a Durham Miners' Gala in July 1975 and the Prime Minister pledged to make the New Zealand case to Community heads of government at the upcoming Conference on Security and Co-operation in Europe (CSCE) in Helsinki in September. Wilson's talking points for the Summit, which was a major milestone in European détente, argued for the Community to 'take a constructive line' that ended degressivity and agree a satisfactory pricing arrangement before the New Zealand election in November.[758]

Wilson's pressure, combined with that of Peart and the New Zealanders, encouraged the Council of Agricultural Ministers to agree a price increase for New Zealand butter in the face of French, Irish and Danish opposition on 6 November 1975. An 18% price increase was secured from 1 January 1976, in line with that of the previous year, and not far from the 65% of the Community intervention price sought at Dublin, although an automatic link with the Community price proved elusive. In return, the New Zealand Government agreed to limit butter exports to the Community in 1976 to 122,000 tonnes.[759]

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[756] Communication de la Commission au Conseil, 'Au Sujet du Regime Particulier Concernant le Beurre en Provenance de la Nouvelle-Zélande Après 1977', 23 July 1975, BAC-48-1984/415, HAEU.
[757] 'Minutes of a Meeting of Officials with Eric Deakins', 26 August 1975, R17722938, ANZ.
[758] 'Prime Minister's Brief for the CSCE Summit in Helsinki, Access for NZ Dairy Products', July 1975, PREM 16/396, TNA; Antony Best et al., *International History of the Twentieth Century and Beyond,* (London: third edition 2014), 287.
[759] 'New Zealand: Annual Review for 1975', FCO 24/2315, TNA.

A change of government in New Zealand

The dairy price increase had little effect on the New Zealand General Election on 29 November, which was handsomely won by Robert Muldoon's National Party by 55 seats to Labour's 32 (a 23-seat swing from 1972). Muldoon has most often been characterised as a reactionary figure, determinedly preserving New Zealand's political and economic links with Britain in the face of economic and geo-political forces moving in the opposite direction. James Belich described him as 'an appropriate commander of recolonisation's last stand'.[760] However, British officials did not necessarily see him like that at the time. In the lead up to the 1975 election the UK High Commissioner in Wellington David Scott was concerned that the abrasive Muldoon 'consciously models his policy on Enoch Powell', and that like Kirk, he would muster an anti-British populist sentiment, including imposing import controls that would harm British business interests.[761] Fears seemed to be realised shortly after the election when, at one of his first press conferences, Muldoon announced a 'temporary ban' on all immigration from Britain and Ireland, although this was lifted within two weeks. Muldoon subsequently announced his first overseas trip would be to London, 'because of the undiminished warm feeling of the New Zealanders for Britain'. The confusing signals prompted Scott to report to London that 'we have been both lightly slapped and then offered a kiss'.[762]

Muldoon appointed the affable Southland farmer Brian Talboys as Deputy Prime Minister, giving him the Foreign Affairs portfolio. This was a departure from tradition, which had mostly seen the Prime Minister take charge of the Foreign Ministry. It is said Muldoon's decision stemmed from his distrust and dislike of Foreign Affairs officials (and the evidence from lead official Frank Corner suggests the feeling was mutual).[763] Among Talboys' first tasks was visiting Community capitals in January and February 1976 to argue New Zealand's case on ending dairy degressivity, retaining cheese exports, and establish principles for potential sheepmeat regulation. Coming from the centre-right, he may have found the Labour Government in London cooler than his predecessor Walding, although like Walding, Wilson

[760] Belich, *Paradise Reforged,* 393.
[761] Telegram, UKHC Wellington to FCO London, 'Auckland Speech', 6 November 1975, FCO 24/2151, TNA.
[762] 'New Zealand Annual Review for 1975', FCO 160/176, TNA.
[763] 'Memories', FC5, Frank Corner Papers, MFAT.

agreed to meet him personally.[764] In an unprecedented and symbolic move, Talboys made Brussels his first stop rather than London. This was observed positively in the Commission.[765] It was not enough to dissuade the Council of Agricultural ministers from imposing degressivity of dairy products in the British market. With Wilson's support, Peart continued to argue for an averaged single quantity over the three years, rather than a reduction, but all other Community delegates disagreed, and some even felt the degressive amounts were too generous. New Zealand's case was encumbered by the continued vast surpluses in the Community dairy market.[766] New Zealand's argument may also have also been hampered by its own import restrictions and a decision to ban the purchase of cars on credit, which harmed European manufacturers.[767] The European Community regulation on the extension of Protocol 18 eventually passed in June 1976, with quantities marginally above those proposed by the Commission in July 1975, and with slow degression in place (125,000 tonnes of butter in 1978, 120,000 tonnes in 1979 and 115,000 tonnes in 1980). The future of New Zealand cheese exports after 1977 remained unresolved.[768]

Conclusions

This chapter demonstrates that Anglo-New Zealand relations are a worthwhile area of study in 1975. New Zealand yet again assumed a prominence in the political debate about Britain's relationship with Europe out of proportion to its proximity and economic heft. This builds upon the work of recent revisionists who have shown that, in addition to Wilson's personal disposition, there were political motivations for the British Government's prioritisation of New Zealand in 1975. It shows that these derived from Britain's search for political solutions in the renegotiation that helped small Commonwealth nations and gave Britain access to cheap food. Importantly, a solution on New Zealand did not require a Treaty change and had a good chance of success, thanks to the fact Protocol 18 was under review in 1975 anyway.

[764] 'Visit of Mr Talboys: Composite Foreign Affairs Brief', 8 February 1976; 'Note on the Call on the Prime Minister by the Deputy Prime Minister of New Zealand', 9 February 1976, PREM 16/1785, TNA.
[765] Note to Mr D. Hannay, 'Visit of the New Zealand Foreign Minister', 19 January 1976, BAC-048-1984/1085, HAEU.
[766] 'Record of Mr Talboys' talks with Mr Lardinois', 3 February 1976, BAC-048-1984/1085, HAEU; and Cabinet Economic Committee Memorandum, 'New Zealand/EEC: Visit of Deputy Prime Minister', 16 January 1976, R20825122, ANZ.
[767] Note, Leslie Fielding to Mr Hijzen, 'Protectionism in New Zealand: Need for bilateral consultations', 16 March 1976, BAC-048-1984/1085, HAEU.
[768] Council Regulation (EEC) No. 1655/76, 29 June 1976, BAC-048-1984/1085, HAEU.

This drove the British Government, yet again, to extraordinary measures on New Zealand's behalf, including agreeing a secret Memorandum of Understanding that was in large part achieved at the Dublin Summit. Moreover, the solution for New Zealand was a good one. It politically committed the Community to allow New Zealand to retain a sizable share of the British dairy market beyond transition. This indicates Anglo-New Zealand relations were evolving in the mid-1970s, but not necessarily deteriorating, and significant continuities remained. The New Zealand Government attempted to broaden and deepen its relationship with the Community, and to tread a line between domestic populism and foreign relations and trade policy. Problems remained, not least in predicting how new Prime Minister Robert Muldoon would approach such matters. A further revision of New Zealand's special arrangement in 1977 and the introduction of sheepmeat into the CAP from 1980 posed further challenges, addressed in the next chapter.

Chapter Six

‘Going nowhere’: Lamb is shepherded into the CAP and New Zealand’s special arrangement is extended, 1979-81

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Introduction – ‘The whole world’s watching’!

On 25 July 1981 Pat McQuarrie, an anti-apartheid activist and former fighter pilot who had flown Spitfires in the Second World War, slipped away from police surveillance in Waiuku, near Auckland. He drove south to Taupo airfield in the central North Island and, with the help of an accomplice, stole a small Cessna aircraft. He flew the plane northwest towards Hamilton where a capacity crowd gathered at Rugby Park to watch the local Waikato rugby team play against the South Africa ‘Springboks’. As rumours circulated about McQuarrie’s intentions, at the ground approximately 400 anti-tour protestors tore down a perimeter fence and stormed onto the field. Television cameras broadcast the chaotic scenes live to South Africa and elsewhere, as the protestors linked arms and chanted ‘the whole world’s watching’! Police officers at the ground were unable to shift the protestors *en masse* and feared McQuarrie would fly the plane, kamikaze-style, into the main grandstand. After about an hour’s delay, the Police Commissioner called the match off. This announcement was met by howls of dismay and violence against the protestors in and around the ground. Global news attention followed. With 14 further tour games scheduled and the tactics of the police, pro- and anti-Tour movements all escalating in force, the 1981 Springbok Tour threatened to plunge New Zealand into widespread civil unrest.[769]

Despite the developing domestic crisis, one important person was not watching the cancelled game at Hamilton. New Zealand Prime Minister Robert Muldoon was in a plane himself, heading to London. The ostensible reason for the trip was attending the wedding of the Prince of Wales and Diana Spencer. However, the more pressing issue was managing the international fallout from the Springbok Tour, which included Auckland being stripped of the September 1981 hosting of the Commonwealth Finance Ministers’ meeting, and threats of

[769] Redmer Yska, ‘The Tour Files’, *The Listener,* 9 July 2011, 14-20; McDougall, ‘’The Whole World’s Watching’’, 202-3; Merata Mita (dir.), *Patu!,* documentary film 1983, online at https://www.nzonscreen.com/title/patu-1983/overview.

African boycotts at the upcoming Commonwealth Games in Brisbane and CHOGM in Melbourne. Importantly, Muldoon also wanted to discuss trade access problems in the European Community with his British counterpart, Margaret Thatcher.[770]

Muldoon was receiving vociferous criticism for allowing the South Africa rugby tour to proceed. To many, it appeared to contravene the Gleneagles Agreement of 1977 which he had signed, pledging Commonwealth governments to take 'every practical step' to discourage sporting contacts with apartheid South Africa.[771] However, Muldoon found support in 10 Downing Street. Thatcher's brief for meeting Muldoon emphasised the British Government's sympathy for the tricky situation the New Zealanders found themselves in. It was felt that New Zealand's policy towards South Africa contacts was 'similar to our own'. The brief advised Thatcher to ask Muldoon 'what can we do to minimise the damage?'[772] Roger Baltrop, head of the Commonwealth Division at the Foreign and Commonwealth Office, later indicated he would 'reduce the temperature' on the issue by communicating with the Commonwealth Secretary-General.[773] Thatcher was similarly supportive of New Zealand trade in the European Community, emphasising that Muldoon would have British support in seeking access for butter exports after 1983. It was noted the restructuring of the CAP remained a major task of the UK Presidency of the European Community, which would bring benefits to New Zealand.[774]

Muldoon's visit to London during the Springbok Tour illuminates some curious aspects of the Anglo-New Zealand political relationship in the late 1970s and early 1980s. Despite the Tour often being portrayed as a cynical, populist ploy by Muldoon to shore up domestic support ahead of an upcoming election, there were also benefits for his international relations. This was particularly true of Britain, which the New Zealand Government still relied on for support in the European Community. As evidenced below, British ministers and officials proved to be robust advocates for New Zealand's interests. Although the backing was not without limits, the British Government helped to deliver substantive gains for New Zealand,

[770] McDougall, ''The Whole World's Watching'', 202-3.
[771] 'Gleneagles Agreement on Sporting Contacts with South Africa, 1977', 99-278-36/10, ATL.
[772] 'Brief for the Prime Minister's Dinner with Mr Muldoon: New Zealand/EC Relations', 18 June 1981, PREM 19/1588, TNA.
[773] 'New Zealand Cabinet Papers', 26 June 1981, R20823420, ANZ.
[774] 'Brief for the Prime Minister's Dinner with Mr Muldoon: New Zealand/EC Relations', 18 June 1981, PREM 19/1588, TNA.

retaining export receipts and buying yet more time for diversification of the economy at a particularly trying time.

As in previous chapters, the reasons for British Government support of New Zealand in Community circles were not entirely sentimental, ideological, nor driven by the personal views of the ministers involved, although there were signs these factors played a part. Britain's interests, both political and economic, largely coincided with New Zealand's in seeking liberal regulation of agriculture, particularly the lamb trade. New Zealand may not have had much to offer Britain in direct economic benefits nor military assistance, but its views on issues in political discourse were valuable to Thatcher and her Government. These included Muldoon's public criticism of the European Community's agricultural protectionism and the actions of the French Government, which in Thatcher's view, helped her efforts to lessen British contributions to the Community budget and reform the CAP and played well to her domestic supporters. In the context of increased Cold War tensions, New Zealand was also seen as an important Western ally, both in London and other European Community capitals. This was especially true of the role that it could play in the South Pacific region and in multilateral institutions such as the UN, GATT, OECD and others. The New Zealand Government was also a collaborator in Britain's travails on southern African issues, which often played out in Commonwealth forums. In 1982, New Zealand again proved a staunch friend of Britain in the Falklands crisis.[775] For such reasons, Britain continued to be New Zealand's strongest advocate in the European Community, occasionally to its own economic or political detriment.

This chapter will cover British and New Zealand Government objectives in relation to the European Community in 1979-81. The bulk of the chapter looks at the efforts to add sheepmeat to the CAP, which eventually happened in October 1980 after more than a decade of discussions. It will also consider the efforts to retain New Zealand butter exports in the Community post-1980, which found partial resolution in April 1981, and to retain cheese exports altogether, which reached agreement for small quantities at the GATT Tokyo round of talks in May 1979.

[775] 'Prime Minister's Brief for the Visit of Mr Muldoon to London', 19 May 1982, PREM 19/1588, TNA; Telegram, MFA Wellington to NZHC London, 'Falklands', 27 April 1982; Telegram, NZHC London to MFA Wellington, 'NZ Frigate for Britain', 20 May 1982, R17729186, ANZ.

Scholarly attention to Britain's relationship with the European Community in the late 1970s and 1980s is patchy. The period is given summary treatment in general histories of the topic, which tend to emphasise the role of Thatcher's personality and her transition from an ostensibly pro-European stance to the obstinate efforts to reduce Britain's financial contribution to the Community budget. Such historiography often draws on Britain's reputation as an 'awkward partner' in the Community.[776] Despite Thatcher doing much to condition British political opinion towards European integration, her Government's stance in the late 1970s and early 1980s has arguably received less close attention than the famous Bruges Speech of 1988, or the European machinations that led to her resignation as Prime Minister in 1990.[777] An important exception is Stephen Wall's sizable Volume III of the official history of Britain in the European Community.[778] In addition, a growing body of work looks at the British Government's decision to remain outside the European Monetary System and the role of the European Community in the Falklands Crisis of 1982.[779] Mathias Haeussler has chronicled British-German relations from the perspective of Helmut Kohl, including the reasons the two countries clashed over European integration in the 1970s and 1980s.[780]

The gaps are surprising, given the European integration milestones in this period. 1978 marked the end of the five-year transition for British, Irish and Danish membership of the Community, with some financial aspects carried over until 1980. It was the first time that the full effects of Community membership were experienced, both by the new and existing members, and by third countries. The late 1970s and early 1980s also saw important changes of Government in Britain, France and elsewhere, a deterioration in Anglo-French and Anglo-

[776] For example Young, *Britain and European Unity*, 126-128.
[777] Oliver Daddow, Christopher Gifford and Ben Wellings, 'The battle of Bruges: Margaret Thatcher, the foreign office and the unravelling of British European policy'. *Political Research Exchange,* 1:1, (2019), 1-24.
[778] Wall, *The Tiger Unleashed*, (London:2019).
[779] Edmund Dell, 'Britain and the Origins of the European Monetary System', *Contemporary European History*, 1:3, (1994), 1-60; Peter Ludlow, *The Making of the European Monetary System: A Case-Study of the Politics of the European Community,* (London:1982), 104-117; N. Piers Ludlow, 'Solidarity, Sanctions and Misunderstanding: The European Dimension of the Falklands Crisis', *The International History Review*, 43:3, (2020); Kiran Klaus Patel, *Project Europe: A History* (Cambridge:2020), 74–76; Stelios Stavridis and Christopher Hill, (eds.), *Domestic Sources of Foreign Policy: West European Reactions to the Falklands Conflict* (Oxford:1996); Georges Saunier, 'La Guerre des Malouines: reflexions sur la cooperation politique *Européenne'*, in Gerard Bossuat and Anne Deighton (eds.), *L'Union Européenne, Acteur de la Sécurité Mondiale. The EC/EU: A World Security Actor?*, (Paris:2007), 402–19.
[780] Mathias Haeussler. *Helmut Schmidt and British-German Relations: A European Misunderstanding*, (Cambridge:2019), 149-207.

German relations, closer French-German cooperation, the demise of détente, European enlargement to the South and steps towards monetary integration.

There is even less historical scholarship on New Zealand's efforts to retain trade access in the European Community in this period. Stephen Wall's 372-page account does not index New Zealand once (although there is a passing mention on page 170), nor do other general accounts.[781] Most scholarship by former New Zealand diplomats makes only cursory portrayal of the strenuous efforts to retain trade access in the late 1970s, with the campaign to influence sheepmeat policy receiving much less attention than the earlier dairy agreements. When the period is addressed, the accounts can be contradictory, such as that by Terence O'Brien who felt New Zealand had lost its political leverage after 1975, in contrast to Graham Ansell and Simon Murdoch, who felt that Thatcher was a strong advocate for New Zealand both within her own Cabinet and in the European Community.[782]

Even a superficial glance at the archival record or news media of the period shows that New Zealand retained a disproportionate prominence in European Community relations and in broader politics. This was particularly true of meetings of the Council of Agriculture Ministers and its special committees, where New Zealand issues were never off the agenda for long. They were also elevated to European Councils, meetings of the Council of Foreign Ministers and high-level bilateral talks between Britain and France, and separately between Britain and Germany. New Zealand trade occasionally intersected with attempts to solve much larger problems, such as reform of the CAP or the 'British budgetary question', as it did in the notorious Luxembourg Summit in April 1980. Managing New Zealand issues was also part of the day-to-day work of European Commission officials, dividing institutional opinion. Agriculture Commissioner Finn Gundelach noted (or perhaps lamented) that he consulted more closely with New Zealand than with any other third country. Officials in the President's Cabinet expressed similar sentiments, which is remarkable considering this was a period of increased Superpower tension, economic crises and agitation from the Global South.[783] This

[781] Wall, *The Tiger Unleashed,* 170.
[782] Exceptions include Nottage, 'Economic Diplomacy', and Ansell, 'New Zealand and the EU', in Lynch (ed.) *Celebrating New Zealand's Emergence,* 38-43, 44-47. Also see Sue Onslow, interview with Simon Murdoch, *Commonwealth Oral History Project*, transcribed by Ruth Scraggs, https://sas-space.sas.ac.uk/5704/ and Simon Murdoch interview with the author, Wellington, 18 December 2017.
[783] 'Record of a conversation at a lunch given by the Prime Minister and Prime Minister of New Zealand, 10 Downing Street', 11 June 1979, FCO 98/582, TNA; Brief for President Jenkins, 'Visit of Talboys to Brussels', 26-

chapter rectifies the lack of historical scholarship on New Zealand's political and diplomatic efforts to extend trade access in the European Community in the late 1970s and early 1980s, while at the same time illuminating Britain's domestic politics and relationship with the Community.

British Government objectives, 1979-81

British politics, and the country at large, were in an abject state in the frigid winter of 1978-79, infamously labelled the 'winter of discontent'. Industrial action crippled a range of industries and contributed to the election defeat of the Labour Party by the Conservatives, led by Margaret Thatcher, on 4 May 1979. Addressing the labour unrest and rectifying the economy remained important domestic concerns. The problems were not only internal. For much of 1977 and 1978 Britain's relationship with Europe had become increasingly vexed. As the transition period ended, the complicated extent of the financial undertakings of British membership of the European Community were slowly being grasped in Westminster, threatening unity in both major parties and increasing political pressure to reduce Britain's contribution.[784]

Belying the troubles to come, the Conservative Party's 1979 election manifesto expressed in measured terms an objective to 'restore Britain's influence by convincing our partners of our commitment to the Community's success', to reduce the Community's over-spending on agriculture and make 'national payments into the Budget… more closely related to ability to pay'.[785] As well as reform of fisheries policy, these objectives were largely consistent with those pursued by the Wilson and Callaghan Governments, but they were to be expressed in much more strident terms by the Thatcher Government, particularly Thatcher herself, for the next five years. Upon being elected, Thatcher made clear the present situation was 'unfair, unreasonable and unjust', requiring a substantial change in the level of expenditure and the budget mechanism.[786]

29 June 1978, BAC-048-1984/1085, HAEU; 'Angel Vilas interview of Leslie Fielding', 28 October 2010, INT156, HAEU.

[784] Wall, *The Tiger Unleashed,* 136-137.

[785] *Conservative Party Manifesto 1979*, Conservative and Unionist Party, London, 1979, LSE Library Store Pamphlets, JN1129.C72 C75, LSE.

[786] Wall, *The Tiger Unleashed,* 137.

As the world was seen from Westminster in May 1979, New Zealand had a part to play in these objectives. On the budget contribution and the closely associated CAP reform, a significant part of the solution was seen to dismantle the system of subsides, known as export restitutions, paid to European producers for dairy products. Doing so would address both the cost of the CAP, which had ballooned to over 70% of the total Community expenditure in 1980 (with a disproportionately high amount paid by Britain), as well as arrest the chronic overproduction in the Community, which continued to distort markets there and elsewhere.[787] It would also allow British consumers to continue to obtain relatively cheap and good quality dairy imports from New Zealand. As per previous governments, Thatcher was keen to use reform of the CAP to address rising food prices in the UK, which had increased by 150% over five years.[788]

Rhetoric from New Zealand Ministers criticising the CAP was politically useful for Thatcher's Government, as it helped keep the public pressure on the Commission and their Community partners (particularly France) to adopt a more liberal regime. It also chimed with Conservatives keen to see reform of Britain's relationship with the Community. Thatcher regularly encouraged both Muldoon and his Deputy Prime Minister and Foreign Minister Brian Talboys to adopt a critical line with the Community and France, then praised them when they pursued it. As part of her broader efforts to make the Community more outward looking on foreign and trade policy, Thatcher also encouraged New Zealand ministers to remind Community counterparts of New Zealand's contribution to world stability, both in contributions to previous conflicts, and in the contemporary South Pacific.[789]

Britain's international problems in the late 1970s and early 1980s were by no means confined to Europe. The UK Government was coming under severe criticism for its approach to southern Africa, including at Commonwealth forums. As noted above, British and New Zealand policies on sporting contacts with apartheid South Africa were largely aligned, and the two Governments supported each other. In the case of Britain, this was driven by Cold

[787] Note, 'New Zealand butter: Special levy', 17 February 1978, BAC-048-1984/1085, HAEU; and 'Visit of Mr. Muldoon, Briefing note for Mr. Jenkins', 23 March 1977, BAC-48-1984/1086, HAEU. CAP expenditure can be seen at 'Common Agriculture Policy: Key Facts and Figures', web page, August 2020, *European Union,* https://ec.europa.eu/info/sites/default/files/food-farming-fisheries/farming/documents/cap-expenditure-graph1_en.pdf.
[788] Wall, *The Tiger Unleashed,* 138.
[789] For example, Letter, Thatcher to Muldoon, 20 July 1980, T 369/1072. TNA.

War concerns about Soviet activity in southern Africa and extensive British business interests there. The New Zealand Government, on the other hand, was keen to follow Britain's lead at least in part because of European Community trade interests, as well as the domestic political benefits from the rugby games proceeding.[790]

The May 1979 elections in 'Zimbabwe-Rhodesia' had elected an African majority Government led by Bishop Abel Muzorewa; however, the Thatcher Government failed to recognise the new regime and manoeuvred the Muzorewa Government into accepting new elections inclusive of Joshua Nkomo and Robert Mugabe, which ultimately led to Mugabe taking power.[791] In this process the New Zealand Government supported Britain, including an offer to be an interlocutor to the leader of the white minority Ian Smith, and to act as a broker between Britain and small Commonwealth nations. Such efforts were appreciated by the British Government, not least by Thatcher herself.[792] The warm words of gratitude flowed again in 1982 when Muldoon's Government supported Thatcher's during the Falklands crisis. Such examples show the perceived value of New Zealand political support, even if the military and financial help was negligible.[793]

As in previous sets of agricultural policy negotiations, British efforts to help New Zealand trade in the Community were driven by both political and strategic considerations. The economic case was decidedly weaker. In 1979, UK Treasury analysis concluded that, thanks to Community levies applied on New Zealand imports, there was little direct financial benefit to the UK from retention of New Zealand butter imports (unless levies could be reduced), but the political relationship with New Zealand was seen as important.[794] There were some ancillary economic benefits in maintaining the profitability of shipping, insurance, trade and financial interests in New Zealand, although these were a diminishing consideration.[795]

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[790] McDougall, ''The Whole World's Watching', 222-3.
[791] Nicholas Waddy, 'The Strange Death of 'Zimbabwe-Rhodesia:' The Question of British Recognition of the Muzorewa Regime in Rhodesian Public Opinion, 1979', *South African Historical Journal,* 66:2, (2014), 227-229.
[792] 'Record of the Prime Minister's talk with the Prime Minister of New Zealand', 21 September 1979, T 369/1072, TNA.
[793] 'Brief for the Visit of Mr Muldoon to London', 19 May 1982, PREM 19/1588, TNA.
[794] 'Prime Minister's Lunch with Mr Muldoon, Brief No. 1, Steering Brief', 11 June 1979, PREM 19/1588, TNA.
[795] Telegram, UKHC Wellington to FCO London, 'NZ/EEC Sheepmeat', 23 February 1978, T 369/1072, TNA; 'New Zealand: annual review for 1978', FCO 107/134, TNA.

Broader strategic reasons for assisting New Zealand came from a rise in Cold War tensions and agitation from the Global South towards the end of the 1970s. In late 1976, an FCO review of Britain's bilateral relations with New Zealand concluded that 'we should continue to work closely with the New Zealanders in the political arena… we do not see the relationship as marginal to our interests… there are solid reasons of self-interest for continuing the closest possible relationships with the New Zealanders, who are amongst our steadiest and most reliable allies'.[796] The rationale included New Zealand's efforts to arrest the perceived growth of nationalism and Communist interference in the South Pacific and the potential for Britain to utilise the New Zealand Government's expertise and relatively good relations with South Pacific nations. For example, it was thought the New Zealand Government could dissuade independent South Pacific nations from breaking ranks on unwelcome UN resolutions, including on Rhodesia. New Zealand was also a collaborator with Britain on aid and development projects in Tuvalu, the Solomon Islands and New Hebrides (now Vanuatu).[797]

The Thatcher Government's support for New Zealand in the late 1970s did not represent a new position. As discussed above, Harold Wilson was well-disposed to New Zealand causes, and his Foreign Secretary then successor as Prime Minister James Callaghan had largely engineered New Zealand's gains at the Dublin Summit in 1975. As just one example, in 1978 Callaghan told Brian Talboys that the UK attached great importance to its political relationship with New Zealand, and so would do everything it could in agricultural negotiations. Callaghan recalled with gratitude the help Britain had received during the economic and food crisis of 1947-48, in which the New Zealand Government sent free food supplies to the UK, restricted coal and wheat imports from Britain, and avoided unnecessary Sterling expenditure.[798]

Margaret Thatcher also held such views. As well as the political benefits, this may have been encouraged by sentimentality on her part. As a teenager, Thatcher famously worked in her father's grocery store in Grantham, Lincolnshire, where it seems likely that she sold butter

[796] Letter, H.A.H. Cortazzi to UKHC Wellington, 29 December 1976, FCO 24/2317, TNA.
[797] Ibid.; and Diplomatic Report No. 5/FF, 'New Zealand Foreign Policy and the Prospects for Co-Operation', 4 November 1976, FCO 24/2317, TNA.
[798] Note, 'The Prime Minister's Meeting with Brian Talboys', 10 March 1978, PREM 16/1785, TNA; and 'New Zealand: the Dominion and the Dollar crisis, *The Round Table,* (38:149), 1947, 511-516.

and cheddar cheese from New Zealand. Part of her carefully cultivated public image was as an advocate for the interests of small businesses and she extolled the virtues of careful management of household and Government budgets alike. She was part of a much broader rebirth of interest in liberal-market economics in the 1970s. The provenance of good quality but cheap food from efficient producers was seen as important in these.[799]

Thatcher's personal rapport with New Zealand Prime Minister Robert Muldoon also helped. A New Zealand Foreign Affairs official who was present at meetings between the two felt this derived from their shared backgrounds as 'outsiders' in their respective political parties, and identifying as 'self-made' individuals.[800] Thatcher would also have been cognisant of New Zealand's efforts in the World Wars, the memories of which were said to inform her approach to European relations.[801] Others in her Cabinet referred to New Zealand's war contribution.[802] The political support for New Zealand was encouraged by British news media, which tended to be critical of British inaction on New Zealand concerns in Community contexts, or were complimentary of successful British actions or rhetoric on New Zealand's behalf.[803]

Britain's sheepmeat objectives

Within the broader British Government aims of agricultural policy reform and reducing the budget contribution were its ambitions in the event of sheepmeat's inclusion in the CAP. As outlined in the previous chapter, Britain was the Community's largest producer, importer and consumer of sheepmeat and this would be the first aspect of the CAP in which Britain was involved from the start. British policymakers felt this put it in prime position to create a liberal regime, conducive to its interests. It was hoped this would act as an example to other aspects of the CAP in need of reform.[804]

[799] John Campbell, *Margaret Thatcher: The Grocer's Daughter, Volume One,* (London: revised edition 2007), 1-24; Ewen Green, 'Thatcherism: An Historical Perspective', *Transactions of the Royal Historical Society: New Series,* 9, (1999), 19.
[800] Simon Murdoch interview with the author, Wellington, 18 January 2017.
[801] George Urban, *Diplomacy and Disillusion at the Court of Margaret Thatcher,* (London:1996), 132.
[802] Memo, 'Letter from M. Méhaignerie', 24 October 1979, FCO 98/583, TNA.
[803] For example: 'New Zealand's dairy prospects turn sour', 18 January 1977, MAF 251/766, TNA; 'Blunt Condemnation', 1 November 1979, FCO 98/583, TNA.
[804] See Chapter Five.

As seen in earlier chapters, since the early 1970s the British Government had largely seen the introduction of sheepmeat to the CAP as inevitable but had worked to delay it. The French Government was also largely content with the arrangement, which allowed it to keep high tariff barriers at a national level to exclude cheap British imports. This status quo was challenged by a European Court of Justice judgement in December 1974 which found that obstacles to intra-Community agricultural trade would not be permissible after the end of transition in 1978.[805] Commission officials began work on policy proposals, from which it was clear that New Zealand, as the supplier of over 80% of the Community's sheepmeat imports, would be the most affected external nation.[806]

British officials saw multiple advantages from a satisfactory sheepmeat regime. Firstly, British producers would benefit from a substantial increase in returns. A 1980 estimate predicted an increase from about 150p/kg to 181p/kg of meat. The gradual equalising of prices across the Community made further price increases likely in future. British lamb exporters were also expected to profit from levy-free access to the French market, where consumption was growing. It was hoped that British consumers would benefit from increased supply (possibly through a lower tariff for New Zealand imports), and the continued use of deficiency payments in the UK rather than unnecessarily high intervention prices being set by the Council of Agriculture ministers (the latter had stimulated production of other agricultural products to absurd levels, while simultaneously increasing consumer prices). The British Exchequer would gain from the financing of sheepmeat production from the Community budget, rather than national expenditure.[807]

In this context, officials in the Cabinet Office, FCO, Treasury and MAFF worked to establish Britain ambitions for a sheepmeat regime to achieve the above, while identifying what obligations they had towards New Zealand. A complete disregard of New Zealand interests was clearly untenable, especially as in 1978 Agriculture Secretary John Silkin had promised the House of Commons that 'New Zealand imports shall be preserved and

[805] Judgment of the European Court of 10 December 1974, Charmasson v Minister for Economic Affairs and Finance, *EUR-Lex,* online at https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A61974CJ0048.
[806] *A Common Sense Approach to the EEC Sheepmeat Market*, New Zealand Meat Producers' Board, London, March 1978, T 369/1072, TNA.
[807] 'Brief for the Council of Ministers Meeting (Agriculture)', 14 October 1980, FCO 98/873, TNA.

safeguarded' as one of three British Government ambitions for the policy.[808] There were considerable overlaps in British and New Zealand interests in sheepmeat policy. Production was seasonal, so retaining New Zealand imports would keep year-round supply, benefitting consumers and not necessarily displacing British producers. The European Community was only two thirds self-sufficient in sheepmeat consumption, meaning the political capital required to get a satisfactory arrangement for both Britain and New Zealand seemed less than that for dairy products, which suffered from chronic surpluses.[809]

British and New Zealand interests did not overlap perfectly. A proposed reduction in the New Zealand lamb tariff from 20% to 8% would potentially see a net loss to the Exchequer of around £5.5m annually.[810] Officials were also wary about the British Government publicly committing to measures in the sheepmeat policy that could see Community members seek concessions elsewhere. Some felt this had happened in the dairy negotiations of 1971 and 1975, and did not want a repeat.[811]

Britain's butter and cheese objectives

The special arrangement extension in 1975 prescribed market access for New Zealand dairy until 1980, meaning post-1980 access required further agreement. The British Government aimed to maintain import quantities of New Zealand butter close to 1980 levels for as long as possible. Simultaneously, it sought to reform aspects of the CAP which contributed to the chronic surplus in dairy products, particularly export restitutions and the use of high intervention prices to stimulate domestic production. A third consideration was encouraging the Community and US Government to liberalise dairy trade via multilateral trade negotiations. To achieve these aims, British policymakers pledged to work closely with New Zealand counterparts.[812]

If there was a broad consensus on tactics for sheepmeat policy, UK officials' view on New Zealand dairy imports was more mixed. Impetus for retained access was greatest at

[808] Note, F.W. Willis FCO to Frank Goodwin MAFF, 'UK Obligations to New Zealand', 3 February 1978, T 369/1072, TNA.
[809] Ibid.
[810] 'Meeting with the New Zealand Prime Minister, Brief for the First Secretary of the Treasury', 21 September 1978, T 369/1072, TNA.
[811] Note, F.W. Willis, FCO to A.J.B. Woollard, Cabinet Office, 'UK Obligations to New Zealand', 18 January 1978, T 369/1072, TNA.
[812] 'Prime Minister's Lunch with Mr Muldoon, Brief No. 1, Steering Brief', 11 June 1979, PREM 19/1588, TNA.

ministerial levels, with Thatcher and Agriculture Secretary Peter Walker among the strongest advocates. Officials, particularly those in the FCO, were wary of the effect a strong push on New Zealand dairy products may have on Community partners, particularly given ongoing dairy surpluses. For this reason, a post-1980 agreement on New Zealand butter was only pursued after annual price setting for the CAP and Britain's budget contribution had been resolved in 1979. This was a tactical course also endorsed by Finn Gundelach, Agriculture Commissioner in the European Commission.[813] Delaying the butter settlement was presented to the New Zealanders as being in their interest as it would generate a better long-term result, although it caused much consternation within the dairy industry because it hindered stock planning.[814]

Cheese was another area that caused some friction. Under Protocol 18, New Zealand cheese exports to the United Kingdom were not specified beyond 1977. Most Community members, particularly the French Government, took this to mean that New Zealand cheese exports to the Community would cease from 31 December of that year. As per the previous chapter, Harold Wilson disagreed and had a sentence inserted into the Dublin Declaration in 1975 asking the Community to consider the problem of New Zealand cheese with 'with appropriate urgency'.[815] Despite this, the Commission did not see the situation as requiring action and as 1978 arrived there was no solution in place. New Zealand cheese shipments temporarily stopped, although the substantial stocks already in storage in London (around 11,000 tonnes) were still being sold to British wholesalers.[816]

British Government objectives to get New Zealand cheese imports restarted were coloured by an effective lobby campaign by the British dairy industry from 1977. The National Farmers' Union, Dairy Industry Federation and individual dairy firms pointed out that British firms had invested heavily in cheese manufacturing since British accession, and that continued New Zealand imports would jeopardise the viability of these factories. They wrote

[813] Telegram, UKREP Brussels to FCO London, 'Talboys Meeting with Commissioner Gundelach', 22 November 1979, T 369/1072, TNA.
[814] 'Note of a meeting with Mr Ansell, NZ Ambassador to the European Communities', 24 February 1977, MAF 251/766, TNA; Letter, Talboys to Gundelach, 5 May 1977, MAF 251/766, TNA; 'Prime Minister's Lunch with Mr Muldoon, Brief No. 1, Steering Brief', 11 June 1979, PREM 19/1588, TNA.
[815] 'Dublin Declaration', 10 March 1975; Memo, 'Current situation as regards New Zealand agricultural exports to the UK and to the Community as a whole', 27 March 1979, both at BAC-048-1984/1085, HAEU.
[816] ibid.

to all MPs to make their case, and questions were posed to ministers in the Commons.[817] The issue was also covered by the national news media.[818] Officials noted that continued cheese imports would benefit British consumers, perhaps by as much as £2.35m per year.[819] However, under the political pressure and considering the damage to producers, British policy emerged to support New Zealand's case for cheese exports to Britain in the multilateral trade negotiations via the GATT, rather than the Community. This would provide political cover to allow New Zealand cheddar to remain in the British market in the long term.[820]

New Zealand Government objectives, 1979-81

Economic crises continued to dog the New Zealand Government in 1979. The chronic balance of payments deficits remained, and at the end of 1979 the current account deficit stood at NZ$608m, up 47% on the previous year. Inflation averaged 18.1% for 1979, up from 10.1% in 1978.[821] By the end of 1981, the Government budget deficit stood at an enormous NZ$2,300m.[822] Muldoon had heavily criticised his predecessor for 'borrow, spend and bust' policies, but was himself faced with few other short-term options. The long-term viability of the New Zealand economy was called into question, including by Muldoon in private discussions with British ministers.[823] Along with Muldoon's abrasive personality, polarising tactics and tendency for centralised control, such problems eroded the popularity of the National Government, which faced an uphill battle to be re-elected in 1981. As in previous General Elections, rural and semi-rural electorates were perceived as crucial to success.[824]

Improving agricultural and manufacturing export receipts were seen by the New Zealand Government as a route out of the crisis. This was in concert with import substitution, particularly for energy, which involved hugely expensive start-up investment. New Zealand

[817] Note, N.J. Pickering to Mr Meyer, 'Cheese imports from New Zealand', 27 January 1977; Letter, A. Winegarten, NFU to Frederick Kearns, MAFF, 'New Zealand Dairy Products Imports', 15 February 1977, all documents at MAF 251/766, TNA.
[818] Peter Bullen, 'NZ cheese imports call angers U.K. processors', *Financial Times,* 7 January 1977; and Richard Norton-Taylor, 'Dairy men call for reversal of NZ policy', *The Guardian,* 10 January 1977.
[819] 'Economic implications of importing New Zealand cheddar cheese: special arrangements after the end of transition', 2 February 1977, MAF 251/766, TNA.
[820] Memo: 'Current situation as regards New Zealand agricultural exports to the United Kingdom and to the Community as a whole', 27 March 1979, BAC-048-1984/1085, HAEU.
[821] 'New Zealand: Annual Review for 1979', FCO 160/205/21, TNA.
[822] 'New Zealand: Annual Review for 1981', FCO 107/704, TNA.
[823] 'Record of a conversation at a lunch given by the Prime Minister and Prime Minister of New Zealand', 11 June 1979, FCO 98/582, TNA.
[824] Gustafson, 'New Zealand Politics 1945-1984', in Miller (ed.), *New Zealand Politics in Transition,* 4.

exports had grown by 23% in 1979; but imports had grown by an even higher 25%, mostly because of an oil price spike after the Iranian Revolution. For these reasons retaining traditional exports to Britain remained crucial, in addition to diversifying into new markets elsewhere.[825]

New Zealand's trade re-orientation towards the Asia Pacific region (more recently termed Indo-Pacific) has often been described, with some validity, as a success story, rescuing a floundering economy hampered by the loss of traditional export markets.[826] However, economic diversification was by no means seen as inevitable and easy at the time, nor was it linear. Among the major setbacks was the Iranian Revolution in 1979. Since 1973, the Middle East had emerged as an attractive market for New Zealand sheepmeat and dairy. Among the best prospects was Iran, which, like several of its neighbours, was flush with earnings from oil and gas, experiencing rapid GDP growth and keen to secure protein-based food supplies. Moreover, the Shah was well disposed to new partners in the West for strategic reasons. New Zealand was less enthusiastic to such overtures, but keen on trade links.[827]

To facilitate trade with Iran and elsewhere in the Middle East, from the mid-1970s significant investments were made to vastly expand in-market cold storage facilities to accommodate New Zealand meat and dairy produce, while New Zealand's meat processing works adopted halal practices. Burgeoning trade in lamb, wool and dairy led to Iran becoming New Zealand's sixth largest trading partner by 1980.[828] Such efforts have often been seen in the context of New Zealand diversifying away from Britain, but the investment was often sourced from British firms and the trade was frequently insured, financed, and shipped by British interests. For example, one of the active meat firms supplying to Iran was W. & H. Fletcher Ltd Wellington, a subsidiary of Vestey Group, the British-owned food and services conglomerate.[829] The large investment and rapid expansion of the Iranian market for New Zealand agricultural products accentuated the shock when the Shah was deposed in favour of Ruhollah Khomeini in 1979. On its heels came the devastating Iraq-Iran War, 1980-88. The

[825] 'New Zealand: Annual Review for 1979', FCO 160/205/21, TNA.
[826] For example: Easton, *Not in Narrow Seas,* 455-467; McAloon, *Judgements of all Kinds,* 17.
[827] Brown, 'New Zealand in the World Economy', in Brown (ed.), *New Zealand in World Affairs III, 1972-1990,* 43.
[828] ibid.
[829] Letter, Guy Haines to J.G. Edwards, 19 September 1980, FCO 98/873, TNA.

new regime introduced non-trade barriers to Western interests, everyday life was made perilous, and payment of export invoices became erratic.[830]

In addition to Iran, New Zealand's trade diversification prospects looked dismal elsewhere in 1979 and 1980. The US revised its Meat Import Law in 1979, which restricted New Zealand beef and lamb imports if nominal supply levels were exceeded, obliging New Zealand to adopt Voluntary Restraint Arrangements.[831] Trade talks with Australia to form what became known as 'Closer Economic Relations' were bogged down in 1979, with Australian Trade Minister Douglas Anthony threatening to walk away.[832] This was perhaps partly because of Muldoon's feisty relationship with Australian Prime Minister Malcolm Fraser, with whom he disagreed on South Africa sports contacts among other issues. Frank Corner, New Zealand Secretary (lead official) of Foreign Affairs, recalled an incident in 1978 where Muldoon, who was drunk after an earlier boat cruise around Sydney Harbour, harangued Fraser about Australia's dairy trade barriers. According to Corner, Fraser kept his cool 'under extreme provocation', and later asked the Australian official present to destroy the meeting record.[833]

The relationship with Australia was not the only one to suffer from Muldoon's abrasiveness. Japan had proved stubbornly resistant to opening its agricultural markets, with New Zealand diplomats complaining it was 'almost impossible' to constructively engage the top Japanese officials.[834] In 1977 the New Zealand Government used its newly claimed Exclusive Economic Zone (which provided economic rights up to 200 nautical miles from national coastlines) to offer Japan fishing access in exchange for agricultural exports. When this approach foundered, Muldoon criticised Japanese attitudes through the news media in what became known as the 'fish for beef' dispute. This was eventually settled in July 1978,

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[830] Note, 'Imports of New Zealand Meat to Iran', 13 August 1979, FCO 98/583, TNA; State Services Commission Report, 'New Zealand Embassy Tehran', April 1982, R12157380, ANZ.

[831] 'Exchange of Letters between the Government of New Zealand and the Government of the United States of America constituting an Agreement concerning Restraint upon the Importation of Certain Meats into the United States during the Calendar Year 1979', *New Zealand Ministry of Foreign Affairs and Trade,* online at https://www.treaties.mfat.govt.nz/

[832] Brown, 'New Zealand in the World Economy', in Brown (ed.), *New Zealand in World Affairs III, 1972-1990,* 33; Hugh Templeton, *All Honourable Men: Inside the Muldoon Cabinet 1975-84,* (Auckland:1995), 136-137.

[833] 'Memories', FC5, Frank Corner Papers, MFAT. Muldoon's role in slowing the CER agreement is contested, see Philippa Mein Smith, 'Did Muldoon really go too slowly with CER?', *New Zealand Journal of History*, 41:2 (2007), 165-167; Tim Groser, 'The CER Negotiations: the real backstory', *Policy Quarterly*, 16:4, (2020), 7.

[834] Cabinet Economic Committee Memorandum, 'Japan/New Zealand Economic Relations', 20 May 1977, R20825135, ANZ.

with Japan given fishing access in New Zealand waters for little reciprocal benefit for New Zealand exports. It was an episode that officials described as 'bruising', exposing the lack of political capital in Tokyo.[835]

Linked to the bilateral trade setbacks was the slow progress in multilateral trade negotiations through the GATT. The Tokyo Round of talks had launched in 1973 with high hopes and 102 countries participating. Considerable progress was made in liberalising trade in industrial goods globally, but agriculture remained persistently protectionist, particularly in the key dairy markets. This was largely thanks to negative attitudes from the Americans and the continued CAP surpluses.[836]

Diversification setbacks in Geneva, Tokyo, Tehran, Canberra and elsewhere in the late 1970s, in additional to the struggling New Zealand economy, reinforced the importance of continued traditional exports to Britain to allow New Zealand time to open markets elsewhere. Despite diversification ambitions, Britain remained New Zealand's largest export market, at 21% in 1978.[837] Moreover exports to the Community as a whole were still growing, albeit slowly, increasing by 23% between 1974-77 in all products and 20% in agricultural products.[838] About a third of New Zealand's total exports to the Community went to countries other than Britain in the year ended June 1976.[839]

The New Zealand Government continued to pursue improved relations with the European Community, particularly the Commission in Brussels, but also in member state capitals. In Muldoon's first budget address in 1976, he prematurely announced that New Zealand would seek to formalise an institutional arrangement with the European Community. Foreign Affairs officials scrambled to explain to Muldoon that a trade agreement with the Community was unlikely in the foreseeable future. Public backtracking resulted; nonetheless,

[835] Cabinet Committee on State Services Memorandum, 'Officials travel to North East Asia', R20825135, ANZ; Graham Ansell oral history interview, 1993 and 1994, OHInt-0732-01, ATL; and Ann Trotter, 'New Zealand and Japan: an evolving relationship', in Brown (ed.), *New Zealand in World Affairs III: 1972-1990*, 208.
[836] Note, J. Loeff to Roy Denman, 'Visit of Mr Talboys on 6-7 March - Dairy Products', 3 March 1978; 'Note of meeting between Haferkamp and Talboys', 29 June 1978, both at BAC-048-1984/1085, HAEU.
[837] 'Prime Minister's Lunch with Mr Muldoon, Brief No. 1, Steering Brief', 11 June 1979, PREM 19/1588, TNA.
[838] Note, 'Visite de Monsieur Talboys les 26 et 27 Juin 1978', 22 June 1978, BAC-048-1984/1085, HAEU.
[839] 'Trade by Countries', *New Zealand Official Yearbook 1977,* Statistics NZ, online at https://www3.stats.govt.nz/New_Zealand_Official_Yearbooks/1977/NZOYB_1977.html#idchapter_1_161140

diplomats pressed the European Commission for more formalised, regular consultations. This was eventually granted from 1977.[840]

As the 1970s progressed, the efforts that New Zealand made towards improving the Community relationship began to be reciprocated, both in the European Commission and in some Community capitals, particularly Bonn. From 1977, the Commission deployed a public relations campaign targeting New Zealand societal 'elites' and the general public to try and improve perceptions of the Community.[841] Meetings between New Zealand ministers and officials with Community counterparts began to broaden in scope beyond agriculture.[842] New Zealand gained recognition from senior Commission officials as 'a trusted partner and collaborator on a wide range of international economic issues, with a valuable stabilising influence on the South Pacific'.[843]

The improved goodwill towards New Zealand also extended to the European Parliament, which was directly elected for the first time in 1979. On 13 May the Parliament passed a resolution and issued a report calling for a broadening and deepening of the Community's ties with New Zealand, and to help New Zealand to achieve an adequate level of economic well-being.[844] The report was prepared by Edward Castle, representing the UK Socialist Group within the Parliament. He was the husband of Barbara Castle, who had supported New Zealand from within the British Cabinet in 1975. The resolution was described by the New Zealand Ambassador to Brussels as 'very sympathetic to New Zealand's case…[and] very useful… to have emerging from a major Community institution at this important time'.[845] The European Parliament opened up a new front for New Zealand's lobbying efforts, with a delegation of MEPs hosted in New Zealand in February 1981 and Members addressed in Strasbourg and Brussels by New Zealand ministers, officials, and

[840] 'Visit of Mr. Muldoon, Brief for Roy Jenkins', 21 March 1977, BAC-48-1984/1086, HAEU.
[841] 'Press and Information Policy towards Australia and New Zealand', 25 January 1977; 'Rapport des Conseillers de l'Information aupres des Ambassades de États Membres des Communautés Européennes en Nouvelle-Zélande', both at BAC-048-1984/1085, HAEU.
[842] 'Note of meeting between Haferkamp and Talboys', 29 June 1978; 'Summary of High Level Informal Consultations, EC/New Zealand', 21-22 November 1978; both at BAC-048-1984/1085, HAEU; 'Record of the meeting between Muldoon and Haferkamp', 28 March 1977, BAC-79-1982/240, HAEU.
[843] 'Visit of Mr. Muldoon: Speaking brief for Mr Jenkins', 23 March 1977, BAC-48-1984/1086, HAEU.
[844] 'Report on Economic Relations of the European Community with certain members of the Commonwealth', 15 September 1980, R20759221, ANZ.
[845] 'EEC Developments: Monthly Report: May 1979', R20759343, ANZ.

farming bodies, including Federated Farmers.[846] Some assistance from MEPs was less welcome. An offer of help to Brian Talboys from the hard-line Democratic Unionist leader from Northern Ireland Ian Paisley MEP was declined, presumably because of sensitivities within the British Government.[847]

New Zealand sheepmeat objectives

The political and economic importance of lamb exports to Britain were self-evident to the Muldoon Government of the late 1970s. The sheepmeat industry including the wool trade remained New Zealand's largest export earner, at 35% of the total.[848] Despite significant efforts at diversification (by 1977 New Zealand exported lamb to more than 80 countries), Britain still took 67% of New Zealand lamb shipments in that year. The Community collectively accounted for 71% of all New Zealand's lamb shipments (looking at it the other way, 84% of all European Community sheepmeat imports came from New Zealand). Greece, which was to join the Community in 1981, was also an important export market for New Zealand lamb. [849]

New Zealand returns from lamb exports in the 1970s were eroded by the imposition of the British import tariff, then a Common External Tariff which reached 20% in 1977. Additional problems derived from the long-term collapse of the wool price from 1967 and a significant increase in costs. In 1978 the New Zealand Meat Producers' Board estimated that, since 1961, the cost of processing and shipping lamb from the farm gate in New Zealand to the wholesaler in the UK increased 650%, compared with a 270% rise in returns for New Zealand producers.[850]

All of this motivated the New Zealand Government to preserve or enhance access for lamb exports in the event they were added to the CAP. There were differences of opinion as to how to achieve it. Muldoon thought New Zealand should seek to prevent a common regulation in the European Community altogether. In contrast, New Zealand officials recognised that Britain had no legal basis for preventing the introduction of a sheepmeat

[846] 'EEC Developments: Monthly Report: April 1980', ibid.
[847] Ansell, 'New Zealand and the EU', in Lynch (ed.), *Celebrating New Zealand's Emergence,* 41.
[848] Letter, C.J. Elder, NZHC London to Richard Kinchen, FCO, 4 August 1980, FCO 98/873, TNA.
[849] *A Common Sense Approach to the EEC Sheepmeat Market,* New Zealand Meat Producers' Board, London, March 1978, T 369/1072, TNA.
[850] ibid.

regime, nor the political will to do so.[851] Talboys was more conciliatory than Muldoon, although he too advanced the view that a regulation was unnecessary.[852]

If sheepmeat was to be introduced to the CAP, then New Zealand ministers and officials aimed to keep the policy as liberal as possible. An important priority was avoiding an intervention price system, whereby consumer prices were set by the Council of Agriculture Ministers. It was feared this would repeat the worst excesses of the regulation of dairy trade by encouraging over production in the Community.[853] New Zealand negotiators were assisted by the GATT binding established in 1961, which meant a maximum 20% tariff could be applied (see Chapter One). This gave some leverage to potentially seek a lower tariff as part of an overall package.[854] A long transition was an additional aim. It was feared that a rapid conjoining of the French and British markets would push British lamb retail prices up towards French ones, drastically cutting consumption in the UK. There was also a desire to avoid the inclusion of a 'safeguard clause' which the Community could use to impose restraints on New Zealand exports at short notice (as had happened to the beef trade, primarily affecting Australia). An additional consideration was the emergence of new technologies that would allow New Zealand to send chilled rather than frozen legs of lamb to the British market, presenting a growth opportunity. This was at threat of French efforts to split out the GATT binding, giving a higher tariff to non-frozen sheepmeat products.[855]

New Zealand butter and cheese objectives

Beyond sheepmeat, New Zealand's perennial battle to retain access to the British dairy market remained. On butter, there was a desire to secure as long an arrangement as possible, possibly for five years, from 1981 to 1985. The aim was to retain quantities as close as possible to that prescribed for 1980 (115,000 tonnes) although in discussions with British counterparts, 100,000 tonnes was seen as an acceptable target, especially if pricing could be

[851] Telegram, UKHC Wellington to FCO London, 'Sheepmeat', 16 May 1978, PREM 16/1785, TNA.
[852] Telegram, FCO London to UKHC Wellington, 'EEC/New Zealand Sheepmeat'. 23 February 1978, T 369/1072, TNA.
[853] Pour mémoire, Letter, New Zealand Ambassador Brussels to the European Commission, 27 February 1978, BAC-048-1984/1085, HAEU.
[854] Telegram, UKREP Brussels to FCO London, 'Mr Talboys Meeting with Commissioner Gundelach', 22 November 1979, T 369/1072, TNA.
[855] 'Record of a discussion between the Prime Minister and the Deputy Prime Minister of New Zealand', 12 December 1979, T 369/1072, TNA.

improved. New Zealand continued to seek butter price increases, ideally securing these on an automatic basis, linked to the Community intervention price.[856]

The third key agricultural commodity objective for the New Zealand Government was to retain its cheddar cheese exports to Britain. This was important for political and economic reasons. Approximately 30 cheese factories (out of a total of 39 throughout the country) were at risk of closure if the British cheddar trade was ended altogether. These factories had little scope for switching to other products or markets because of technical impediments or trade protectionism. In addition to factory closures and unemployment stoking antipathy towards the Government in semi-rural electoral seats, there was fear that the loss of jobs and skills would be permanent, ending opportunities to diversify to growing markets elsewhere in the event that world dairy trade was liberalised.[857]

New Zealand's approach to improved cheese trade access was two-pronged. On the one hand it sought an extension of its special arrangement in the Community, while on the other it sought multilateral agreement on reduced trade barriers for cheese via the Tokyo Round in the GATT. By 1978, it became clear that a Community extension of the special arrangement on cheese would not be forthcoming. Attention then turned to a bridging arrangement to allow cheese exports to the UK to continue until a solution could be agreed via GATT. This was frustrated by French obstruction and a lack of advocacy from the British Government, which was mindful of pressure from domestic producers.[858]

Towards sheepmeat regulation

New Zealand officials felt they had something of a diplomatic breakthrough when Finn Gundelach, the Community's Agriculture Commissioner, accepted an invitation to visit New Zealand in May 1977. Gundelach was later described by Graham Ansell, New Zealand Ambassador to the European Community, as representing the 'high point of Community internationalism, albeit working in a difficult environment'.[859] He sympathised with New Zealand's desire for a liberal sheepmeat regime, indicating on his visit it could be possible to

[856] 'Prime Minister's Lunch with Mr Muldoon, Brief No. 1, Steering Brief', 11 June 1979, PREM 19/1588, TNA; Memo, 'Current situation as regards New Zealand agricultural exports to the UK and to the Community as a whole'; 27 March 1979, BAC-048-1984/1085, HAEU.
[857] NZHC Paper, 'Survey and Prospects of New Zealand Cheese Industry', 4 February 1977, MAF 251/766, TNA.
[858] 'Points de discussion avec les Néo-Zélandais concernant les products laitiers', BAC-048-1984/1085, HAEU.
[859] Graham Ansell oral history interview, 1993-1994, OHInt-0732-01, ATL.

lower the tariff in exchange for a cap on New Zealand lamb exports close to existing levels, and that intervention pricing would likely be avoided. Gundelach promised a Commission report by the end of 1978 and that he would consult with New Zealand officials in advance of any proposals.[860]

Robert Muldoon clashed with his Foreign Minister Brian Talboys and his officials on the best way to prepare the diplomatic ground for the Commission's report. Talboys and officials wanted to deploy a campaign similar to 1970-71, in which New Zealand would put forward a reasoned, statistically based case for an acceptable sheepmeat regime. As in 1971, the New Zealand High Commission in London was in regular communication with British MPs and other political opinion formers, some of whom wrote to key ministers in support of New Zealand, or asked questions in Parliament.[861] Similar to the Monetary Economic Council pamphlet of 1971 (see Chapter Two), a report on sheepmeat trade by the Planning Council was proposed to be deployed via quarterly and monthly newsletters from the London post.[862] Muldoon felt face-to-face diplomacy was sufficient and baulked at the costs of the research and a new staff member in London.[863] Some compromises were made, including hiring the London official as a local employee to reduce expense. Eventually, Talboys' view was upheld and the report was commissioned with the input of the New Zealand Meat Producers' Board.[864]

Further disagreement on tactics came in early 1978 when Talboys and the Ministry of Foreign Affairs proposed a concert tour of European capitals by the New Zealand Symphony Orchestra. They argued this would augment diplomatic efforts to retain lamb access by showing 'that New Zealand is a western country which upholds western values and makes a significant contribution to the goals Europeans themselves subscribe… The Orchestra could show New Zealand cherishes European culture'. It was suggested the musicians could perform alongside New Zealand singers already well-established in Europe, including Kiri Te

[860] Ibid.; Cabinet Memorandum, 'EEC - Butter and Cheese Price Review, Cheese Access Post 1977, Sheepmeats regulation', 25 July 1977, R20825122, ANZ.
[861] Letter, Frank R White MP to Peter Carrington, 26 July 1980, FCO 98/873, TNA.
[862] Cabinet Economic Committee Memorandum, 'Publicity Programme in EEC Countries: 1978/9 New Policy', R20825122, ANZ.
[863] Cabinet Economic Committee, 'Minutes of a meeting', 21 March 1978, ibid.
[864] Cabinet Economic Committee, 'Minutes of a meeting', 29 March 1978, ibid.

Kanawa.[865] Aided by a negative report from Treasury, Muldoon criticised the proposals as costly and ineffective. To find a way forward, the Defence Ministry was asked whether the Royal New Zealand Air Force could fly the orchestral equipment to Europe; however, this would have proved more expensive than using commercial airlines. The tour eventually commenced in early 1980 with tickets sold on a commercial basis to recoup expenses. It included visits to Japan and the USSR, as well as London, Brussels and other European Community capitals, although it is unknown if the music swayed the hearts and minds of European policymakers.[866]

In February 1978 European Commission officials shared with the New Zealand embassy in Brussels an early draft of the sheepmeat proposals on a confidential basis. New Zealand diplomats received the document in advance of Community member governments, although British officials had also been slipped a copy.[867] The reaction in Wellington was negative, described by the UK High Commissioner there as 'exaggerated and extreme'.[868] Superficially, the initial Commission proposals followed a relatively liberal path, aiming to retain existing levels of sheepmeat from New Zealand and elsewhere, possibly at a lower tariff. However, New Zealand officials saw several problems. There was no proposed transition period, which raised fears of a rapid increase in British prices and drastic fall in consumption. There were also concerns that the setting of basic price levels could be decided on largely subjective grounds, divorced from the market. The New Zealand Government was also uneasy about the presence of a safeguard clause, which it feared would override the GATT binding. Perhaps most concerning from New Zealand's point of view was the British Government's relatively relaxed response to the paper, regarding it 'as favourable as one could expect'.[869] Muldoon registered his alarm at a press conference and wrote to Roy Jenkins, President of the European Commission and British Prime Minister James Callaghan. Talboys wrote to John Silkin, the Agriculture Secretary, then the Foreign Minister and two

[865] Cabinet Memorandum, 'New Zealand and the European Community: Tour by the New Zealand Symphony Orchestra', 15 December 1977, ibid.
[866] Ibid. and Cabinet Paper, 'European Tour by New Zealand Symphony Orchestra', 20 February 1978, R20825122, ANZ.
[867] Cabinet Economic Committee Memorandum, 'New Zealand-EEC: Sheep meats', 26 February 1978, R20825122, ANZ.
[868] Telegram, UKHC Wellington to FCO London, 'EEC/NZ Sheepmeat', 23 February 1973, T 369/1072, TNA.
[869] 'Cabinet Memorandum, 13 March 1978, R20825122, ANZ; Telegram, FCO London to UKHC Wellington, 'EEC/New Zealand Sheepmeat', 22 February 1978, T 369/1072, TNA.

senior officials, Ian Stewart and Ted Woodfield, were immediately dispatched to Brussels and London for talks.[870]

The response from London was to try to mute the New Zealand reaction. Conscious of the issue being picked up by British media and pressure groups, and not wanting to affect relations with Community partners, John Silkin encouraged Talboys to avoid public reaction as far as possible.[871] European Commission officials also reassured New Zealand counterparts that they would fully consult before forming final proposals, pointing out how unusual it was to do this with a third country.[872] They also emphasised that the Community would 'do everything in its power' to ensure a safeguard clause would not be used to undermine the Community's GATT undertakings.[873]

A further warning to temper the New Zealand reaction was issued to Talboys by Roy Jenkins, European Commission President. Jenkins felt it would be 'counterproductive' for New Zealand to follow the Australian approach in strongly criticising the CAP in public.[874] The matter duly faded from public view while the Commission worked on proposals, although the initial negative reaction by New Zealand ministers, conveyed locally by the news media, set expectations of a disadvantageous sheepmeat policy. In this respect there were parallels with 1971, with an adverse public response early in the process largely failing to be modified by the final arrangement.

New impetus came in May 1979 from a European Court of Justice decision against UK potato import restrictions. The implications for the French Government were that its barriers against British lamb imports may be ruled illegal. This gave the French Government fresh motivation to push the sheepmeat regime forward.[875] The June Council of Agriculture Ministers agreed to intensify discussions with a view to reaching a decision by October. This

[870] Letter, Robert Muldoon to Roy Jenkins, 'Sheepmeat', 27 February 1978, BAC-048-1984/1085, HAEU; Telegram, UKHC Wellington to FCO London, 'NZ/EEC Sheepmeat', 24 February 1978, T 369/1072, TNA.
[871] Telegram, FCO London to UKHC Wellington, 'Sheepmeat', 28 February 1978, T 369/1072, TNA.
[872] 'EC Developments: Monthly Report (February-March 1978)', R20759343, ANZ.
[873]Note, 'Viande Ovine: déroulement de la reunion des Chefs de Cabinet du 27.2.1978', 28 February 1978; Note, 'Viande ovine - visite de M. Talboys', 6-7 Mars 1978, both at BAC-048-1984/1085, HAEU.
[874] Note, M. Hardy, European Commission to M. Lake, New York, 'Meeting with Mr Talboys: Proposed Sheepmeat Regulation', 1 June 1978; 'Brief for President Jenkins, Visit of Talboys to Brussels', 26-29 June 1978, BAC-048-1984/1085, HAEU; Telegram, UKHC Canberra to FCO London, 'Sheepmeat' 20 May 1978, PREM 16/1785, TNA.
[875] Telegram, UKREP Brussels to FCO London, 'Special Committee for Agriculture', 3 May 1979, FCO 98/582, TNA.

created a collision course with a European Court ruling on French lamb import restrictions expected in September, in a case brought by the European Commission.[876]

By this point Muldoon had a new, arguably more sympathetic counterpart in 10 Downing Street, who had her own bones to pick with the Community. Thatcher told Muldoon at a meeting in London in June that she had reservations about a sheepmeat regime in any form but thought her Government would accept one if New Zealand's interests were safeguarded and if it allowed for free export of British meat to France. She told Muldoon 'if the French were prepared to accept these conditions, then good. If not, there would be no regime'.[877]

At this point, a dual track opened in New Zealand diplomacy. Talboys had gained a secret indication from Gundelach that a tariff rate of 8% may be applied to lamb (down from the current 20%), and began to work on the basis of a potential Voluntary Restraint Arrangement (VRA), whereby New Zealand agreed to limit sendings in return for a lower tariff.[878] To the dismay of officials in Wellington and London, Muldoon said this was 'not acceptable' and took the affirmation from Thatcher as an excuse to pursue a separate bilateral lamb trade agreement with Britain, even if this required amendment of the Treaty of Rome.[879]

New Zealand officials in London reluctantly sounded out British counterparts on a bilateral deal in the knowledge it was most likely unfeasible and may imperil the GATT agreement, in addition to breaching Community treaties. British officials also noted it would hand initiative back to the French Government, which was currently isolated in the Council of Agriculture Ministers.[880] New Zealand officials privately felt that Muldoon may be talked down from his position, but that he was 'a man who is very reluctant to change his mind and often reverts to a position that his officials think they have argued him away from'.[881] It took

[876] 'Brief proposals for a Common Organisation in Sheepmeat', 9-10 July 1979, FCO 98/582, TNA.
[877] 'Record of a conversation at a lunch given by the Prime Minister and Prime Minister of New Zealand', 11 June 1979, FCO 98/582, TNA.
[878] 'Brief for the Minister's Meeting with the New Zealand Prime Minister on 21 September 1979', FCO 98/583, TNA.
[879] 'Record of the Prime Minister's talk with the Prime Minister of New Zealand at a Working lunch at 10 Downing Street', 21 September 1979, T 369/1072, TNA.
[880] Telegram, FCO London to UKHC Wellington, 'EEC/New Zealand: Sheepmeat', 24 October 1979, FCO 98/583, TNA.
[881] Telegram, UKHC Wellington to FCO London, 'Sheepmeat', 8 October 1979, FCO 98/583, TNA.

Thatcher herself to convey the message to Talboys in December that, having investigated the possibility of excluding New Zealand lamb from the CAP, 'it was not a runner'. Talboys accepted this, even if his Prime Minister may have retained misgivings.[882]

New Zealand's diplomacy also endeavoured to influence the French Government directly. Muldoon was approached by the French in 1979 to seek New Zealand's support in resisting calls for independence by France's South Pacific colonies in international forums, including the UN. Muldoon secretly agreed to this on the provision that French delegates stop obstructing New Zealand's interests in the European Community. Continued French intransigence then prompted Muldoon to remind the French Ambassador in Wellington of the arrangement. By Muldoon's account the Ambassador was apologetic, explaining to the Prime Minister that the instruction had not yet reached the right official levels in the French Government.[883] Regardless, the French Government continued to frustrate the sheepmeat policy in the Council of Agriculture Ministers, not least because of a developing crisis in Franco-British relations.

In a move a British diplomat described as 'appalling', the French Government chose to ignore the European Court of Justice's ruling on 25 September 1979, which stipulated that French import restrictions against British lamb were illegal. [884] The Court found that France's market organisation was incompatible with the Treaty of Rome, in that it involved a national Government determining a threshold price and setting prohibitive levies on imports from other Community member states. The judgement noted that it was possible for France to implement measures to help its sheep producers that did not contravene the Treaty, in anticipation of the common sheepmeat regime.[885] Despite this, to placate its own producers, the French Government kept its existing trade barriers in place. While harming British exports, the move arguably provided tactical advantages to the British Government in Community politics. It further isolated France from its Community partners, with only the Irish

[882] 'Record of a discussion between the Prime Minister and the Deputy Prime Minister of New Zealand, Mr Brian Talboys at 10 Downing Street', 12 December 1979, T 369/1072, TNA.
[883] 'Note of a meeting between the Minister of Agriculture, Fisheries and Food and the New Zealand Prime Minister, London', 21 September 1979, FCO 98/583, TNA.
[884] Judgment of the Court of 25 September 1979: Commission of the European Communities v French Republic. Mutton and lamb, case 232/78, online at:
https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A61978CJ0232
[885] Telegram, FCO London to UK Embassy Paris, 'Sheepmeat', 8 October 1979, FCO 98/583, TNA.

Government supporting its stance on a protective sheepmeat policy.[886] The Commission also publicly condemned the French position, although a member of Jenkins' Cabinet noted it would be politically advantageous for France to remain outside the law at least until the upcoming Dublin Summit in November 1979.[887]

Given these events, it is unsurprising that Gundelach described the sheepmeat regulation as 'a political nightmare out of all proportion to its intrinsic importance'.[888] It came at a time of other political nightmares. The Dublin Summit was the first to be completely overrun by rows about the British contribution to the budget and monetary integration. This induced a rupture between Thatcher on the one hand, and French President Valéry Giscard d'Estaing and FRG Chancellor Helmut Schmidt on the other.[889] Among the indignant points made by Thatcher was that the French Government was asking Britain to follow rigid Community rules, while at the same time it had acted illegally on sheepmeat. It was also at Dublin that Thatcher first declared her infamous phrase 'we want our money back'.[890]

In December 1979 the European Commission published its mandate for negotiation of VRAs on sheepmeat with third countries. This recognised that agreements were required with several nations including Australia, Argentina and Uruguay; however, terms agreed with New Zealand, as by far the largest supplier, would likely be applied to the others. The mandate established some useful markers for New Zealand. It noted that negotiations would not give the Council of Agriculture Ministers an opportunity to unbind the 20% GATT tariff on sheepmeat. The French Government had attempted to modify the wording to introduce this threat; but it was rejected by the UK with the support of the other members. Agriculture Secretary Peter Walker noted to Thatcher that retaining the GATT agreement gave New Zealand greater leverage, providing the option to work away from talks in the knowledge that the tariff cap would still exist.[891]

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[886] Telegram, UKREP Brussels to FCO London, 'Council of Ministers (Agriculture) 15/18 October 1979', FCO 98/583, TNA.
[887] Telegram, UKREP Brussels to FCO London, 'Sheepmeat', 19 October 1979; Telegram, UKREP Brussels to FCO London, 'Council of Ministers (Agriculture) 30 October 1979', both at ibid.
[888] Telegram, UKREP Brussels to FCO London, 'Mr Talboys Meeting with Commissioner Gundelach', 22 November 1979, T 369/1072, TNA.
[889] N. Piers Ludlow, *Roy Jenkins and the European Commission Presidency, 1976-1980: At the Heart of Europe,* (London:2018), 215-216.
[890] Stephen Wall, *The Tiger Unleashed,* 158, 163-165.
[891] Letter, Peter Walker to Margaret Thatcher, 12 December 1979, T 369/1072, TNA.

At the Luxembourg Summit on 27-28 April 1980 several Community leaders hitherto against an interventionist sheepmeat regime now saw this as a potential bargaining chip to get past French obstruction of a budget solution. The Council of Agriculture Ministers met simultaneously to the Summit and except for Britain, quickly came to agreement on the Commission's outline of a sheepmeat regime that would apply intervention prices across the Community year-round and allow export subsidies, two of the key French demands.[892] British officials had also briefed the Prime Minister to consider compromises on an interventionist sheepmeat regime in exchange for French endorsement of a satisfactory budget solution. These concessions to France had limits that the newly proposed scheme exceeded. If intervention prices were to be introduced for sheepmeat, then Britain did not want these to be higher than the likely market equilibrium price and should only be applied seasonally to avoid disruption of the market. The brief also stipulated that the sheepmeat policy should not include export subsidies, there should be no removal of the GATT agreement, and that the Community should share any production aids fairly, allowing British farmers to benefit on a proportional basis.[893]

In the event, the Luxembourg Summit ended without agreement from Thatcher on either on the budget proposal or the sheepmeat regime. In this instance, although the issue had been dragged into the broader budget debate, New Zealand gained from the combative approach from the British Prime Minister. British officials later told New Zealand counterparts that New Zealand was at the forefront of the Prime Minister's reasons for not accepting a settlement at Luxembourg.[894] This may be an overstatement. Wall suggests a more important factor was the Council of Agricultural Minister's decision to implement a 5% rise in agricultural prices, which at a late point had increased Britain's contribution to unacceptable levels, in Thatcher's view. The net contribution of £550m for 1980 was deemed too high.[895] Whether New Zealand was front of mind for Thatcher at Luxembourg or not, the New Zealanders were exceedingly grateful for her intervention. The Community member states' rapid about-turn in Luxembourg towards an interventionist sheepmeat scheme had alarmed Wellington. After Thatcher's rejection, Muldoon wrote to her and Walker to say: 'I wanted to urgently convey

[892] 'EEC Developments: Monthly Report: April 1980', R20759343, ANZ.
[893] Brief for European Council, Brussels, 27/28 April 1980, 'Sheepmeat', FCO 98/870, TNA.
[894] Meeting note, 'European Council: New Zealand Interest, meeting in Mr Franklin's office', 30 April 1980, FCO 98/873, TNA.
[895] Wall, *The Tiger Unleashed,* 170.

our… thanks… for your refusal to go along with an approach on sheepmeats that manifestly ignores the reasonable and justifiable interests of both Britain as well as New Zealand'.[896] The question of sheepmeat regulation, like the budget, remained open.[897]

By May 1980, Foreign Secretary Peter Carrington and his officials concluded that a sheepmeat scheme with 'limited intervention' was in both Britain and New Zealand's interests. The challenge was to convince both the British and New Zealand Prime Ministers of the merits of this. Carrington wrote to Thatcher on 6 May to encourage her to 'show flexibility' and to bring the New Zealanders into their confidence on the need for compromise, or risk an overtly negative reaction at a later point. It was agreed that Talboys should be approached, given he was seen as more reasonable than Muldoon. [898]

Thatcher's subsequent brief for meeting Talboys noted that if the New Zealanders walked away from talks to simply rely on the GATT binding, this would remove the ability of the Community and third countries like New Zealand to work together, and there would be no tariff cut.[899] As well as encouraging Talboys to take the concessionary path, Thatcher urged him to be publicly critical of the Community, and especially the French stance on intervention. She told him to 'play the political card as hard as possible', stressing New Zealand's contributions to the defence of Europe in the past and its role in the South Pacific at present.[900] This suggests that Thatcher may have seen New Zealand's voice as politically important in her broader efforts to prise budgetary concessions from France and the Community. Perhaps more likely, it would have played well to the Conservative Party's domestic base.

Muldoon did not need much of an invitation to criticise France and the Community. His public views on the sheepmeat scheme that emerged at Luxembourg helped to create, in the words of Harold Smedley, UK High Commissioner in Wellington, a pervasive 'atmosphere of doom… there is a great deal of hyperbole in all this but in my four years here I have not yet

[896] Letter, Muldoon to Thatcher, 2 May 1980, FCO 98/873, TNA.
[897] 'Record of conversation between the Permanent Under Secretary of State and NZ High Commissioner', 12 May 1980, ibid.
[898] Letter, Carrington to Thatcher, 'European Council: New Zealand interest in a possible concession on sheepmeat', 6 May 1980, ibid.
[899] 'Brief for the Prime Minister's meeting with Mr Talboys', 16 May 1980, ibid.
[900] 'Record of a Discussion between the Prime Minister and the Deputy Prime Minister of New Zealand', 14 May 1980, ibid.

experienced such a widespread feeling of despondency'. Smedley also noted that some in the New Zealand Labour Party were saying the current British Government was less willing to help New Zealand than its Labour predecessors (meaning those of Callaghan and Wilson).[901]

Despite the negative public reaction to Luxembourg, behind the scenes a sheepmeat policy was progressing. Finn Gundelach sought to move the policy back towards the negotiating mandate of December 1979, rather than the more protectionist version that emerged in Luxembourg. At the Council of Agriculture Ministers meeting on 28-29 May it was agreed that member states could opt for either intervention payments (as the French desired) or deficiency payments (as the British sought). This potentially meant the distinct pricing characteristics of the British market would remain, to New Zealand's benefit. It was also agreed that export restitutions would only take effect if they did not prejudice third country trade.[902] Gundelach also offered to consult New Zealand on third country markets and any future internal policy developments that may affect them, which exceeded the negotiating mandate.[903] Muldoon privately described this to the British High Commissioner as 'a promising advance', but expressed unease about the ability of the regime to be tightened in future.[904]

The VRA proposed for New Zealand sheepmeat solidified after Gundelach visited Wellington in mid-July 1980.[905] At the Council of Agriculture Ministers on 22 July the Commission proposed that New Zealand lamb should have a 10% tariff applied, half the current rate. This was agreed by all except delegates of France and Ireland, who continued to reject the entire package, seeking country specific quotas and a higher tariff, among other things. Peter Walker argued strongly for an 8% tariff and noted agreement should be contingent on settlement of the budget question. The Commission proposed 227,000 tonnes of sheepmeat annually, slightly below the New Zealand request of 240,000 tonnes. New Zealand also wanted the quantity to expand by 15,000 when Greece joined the Community on 1 January 1981.[906]

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[901] Telegram, UKHC Wellington to FCO London, 'Sheepmeat', 23 May 1980, ibid.
[902] 'EEC Developments: Monthly Report: May 1980', R20759343, ANZ.
[903] Telegram, UKREP Brussels to FCO London, 'Talboys/Gundelach meeting', 23 May 1980, FCO 98/873, TNA.
[904] Telegram, UKHC Wellington to FCO London, 'Sheepmeat', 26 May 1980, ibid.
[905] 'Itinerary and Programme, Gundelach Visit to New Zealand'; 'NZ/EC: Sheepmeats and Butter: The Tactical Situation', July 1980, both at R21698655, ANZ.
[906] 'NZ/EC: Sheepmeats Working Paper', July 1980, ibid.

Carrington continued to cautiously impress upon Thatcher that the Commission's proposal represented a good deal for both Britain and New Zealand, and that they should encourage Muldoon to accept it, presuming the French and Irish also agree.[907] Peter Walker went further, telling his Prime Minister that both Britain and New Zealand would be substantial losers if New Zealand did not accept the VRA and that British farmers would be 'totally outraged' and 'very anti-New Zealand in their sentiments'.[908] Thatcher concurred with her ministers, writing to Muldoon that 'you have managed to secure something quite unprecedented in negotiations with the Community on agricultural trade'. In a further indication that she saw New Zealand as a political ally in her wider efforts, she continued to praise Muldoon's outspoken language on export restitutions, which she saw as 'explicit and helpful'.[909]

Thatcher, Walker and Carrington's pressure on Muldoon to accept the revised terms paid off on 22 September 1980 when the New Zealand Government agreed to accept the text of the VRA, including the offer of a 10% tariff. However, it was decided to hold this information back from the Community in the hope that it would help to get the butter agreement for post-1980 settled.[910] Nevertheless, French delegates to the Agriculture Council remained unmoved, listing out a series of objections and calling for a higher tariff, with the support of Ireland.[911]

French and Irish resistance was finally overcome at the Agriculture Council on 30 September 1980. This was thanks to firm chairing by Luxembourg Agriculture Minister Camille Ney, interventions by Gundelach, and two key concessions by New Zealand. At the outset, Ney stipulated that only key points were to be debated in the meeting, reducing the list of French objections (this extended to the banal, such as insisting on signed documents being in French language). In an important move, the New Zealand Government signalled in advance it was prepared to limit sheepmeat exports to France (and other individual countries, if

[907] Note, Carrington to Thatcher, 'New Zealand Sheepmeat', 25 July 1980, T 369/1072, TNA.
[908] Note, Walker to Thatcher, 18 July 1980, ibid.
[909] Letter, Thatcher to Muldoon, 20 July 1980, ibid.
[910] Telegram, Permanent Secretary FCO to Walker, 22 September 1980, FCO 98/873, TNA.
[911] Telegram, UKREP Brussels to FCO London, 'Article 113 Committee (Full Members)', 24 September 1980, ibid.

requested) until 1983. In return, New Zealand sought to lift French objections to the Commission's proposal for New Zealand post-1980 butter imports.[912]

French Agriculture Minister Pierre Méhaignerie immediately asked for this arrangement to be extended until 1984, which Talboys (who was in Singapore) agreed was acceptable in a phone call with Gundelach. After some discussion, Talboys also agreed to lift objections to France potentially 'rolling over' this provision after 1984, which potentially kept New Zealand excluded from the lucrative French market indefinitely. This appeared to satisfy all other French reserves, which, in the words of the UK Permanent Representative, were lifted 'without much of a struggle'. The Irish delegate followed suit. [913] On 10 October the Council of Agriculture Ministers agreed to the exchange of letters on a VRA with all significant lamb exporting countries to the European Community. Letters were exchanged on 17 October and the policy came into effect three days later.[914]

The sheepmeat regime included some important benefits for both Britain and New Zealand. British producers received increased payments from the Community budget. New Zealand secured an annual quota of 243,000 metric tonnes, slightly below current exports, at a tariff rate of 10%, half that previously implemented by the European Community. The safeguard clause was retained, in which the Community could restrict the quantities further in the event market conditions deteriorated, but the Community undertook to take New Zealand's interests into account before exercising this. The text stated that export restitutions should be limited to the Community's 'traditional' share of world markets. France also gave way on attempts to prevent New Zealand exporters from transferring their quota between frozen and chilled lamb.[915]

New Zealand Ambassador to the European Communities Graham Ansell described the sheepmeat policy as an 'outstanding result' for New Zealand, and it is hard to disagree.[916] It

[912] 'Meeting of Council of Ministers (Agriculture)', 30 September 1980, ibid.
[913] Telegram, UKREP Brussels to FCO London, 'Council of Ministers (Agriculture), Mutton and lamb'. 30 September 1980, T 369/1072, TNA; Meeting of Council of Ministers (Agriculture)', 30 September 1980, FCO 98/873, TNA.
[914] 'Council decision on the conclusion of voluntary restraint arrangements with Argentina, Australia, New Zealand and Uruguay in the sheepmeat and goat meat sectors', 10 October 1980, ibid; 'Échange de lettres constituant accord entre la Communauté économique européenne et la Nouvelle-Zélande sur le commerce des viandes de mouton, d'agneau et de chèvre', 17 October 1980, AO-606/834, HAEU.
[915] ibid.
[916] Quoted in Nottage, 'Economic Diplomacy', in Lynch (ed.), *Celebrating New Zealand's Emergence,* 46.

became even better after 1991, with the tariff reduced to zero in return for slightly lower quantities.[917] In time, New Zealand was even allowed to export sheepmeat to France, with an allowance of 3,500 tonnes from 1984.[918] Nonetheless, problems persisted. The prediction that European lamb production would be artificially stimulated was borne out, doubling in the 14 years after implementation. The policy also vastly increased the bureaucratic processes facing New Zealand producers, including the need to obtain import licenses.[919] Such problems required continued New Zealand and British diplomacy in Brussels.

Extending the special arrangement for New Zealand butter

The ongoing dairy surplus in the Community was a major barrier to agreement of post-1980 butter access for New Zealand. In early 1979 the scale of the problem was recognised in two reports published by the European Commission.[920] Despite the 'milk lake' and 'butter mountain', there was still recognition of the political and economic need to accommodate New Zealand dairy imports, at least in part because of previous commitments. In the Commission's view, this should come through persuading New Zealand to send lower butter quantities to Britain in return for higher prices. The Commission also noted that gaining agreement from New Zealand may be more difficult than from member states.[921]

Finn Gundelach's May 1979 visit to New Zealand established a potential framework for extending the special arrangement for butter, envisioning a seven-year arrangement with a review clause, quantities starting at slightly lower levels than 1980 and declining gently year by year. As compensation, improved prices would be offered. This had support from the British Government, but the New Zealanders remained cautious until the figures were known and were suspicious of a 'review clause'.[922] At the end of 1979, the Commission was providing

[917] Brown, 'New Zealand in the World Economy', in Brown (ed.), *New Zealand in World Affairs III: 1972-1990*, 26.
[918] 'Exchange of letters on mutton, lamb and goatmeat', 12 July 1984, AO-606/1159, HAEU.
[919] Nottage, 'Economic Diplomacy', in Lynch (ed.), *Celebrating New Zealand's Emergence,* 46; N. Blyth, *The EEC Sheepmeat Regime: One Year On,* Discussion Paper No. 59, Agricultural Economics Research Unit, Lincoln College, 1981, ii.
[920] 'EEC Developments: Monthly Report, July-August 1979', R20759343, ANZ.
[921] Note for Haferkamp, 'Your meeting with Talboys', 19 January 1979, BAC-048-1984/1085, HAEU.
[922] 'Prime Minister's Lunch with Mr Muldoon, Brief No. 1, Steering Brief', 11 June 1979, PREM 19/1588, TNA.

optimistic accounts of Community members' views on access for New Zealand butter after 1980.[923]

However, it seems that New Zealand suffered from the double edge of the Thatcher Government's aggressive approach to European relations. The advice from the Commission, shared by the British Government, was that New Zealand should not pursue agreement on butter until after the annual CAP prices were established. Given the sensitivity on CAP and the budget, Gundelach and the Commission took the view that butter proposals should not be put to the agriculture ministers at the time of the Dublin Summit in December 1979. The failure of this Summit, and subsequent disagreement at Luxembourg, meant the butter issue remained up in the air until the middle of 1980. This left the planning for the New Zealand dairy industry in flux. The New Zealand Government accepted the reasons for the delay and that pushing forward with proposals at a time that the French and British Government relations were strained would be counterproductive, but this did not improve the mood of New Zealand farmers.[924]

There was warm rhetoric from Brussels in the middle of 1980. Frustrated at the lack of progress on Australian beef and New Zealand butter, in May Commissioner for External Relations Wilhelm Haferkamp spoke of the need to elevate the issues from the Council of Agriculture Ministers to Foreign Ministers and the European Council.[925] Gundelach visited New Zealand again in July and a solution satisfactory to the New Zealanders was tabled at the Agriculture Ministers meeting on 22 July 1980. This pertained to access to the UK market both in 1980 (the year was obviously underway) and post-1980. It involved a reduction by New Zealand of 20,000 tonnes in 1980, in exchange for a price increase to 75% of the Community intervention price. Post-1980 access prescribed five-years with a gentle decline in quantities of around 2,500 tonnes per year. The 1980 arrangement appeared to have agreement from all ministers; however, after the meeting it became clear the French Government would not

[923] Telegram, UKREP Brussels to FCO London, 'Mr Talboys Meeting with Commissioner Gundelach', 22 November 1979, T 369/1072, TNA.
[924] 'Record of a discussion between the Prime Minister and the Deputy Prime Minister of New Zealand'. 12 December 1979, T 369/1072, TNA.
[925] 'Note of a meeting between the Lord Privy Seal and the Commissioner for External Relations', 6 May 1980, FCO 98/870, TNA.

endorse the agreement for post-1980. The issue was set aside for the September meeting of agriculture ministers.[926]

The September meeting was also without success. A British official described the sessions as 'long and miserable'. Only the smallest comfort could be drawn from the fact that all other delegations were increasingly impatient with the French position on post-1980 butter, and FRG took a more robust position on this.[927] West German support manifested itself in a positive letter from Chancellor Schmidt to Muldoon on 8 October 1980, promising support. The West Germans collaborated with the British, seeing 'strong mutual interest'. Between them, they established a fall back of a three-year extension on butter, seeking to bring the other member states and French onside. As the British Ambassador to Bonn put it, 'we are 8-1 on this issue and we should put our shoulder to the wheel'.[928]

Hackles were raised in London when 1981 rolled around without an agreement on New Zealand butter. The situation was complicated by the sudden death of Finn Gundelach of a heart attack on 13 January and a false alarm for an outbreak of foot and mouth disease on a farm in South Canterbury, New Zealand on 12 February.[929] After temporary extensions, 24 February marked the expiry of New Zealand's special arrangement, prompting questions as to British action. With Thatcher's agreement, bilateral discussions were opened with the French to break the impasse, however officials prepared for the worst, especially as the French attitude appeared to be hardening ahead of the French Presidential election on 10 May.[930] MAFF prepared a paper suggesting that the UK had four options. The first was to comply with European law and impose a suspension of New Zealand butter imports at a preferential levy until a satisfactory arrangement could be found (effectively temporarily ending New Zealand butter imports). The other four options all breached Community law and ranged from ignoring the expiration of the special arrangement completely and continuing to

[926] 'European Communities: Developments June/July 1980', R20759343, TNA.
[927] Telegram, UKREP Brussels to FCO London, 'Special Committee for Agriculture - 22/23 September 1980', FCO 98/873, TNA.
[928] Telegram, UK Embassy Bonn to FCO London, 'New Zealand Butter Post 1980 Access', 20 November 1980, T 369/1072, TNA.
[929] 'EC Agriculture Commissioner Finn Gundelach dies', European Community news release, No.4/1981, 14 January 1981, online at http://aei.pitt.edu/75268/1/BIO_-_EN_-_Gundelach.pdf; Ansell, 'New Zealand and the EU', in Lynch (ed.), *Celebrating New Zealand's Emergence,* 42; 'New Zealand Annual Review for 1981', FCO 107/704, TNA.
[930] 'Imports of New Zealand Butter: Post 1980 Arrangements Supplementary Brief', 17 February 1981, T 369/1072, TNA.

import butter at the reduced levy, to Agriculture Secretary Peter Walker's favoured option, which was to collect the full levy, but to withhold the difference between the full and reduced rate of levy from the Community budget and to pay over the difference to New Zealand, likely to be around £6.5m per month. The Ministry also suggested that unilateral action be accompanied by bringing an action against the Community in the European Court under Article 175 of the Treaty of Rome, described by Treasury officials as a 'fig leaf' that barely concealed Britain's own illegality.[931]

Walker's position was advised against by Treasury and FCO officials, who felt that withholding funds from the Community is such 'a major weapon' that should be used only in a major Community crisis when all other avenues are exhausted. Such tactics were much discussed but ultimately never used during acrimonious phases of the budget row. Officials argued that unilateral action would lose the support of the Commission and the Community members that also strongly supported the British position on New Zealand butter. Further, it was recognised that new legislation would be required to pay the £6.5m funds to New Zealand, which would be politically embarrassing in the context of a recently published Public Expenditure White Paper and the British farming community's call for further national aid, which would likely be refused.[932] Although Walker's recommendation was never implemented, it is remarkable that a senior minister in the British Government was prepared, with official advice, to countenance breaking European law and withholding Community funds on the issue of retaining New Zealand butter imports. It is also likely that he would not have adopted so strong an opinion without the support of Thatcher.

The solution to the impasse required British concessions. At the suggestion of Treasury and FCO, the British Government agreed to keep accepting shipments of New Zealand butter but to store these in bonded warehouses at the border, so that the levy would not be 'triggered'. In the meantime, existing stocks of New Zealand butter were to be run down, providing an additional five months of breathing space to find a solution. Crucially, the British Government also indicated to the French that they would be prepared to agree concessions

[931] 'Paper for OD(E) (81)5: Imports of New Zealand Butter: Post 1980 Arrangements', 16 February 1981, ibid.
[932] Ibid.

in the overall CAP price package in order to get a three-year extension agreed for New Zealand butter.[933]

Finally, at the Council of Agriculture Ministers on 1 April 1981, French opposition relented, and the Ministers agreed to the Commission proposal to extend New Zealand's special arrangement for a further three years, with 94,000 tonnes for 1981 and 92,000 tonnes for 1982. The quantity for 1983 was to be established on 1 October 1982 and arrangements after 1983 to be considered before 1 August 1983. This was below the 100,000 tonnes sought by Muldoon at the outset, but it met the longstanding objective of tying the New Zealand import price to the Community intervention price. It was a 'tolerable' solution, both for New Zealand and Britain. For this, Muldoon was eager to express gratitude to Thatcher in the middle of 1981 as problems stemming from the Springbok tour raged (mentioned at the start of the chapter). He also used the meeting to prepare the ground for yet another round of discussions for post-1983 butter access.[934]

A solution for New Zealand cheese

The third prong of New Zealand's campaign for agricultural trade access in Britain and the Community focussed on cheddar cheese. From July 1977, the Commission indicated to New Zealand that its preference would be to resolve the issue in multilateral trade negotiations, via the GATT.[935] This did not stop New Zealand's bilateral efforts, pressing Britain to help move the Commission. As outlined earlier, Britain was reluctant to do so because of an effective lobbying campaign by its own dairy industry. The Commission also discouraged a bridging solution to retain cheese imports from the expiry of the special arrangement until a multilateral agreement was implemented. Gundelach feared that a temporary allowance would make member states less likely to agree a multilateral solution.[936] Political cover for an agreement on cheese eventually came with the conclusion of the Tokyo GATT round in May 1979. This allowed 9,500 tonnes of New Zealand cheese to be imported into the Community annually, of which 3,000 tonnes was for processing (thereby mitigating concerns from domestic cheese producers). Prices were set at the unprohibitive levels of 145 units of

[933] 'Imports of New Zealand Butter: Post 1980 Arrangements Supplementary Brief', 17 February 1981, ibid.
[934] 'Brief for the Prime Minister's Dinner with Mr Muldoon: New Zealand/EC Relations', 18 June 1981, PREM 19/1588, TNA.
[935] Letter, Talboys to Gundelach, 9 January 1979, BAC-048-1984/1085, HAEU.
[936] Note for Haferkamp, 'Your meeting with Talboys', 19 January 1979, ibid.

account per 100kg for processing and 165 units of account per 100kg for direct consumption. This quantity was a far cry from the once enormous supply of New Zealand cheddar to British markets and it represented a desultory return from many hours of negotiations in the Tokyo Round over six years. Nevertheless, it retained a toe hold for New Zealand cheese in Britain. Trade restarted at the end of 1979 at a particularly tricky economic time, and some New Zealand factories were able to continue operation, albeit on a much-consolidated basis.[937]

Conclusions

For the New Zealand Government and its farming industry, the upshot of its campaigns to retain lamb, butter and cheese trade in Britain in 1979-81 was reasonably successful when measured against initial objectives. However, the process in achieving these was laborious, complicated and occasionally antagonistic. Coming during economic crises and setbacks in New Zealand's diversification efforts, the method of retaining trade in the European Community if not the results, helped retain negative perceptions about British membership in New Zealand and British polities, stoking the shock and betrayal narrative. There was significant overlap between Britain and New Zealand interests on sheepmeat policy, but less so on dairy, which makes it all the more remarkable that the British Government continued to advocate on New Zealand's behalf, even if, in the case of cheese, this was in multilateral negotiation.

Significant continuities can be seen in Anglo-New Zealand relations in 1979-81. Largely thanks to British efforts, New Zealand's export trade to Britain was not cut off at the end of the transition period for British accession, as the French Government had frequently threatened. Nor did the need for political or diplomatic connections dissipate. The structure of New Zealand's special arrangement for dairy remained, requiring the constant diplomatic chore of seeking extensions, alongside longstanding efforts to reach an international dairy agreement. New Zealand official visits to London, Brussels and other Community capitals did not slacken and there was an increase in the number of Community officials and politicians heading in the opposite direction. The introduction of lamb to the CAP also required constant

[937] 'EEC Developments: Monthly Report March-April 1979', R20759343, ANZ; Lind, *Till the Cows Came Home*, 59.

engagement to maintain its smooth operation in the face of increased bureaucracy and supply stimulants.

The efforts of Thatcher's Government to retain external trade access, while reducing financial contributions to the Community and reforming the CAP, can also be seen as a continuity from her predecessors. However, the British Prime Minister's notoriously aggressive diplomatic approach with her Community partners was distinctive. This had pluses and minuses for New Zealand. On the one hand, Britain's continual pressing for smaller budgetary contributions and lower CAP prices postponed agreement on post-1980 butter access for New Zealand. It also arguably entrenched French Government views against Britain's liberal conceptions of the sheepmeat regime. Thatcher's bullish attitude encouraged Muldoon to pursue an unrealistic bilateral agreement with Britain on sheepmeat trade. At the Luxembourg Summit of April 1980, the other Community members, including Britain, sought to win French Government support for budget changes by conceding Community protections on sheepmeat. This would have severely damaged New Zealand's trade and the domestic political standing of the Muldoon Government. That Thatcher threw out the entire package in Luxembourg was a rare example of her aggressive approach benefitting New Zealand. On the whole, it did not.

Conclusions

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Epilogue - *Opération Satanique*

Shortly before midnight on 10 July 1985, a crew member's birthday party was underway onboard the Greenpeace flagship *Rainbow Warrior,* berthed at Marsden Wharf in central Auckland. Without warning two bombs exploded around three minutes apart, puncturing the ship's hull below the waterline and quickly sinking it. After the first explosion, the captain gave the order to abandon ship. Those on board did so safely except for Portuguese-born Greenpeace photographer Fernando Pereira, who returned to his cabin to rescue camera equipment. While there, the second bomb went off and the massive inrush of water drowned him.[938]

Rainbow Warrior had gained international prominence by leading flotillas protesting against the French military's underground nuclear testing at Moruroa Atoll in French Polynesia. It was preparing to embark on a further voyage for that purpose when it was sunk. Police and media speculation almost immediately suggested involvement by the French Government, in what was widely described as an act of terrorism. The suspicions were apparently confirmed on 15 July when two French military officers, Dominique Prieur and Alain Mafart, were arrested by New Zealand police. Investigations established that the pair had entered New Zealand using forged Swiss passports on 22 June and were part of a larger team organised by Direction Générale de la Sécurité Extérieure (DGSE) consisting of army and navy personnel, some of whom were experts in underwater warfare. The mission to bomb the *Rainbow Warrior* was codenamed *Opération Satanique* and appeared to be partly motivated by the belief that the ship's crew had been infiltrated by the KGB and other security agencies. The DGSE operatives left a trail of evidence, including a yacht named *Ouvea* sailed from Noumea to New Zealand which probably transported the explosive equipment; an abandoned inflatable dinghy that was likely used to transport divers to place the bombs*;* hotel bookings; phone calls to the Defence Ministry in Paris; and suspicious movements of a

[938] Notes on Sentencing by Davison C.J., 'R. v Alain Michel Mafart and Dominique Angele Francoise Prieur', High Court of New Zealand, 22 November 1985, online at www.nzlii.org.

campervan hired by Prieur and Mafart that had been reported to police.[939] Amongst outrage in New Zealand and beyond, in November 1985 the two French agents pled guilty to charges of manslaughter and wilful damage in the New Zealand High Court and were sentenced to 10 years' imprisonment. Importantly, the Judge declined the Defence request to deport the prisoners to France to serve their sentences, noting that this decision could be made by the minister under the legislation. The other perpetuators of *Opération Satanique* eluded capture.[940]

Upon the arrests, the French Government exerted considerable pressure on New Zealand to extradite the agents to France. Unsurprisingly, it targeted the area of most political and economic sensitivity to New Zealand - trade with the European Community. Ominously, shortly after Prieur and Mafart were apprehended, an export consignment of New Zealand lambs' brains was stopped at the French border. Despite French claims that this had nothing to do with the *Rainbow Warrior,* officials in the New Zealand Ministry of Foreign Affairs thought otherwise, and New Zealand Ambassador in Geneva Richard Nottage lodged protests with the OECD and the Director-General of GATT. [941] Although the GATT protest was upheld and the brains were eventually delivered, French threats to New Zealand trade remained. New Zealand officials were about to enter negotiations for continued butter exports to the European Community for 1987 and 1988, and there was risk of a French veto of a 1984 exchange of letters on sheepmeat trade between New Zealand and the Community (extensions of the agreements outlined in Chapter Six). This convinced the Ministry that it did not want French grievance over the return of the agents to be 'a running sore'. Foreign Affairs Secretary (lead official) Merwyn Norrish later opined that retaining the prisoners would have been 'naïve to an extraordinary degree'. Officials were also aware (even if the broader New Zealand public were not) that prisoner exchanges were a common currency in the Cold War.[942]

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[939] For a French perspective see Alain Mafart, *Carnets Secrets d'un Nageur de Combat: du Rainbow Warrior aux Glaces de l'Arctique,* (Paris:1999). New Zealand perspectives can be found at Michael King, *Death of the Rainbow Warrior,* (Auckland:1986); Templeton, *Standing Upright here*; and Gerald Hensley, *Friendly fire: Nuclear Politics and the Collapse of ANZUS, 1984–1987*, (Auckland:2013).

[940] Notes on Sentencing by Davison C.J., 'R. v Alain Michel Mafart and Dominique Angele Francoise Prieur', High Court of New Zealand, 22 November 1985, online at www.nzlii.org.

[941] Richard Nottage interview by the author, Wellington, 25 January 2018. Lambs' brains are considered a delicacy in French cuisine.

[942] Interview with Merwyn Norrish, OHInt-0732-02, ATL.

By Norrish's account, he gained permission from Prime Minister David Lange to open negotiations with the French Government on treatment of the prisoners. Despite this, Lange publicly stated the agents would face the full force of New Zealand law. This heightened the public criticism when news of the negotiations eventually emerged. It appears Lange also failed to inform ministerial colleagues of the discussions with France, resulting in a heated grilling of Norrish when he was belatedly obliged to bring the matter to Cabinet himself.[943] Eventually, in July 1986 an agreement between the French and New Zealand Governments was reached. To make it more politically palatable in both Paris and Wellington, it was mediated and announced as binding by the UN Secretary-General Javier Pérez de Cuéllar. It prescribed that the two convicted agents be turned over to the French Government to serve a minimum three years of their sentences in French military facilities in the Pacific. It was also agreed the French Government would apologise and pay US$7m in compensation to New Zealand. Importantly, New Zealand requests that the French Government would not oppose the European Commission's proposed level of imports of New Zealand butter into the European Community in 1987 and 1988 were upheld. France also agreed it would not impair the implementation of the 1984 exchange of letters between New Zealand and the European Community on sheepmeat trade.[944]

The French Government later reneged on treatment of the prisoners, allowing them to return from Hao in French Polynesia to the French mainland in 1988, with the New Zealand Government unsuccessfully appealing. However, France did comply with its trade obligations to New Zealand in the Community.[945] In Norrish's view, the commercial benefits to New Zealand from the agreement were substantial, but this did not stop widespread domestic criticism of the New Zealand Government for releasing the prisoners. Lange tried to deflect this by disparaging the British and US Governments for a lack of support in the matter, while emphasising the economic risks to not proceeding with an agreement with France.[946]

Change or continuity in the Anglo-New Zealand relationship?

[943] Ibid.
[944] 'UN Secretary-General Ruling Pertaining to the Differences Between France and New Zealand Arising from the Rainbow Warrior Affair', 6 July 1986, R22498984, ANZ.
[945] Note, Geoffrey Palmer to David Lange, 7 July 1988; 'Prime Ministerial Statement on Captain Dominique Prieur', both at R22498984, ANZ.
[946] Interview with Merwyn Norrish, 1993, OHInt-0732-02, ATL.

The *Rainbow Warrior* episode exposes one of the key conclusions of this thesis; that New Zealand's relations with Britain as it entered the European Community can be characterised by continuity, as well as by change. Indeed, if looking for a break in the pattern of the New Zealand Government's perennial pleas to London and Brussels to secure extensions to its special trade agreement, then it may be better to cite 1994, rather than 1973. The conclusion of the Uruguay Round of GATT negotiations in 1993, followed by the establishment of the World Trade Organisation (WTO) the following year finally established a world agreement liberalising agricultural trade, meeting a New Zealand Government objective held since the early 1960s. Bound in a WTO Treaty that replaced Protocol 18, the agreement firmed up the long-term legal basis for ongoing New Zealand dairy and meat exports to the European Union, ending the principle of degressivity. New Zealand was accorded annual quotas of 76,667 tonnes of butter, 11,000 tonnes of cheese and 205,500 tonnes of lamb, all enhancements on the existing arrangements. It also set the European Union on a path to partially rationalise the CAP, committing it and other signatories to reduce internal financial support for agriculture by 20% in 1995-2000.[947] The agreement prompted then New Zealand Prime Minister Jim Bolger to say, 'multiple annual New Zealand Inc visits to Brussels and European capitals on this issue [dairy and lamb exports] are now history'.[948]

This was an overstatement. New Zealand ministerial visits to London and continental Europe continued, not least because of the global influence of the renamed and enlarged European Union as the world's largest trading bloc. Nevertheless, Bolger had a point. The political and economic risks of complete expulsion of New Zealand trade from the British market had finally been eradicated. By the 1990s New Zealand exporters increasingly looked to the expanding economies in the Asia-Pacific region, with the People's Republic of China emerging as a similar sized replacement for the stagnant British market. However, New Zealand exports to Britain did not disappear altogether, and the European Union remained one of the 'big four' export destinations into the twenty-first century. Even as the traditional markets for lamb and sheepmeat in Britain reached a plateau, New Zealand industries emerging from economic diversification in the 1970s such as tourism and winemaking initially

[947] Brown, 'New Zealand in the World Economy', in idem (ed.), *New Zealand in World Affairs 1972-1990*, 50.
[948] Quoted in Nottage, 'Economic Diplomacy', in Lynch (ed.), *Celebrating New Zealand's Emergence,* 46.

counted Britain among their most important markets, suggesting the patterns of colonial commerce ran deep and could be replicated in new ways.[949]

With periodic Protocol 18 reviews finally ended, New Zealand's diplomatic relations with Britain in the period 1994-2016 concentrated on less substantive issues, including ceremonial and consular tasks performed by a dwindling number of staff in New Zealand House in London. As one present-day New Zealand diplomat put it, Anglo-New Zealand diplomatic ties were largely 'taken for granted' on both sides in the years leading up to the 2016 referendum on British membership of the European Union, before they were given fresh impetus by the result (even if the benefits to the relationship from Brexit are far from clear, at the time of writing).[950] This creates an interesting counter-factual. If, as the New Zealand Government had sought, a satisfactory world agreement on agricultural trade similar to that achieved in 1993 had instead been secured in the early 1960s, guaranteeing New Zealand's exports to Britain and opening up markets elsewhere, it is possible to suppose that there would have been *less* political and diplomatic interaction between New Zealand, Britain and the European Community from the 1960s to the 1980s. As it was, the process of European integration and the lack of a world dairy agreement required *more* New Zealanders banging on doors in London and Brussels than ever before. This is the inverse of the orthodox view, which presumes such relations diminished from 1973 (or 1961).

In evaluating this argument, New Zealand historians may respond that Robert Muldoon's National Government of 1975-84 was a conservative and reactionary one that failed to recognise that New Zealand's economy and society had already moved on from a colonial relationship from Britain. They may also point out the third (1972-75) and fourth (1984-1990) New Zealand Labour Governments had reputations for radicalism and independent foreign policy, with the latter enacting free-market economic policies and (somewhat chaotically) dropping out of the Western security alliance because of its anti-nuclear stand. However, there is evidence that, in political relations with Britain, both the Muldoon Government's conservatism and Kirk and Lange Government's radicalism can be overstated. There was continuity of foreign and trade policy across them all, seeking to retain as much traditional exports to Britain as possible while diversifying elsewhere. As seen above,

[949] Hall, *Emerging from an Entrenched Colonial Economy,* 211.
[950] Author interview with David Evans, New Zealand Deputy High Commissioner, London, 12 October 2018.

during the *Rainbow Warrior* affair, the Lange Government was prepared to prioritise British trade over the more domestically popular retention of the French agents in a New Zealand jail. And it was the Muldoon Government that advanced economic diversification and negotiated the Closer Economic Relations agreement with Australia in 1983, an important step towards removing trade protection and opening New Zealand's domestic economy to competition.[951] Even the supposedly independent-minded populist and nationalist Kirk tried to improve New Zealand's trade and immigration links with Britain (see Chapter Three).

Probably the most famous speech of David Lange's career, arguing against nuclear weapons, was delivered at an Oxford Union debate in March 1985. It is telling that, even when expressing New Zealand's increased independence from the Anglo-American alliance, he chose the former colonial metropole to make his case (joining a long line of nationalists to use that platform). This suggests that Lange and his colleagues were not impervious to British political opinion.[952] There is evidence that, as much as Thatcher's Government detested the Lange Government's anti-nuclear stance, it still wanted New Zealand in the Western alliance and approved of its domestic economic policies, which included reduced Government spending, removal of trade barriers, privatisation of State-owned assets, deregulation, monetarism and a freely floating currency.[953] These policies were transnational and largely aligned with Britain's own contemporaneous reforms, as well as those in the United States. Despite the anti-nuclear rupture and demise of ANZUS, some aspects of Anglo-New Zealand security collaboration continued. As one example, recent investigative journalism suggests that in 1985, Lange's Government approved a joint-British and New Zealand security services operation to break into the Czechoslovakian Embassy in Wellington to capture Warsaw Pact security codes.[954]

Limits of the 'decline' and 'independence' narratives

[951] Mein Smith, 'Did Muldoon really 'go too slowly' with CER?' 167; Groser, 'The CER Negotiations: the real backstory', 7.
[952] 'Audio: Oxford Union debate on nuclear weapons', *NZ History,* online at https://nzhistory.govt.nz/media/sound/oxford-union-debate.
[953] 'Prime Minister's Brief for call by Mr David Lange, Prime Minister of New Zealand', 4 March 1985; 'Prime Minister's Brief for the Visit by New Zealand Prime Minister to Chequers', 10 September 1985; Telegram, UK Embassy New York to FCO London, 'Secretary of State's Bilateral with Mr Lange', PREM 19/1588, TNA.
[954] John Daniel and Guyon Espiner, *The Service: The State, Secrets and Spies,* Radio New Zealand multimedia production, June 2020, online at https://www.rnz.co.nz/programmes/the-service.

Such continuities in New Zealand policy towards Britain and the European Community, which were largely reciprocated in the opposite direction, call into question the orthodox historiographical motifs of British 'decline' and New Zealand 'independence' from the 1960s to the 1980s. It also casts doubt on the notion that New Zealand was shocked, betrayed or abandoned by Britain as it joined the European Community. By definition, a shock is a reaction to 'sudden, unexpected and unusually unpleasant event or experience'.[955] This thesis argues that the New Zealand political reaction to European integration was not abrupt, unforeseen, linear, nor predominantly negative.

There is risk here of overclaiming. As an international political history, this thesis does not comprehensively evaluate the cultural response to European Community enlargement in either New Zealand or Britain. It remains plausible that the broader public beyond the political elites did feel shocked and betrayed by British accession, even if the substantive effects (political or economic) were not as great as imagined. The ongoing Anglo-New Zealand interaction at political and diplomatic levels may not have precluded antipathy and disconnect between New Zealand and British peoples in other spheres. This cultural representation of 'shock and betrayal' may be evident in sources that this research has yet to encounter. However, a political study such as this, as limited as it is, can still be a useful indicator as to what broader publics think about the issue. For example, in both Britain and New Zealand there was bi-partisan willingness to seek the best possible arrangements for New Zealand trade, the results of which were presented back to their constituents as 'wins'. This did not stop after 1961, 1973 nor even 1975. Of course, politicians can be mistaken about what their publics think, but there is evidence to suggest that 'shock and betrayal' were not the primary responses to British accession from societies at either ends of the antipodes.

For New Zealand, attempted economic diversification away from Britain began in the 1930s, only to be arrested by the Great Depression and Second World War. In 1950, the New Zealand Government supported British involvement in the European Coal and Steel Community, suggesting Britain could advocate for it and other Commonwealth organisations from inside.[956] The British Government's announcement in 1960 that it was investigating

[955] Definition of 'shock' in English, *Cambridge Dictionary,* (Cambridge:2021), online at https://dictionary.cambridge.org/dictionary/english/shock.
[956] Lord, 'With But Not Of', 39.

European Community membership may have sounded alarms in the New Zealand polity, but it was mitigated shortly thereafter by the Sandys Communiqué, which publicly pledged (at least in New Zealand minds) that Britain would safeguard its interests, and would not join the European Community unless it was able to do so. To turn the Sandys Communiqué into reality, the New Zealand Government launched a substantial, decades-long political, diplomatic, and public relations campaign in Britain and Western Europe, bringing almost unprecedented levels of contact with political elites in both the metropole and periphery. This was motivated by political and economic concerns. Rural and semi-rural areas were seen as important to electoral success, giving the already powerful statutory producer boards significant influence over the policy making process in New Zealand.

For the New Zealand ministers and officials working on this campaign, there was no 'shock' in 1973, and the broader reaction was largely muted. British accession had been seen as largely inevitable for over a decade at that point. Community enlargement came under the auspices of Protocol 18 of the Treaty of Accession. New Zealand was the only developed country to get such an undertaking in the Treaty. Notwithstanding problems of price, this was a reasonably good arrangement for New Zealand. Dairy and lamb were the most important markets in Britain and a sudden loss of either could have been catastrophic. Yet both were largely preserved. However, the special arrangement was not a universal remedy for New Zealand. The future after a five-year transition was precarious, requiring continued advocacy in London, Brussels and the capitals of Community members through the 1970s and 1980s. Throughout, New Zealand Governments pressed Britain to make its case for trade access in Europe, and a multilateral rules-based trade system beyond. At least partially for this reason, New Zealand Governments occasionally aligned themselves with Britain on controversial issues such as contacts with apartheid South Africa, Rhodesia's Unilateral Declaration of Independence and the Falklands War.

Why is such collaboration largely absent from the public memory, especially in New Zealand, where the 'shock and betrayal' narrative retains prominence in both academic and wider public discourse? There are both short-term political and long-term structural explanations for this. In New Zealand, the public impression of European integration was largely established in the early 1960s by 'the great debate'. Senior New Zealand ministers were content not to comment on the British decision to pursue entry, so discourse was

dominated by those such as Meat Producers' Board Chairman John Ormond and President of the Federation of Labour Fintan Patrick Walsh, who advanced the 'betrayal narrative' for their and their organisations' benefit. Despite the shyness in saying so publicly, senior New Zealand ministers and officials viewed British accession as inevitable and on balance good for New Zealand, presuming safeguards for trade were in place.[957]

The negative view held by the broader New Zealand public towards British integration was not substantially challenged in 1971, irrespective of the special arrangement being a relatively good one for New Zealand. There were disincentives for New Zealand political elites to publicly applaud British efforts. As per Chapter Two, John Marshall wanted to keep pressure on Britain and the European Community to improve the pricing aspects of the special arrangement, meaning he gave only partial endorsement. To further his own prospects of becoming Prime Minister, Finance Minister Robert Muldoon publicly disparaged the agreement (while selectively taking credit for the better aspects). Assurgent opposition leader Norman Kirk followed the same tactical path as his British counterpart Harold Wilson, criticising the 'terms' negotiated by the Conservative Government and the European Community, and vicariously by Marshall and the National Government.

Thereafter, there was a political tendency to blame European integration for a variety of factors that would likely have been present anyway, such as economic and inflationary crises, a diminishing British consumer market and industrial base, increased British food production (and protection of British producers), and the rise of Asia as a manufacturing and trade hub. In these respects, New Zealand and Britain politicians similarly scapegoated the European Community in the years after British accession. Such views have remained remarkably pervasive. In recent years prominent campaigners for the UK to leave the EU, including Boris Johnson, alluded to the 'betrayal' of the Commonwealth in the 1960s and 1970s. New Zealanders have readily recited such views, and they are frequently used in media coverage.[958]

[957] McLuskie, *The Great Debate,* 11.
[958] For example, Boris Johnson quoted in Peter Dominiczak, 'Britain must look 'beyond' the EU and focus on links with the Commonwealth', *Daily Telegraph,* 25 August 2013, online at http://www.telegraph.co.uk/news/politics/10265602/Britain-must-look-beyond-the-EU-and-focus-on-links-with-the-Commonwealth.html.

In broader view, the shock and betrayal narrative supported an altered New Zealand national identity from the late 1960s. This emergent imagined community had a heavy emphasis on biculturalism, recognising the role of Māori as *Tangata Whenua* (the indigenous people of the land), and seeking to rectify, however imperfectly, the wrongs of colonialism by positioning *Te Tiriti o Waitangi* (Treaty of Waitangi) as the most important document in New Zealand's public life. It also situated New Zealand's identity as a 'South Pacific' nation, close to emerging export markets and in an area of the world in which New Zealand could project influence through aid, security, trade and inward migration. In this version of national identity, New Zealand's increasingly equitable race relations, liberal economic policies, social activism (especially on anti-nuclear and anti-apartheid issues), and independence of foreign and economic policy were all seen as distinctive. Politicians, public intellectuals and other elites seized on Britain's 'shock and betrayal' of New Zealand as either causing or justifying such aspects. There is a lack of recognition that these changes in New Zealand were largely transnational, and indeed were simultaneously happening to some degree in the British metropole (which calls into question how 'independent' New Zealand really was). They would likely have happened irrespective of European integration. Moreover, elements of New Zealand's emergent national identity were reactionary in nature, evolving long held tropes or myths such as benevolent New Zealand race relations, or that colonisation and settlement was almost exclusively perpetrated by Britons, to the exclusion of other ethnicities.[959]

If this thesis questions New Zealand's linear and inevitable path to colonial independence, it also aims to add to the body of work questioning Britain's decline in the second half of the Twentieth Century. Such notions have informed the orthodox idea that Britain 'missed the bus' on European integration, that it was a perpetual awkward partner within the Community, that European accession ended all British pretence to broader world power, and that British membership of the Community mutually excluded ongoing relations with its former colonies. Orthodox histories often position London at the centre of decision-making, failing to sufficiently recognise those in the colonial periphery working to preserve and evolve, as well as dismantle, the cultural, economic and political colonial relationship.[960]

[959] Ballantyne, *Webs of Empire,* 50-65.
[960] Daddow, *Britain and Europe Since 1945*; Ellison, 'Britain in Europe', in Addison and Jones (eds.), *A Companion to Contemporary Britain 1939-2000,* 518-520.

Explaining continued Anglo-New Zealand collaboration

Using New Zealand as a case study in this period, we can see that it does not fit the orthodox narrative. But why? Continued Anglo-New Zealand collaboration, and New Zealand's influence on British accession, can be explained by several factors. As increasing numbers of historians are pointing out, the formal demise of the British empire by the 1960s did not mean an end to colonial thinking or British attempts to preserve a world role.[961] Political and business elites in both the metropolitan centre and the colonial periphery sought to evolve relationships with Commonwealth nations in ways that would retain their relevance, even as market forces such as the rise of Asia as a manufacturing and trade hub, or the protectionism of the CAP exerted pressures in the other direction. In part this is a result of historical institutionalism, which saw policy templates and patterns of behaviour established in both London and Wellington in the early 1960s still largely operating intact in the 1980s.[962] In the United Kingdom, such policies and behaviours were primarily retained not by the powerful public service, which frequently advised ministers not to help New Zealand, but by politicians, political parties and business elites. Many historians point to growing British impatience with the Commonwealth as an institution from the mid-1960s; but far fewer recognise the continued importance that British politicians and officials placed on continued bilateral relations with the old Commonwealth countries, including New Zealand.[963] Even the new Commonwealth countries were not neglected altogether, evidenced by British Governments of the 1960s and the 1970s seeking to retain aid and development links and pursuing initiatives such as the Lomé Convention.[964]

A further factor encouraging Anglo-New Zealand collaboration was the form of agreements made between the New Zealand and British Governments, and between Britain and the European Community. The Sandys Communiqué of 1961 established a pattern of interaction that was not seriously challenged until the 1990s. Protocol 18's structure

[961] For example, Patel, *We're Here Because You Were There*, 121-123; Hack, 'Unfinished decolonisation and globalisation', 818-850.
[962] Geddes, *Britain and the European Union*, 8-11.
[963] Examples include May, 'The Commonwealth and Britain's Turn to Europe, 1945-73'; Young, *Britain and European Unity,* 70; Grob-Fitzgibbon, *Continental Drift,* 322; Young, *This Blessed Plot,* 139; Kitzinger, *Diplomacy and Persuasion*, 30.
[964] Philip Alexander, 'A Tale of Two Smiths: the Transformation of Commonwealth Policy, 1964–70', *Contemporary British History,* 20:3, (2006), 303-321.

facilitated Anglo-New Zealand political and diplomatic collaboration at a deep level. The special arrangement was time bound with specified reviews. This meant that, irrespective of the political impulses, it legally obliged Britain and the European Commission to try to accommodate New Zealand dairy trade beyond 1973. As shown in Chapter Three, incorporating the British dairy market into the CAP was exceedingly complex, requiring constant monitoring and technical discussions between New Zealand, British and European Government and industry officials to make the markets operate. This was compounded by the market perversions and bureaucracy of the CAP. From the New Zealand point of view, the inadequate pricing provisions in Protocol 18 and Sterling devaluations encouraged constant entreaties to both London and Brussels to remedy export returns upwards (see examples in Chapter Four). The threat of New Zealand lamb exports being introduced into the CAP throughout the 1970s kept both the British and New Zealand Governments on an almost constant campaign footing to ensure that when a common sheepmeat policy eventuated, it would suit their interests. The official and ministerial hours devoted to solving such problems were immense.

There were other, broader, factors encouraging Anglo-New Zealand collaboration in from the 1960s to the 1980s. These acted as centrifugal forces, fostering interaction even as countervailing factors including nationalism and a British re-focussing on Europe and a New Zealand refocussing on Asia-Pacific stretched the old colonial ties. Among the most important was the Cold War. Successive British Governments wanted to retain New Zealand as a Western ally, particularly in the context of its own economic problems, withdrawal from East of Suez, Communist insurgencies in Southeast Asia, and US retrenchment from its global role in the 1970s. British Governments also wanted New Zealand's help in multilateral institutions that were increasingly beset by newly decolonised states on the one hand and American isolationism on the other, including the UN, Commonwealth Secretariat, OECD and GATT. Successive New Zealand Governments were largely happy to oblige British requests to contribute to regional security in the South Pacific and Southeast Asia with aid, trade, diplomacy and military assistance. This was partly because of New Zealand's own colonial heritage, and because the South Pacific was the only region in which New Zealand foreign policy could resonate substantively. New Zealand Governments knew such efforts would

reflect well in London, Brussels and other Community capitals when seeking continued trade access and foreign policy objectives.

In addition to the Cold War, there were economic imperatives for ongoing Anglo-New Zealand collaboration. This is despite a long-held New Zealand ambition to diversify its exports away from a declining British market. Inflationary crises from the late 1960s caused chronic terms of trade and balance of payments problems, particularly for agriculture-based economies. In New Zealand successive Governments saw increased exports as one of the few routes out of the problem. Because of trade protectionism in other potential markets such as North America, Japan and Australia, and an American aversion to a world agreement on dairy products, no largescale replacement for the British export market emerged for New Zealand until the 1980s. As explained in Chapter Six, the Middle East showed temporary promise but was beset by revolution and war from 1979. This forced New Zealand ministers, officials and agricultural producers to work studiously to retain the British market while simultaneously diversifying. Moreover, the diversification was often done at the encouragement of the British, using shipping, insurance and finance from the City of London. Such points are often missed by historians, who tend to suggest Britain's turn to Europe *caused* New Zealand's economic diversification.[965] This thesis (and a small but growing number of economic historians) suggests the causality is overplayed. Diversification would have happened anyway.[966]

Looking in the other direction, the New Zealand export market also remained of importance to British interests throughout the period. This is evidenced by the efforts the British Government made to discourage New Zealand import controls and protect preferential treatment for British vehicles. British Governments also continued to support British businesses in New Zealand with trade promotion throughout the 1970s.

Why did Britain help New Zealand?

[965] See examples: Belich, *Paradise Reforged*, 54-68, 368-78; Pocock, 'Deconstructing Europe', 329–330; Mein Smith, *A Concise History of New Zealand,* 207; Singleton and Robertson, *Economic Relations Between Britain and Australasia,* 6; Grier and Munger, 'Breaking up is hard to do', 1-13.
[966] Gary Hawke, 'Review of Matthew Gibbons (ed.), 'New Zealand and the European Union'.' *Australian Economic History Review,* 50:1, (2010), 100-102; McAloon, *Judgements of All Kinds*, 17; Easton, *Not in Narrow Seas*, 13, 460-461; Hall, *Emerging from an Entrenched Colonial Economy,* 183.

The existing historiography often attributes British advocacy for New Zealand in the European Community to feelings of altruism or sentimentality by British politicians, or occasionally, the broader British public. Sometimes this is connected to New Zealand's Second World War effort, with a grateful Britain supposedly paying back a loyal ally for its blood sacrifice. Or it is credited to the personal predilections of individual politicians. Such arguments have limits. Altruism and sentimentality will only go so far in the hurly-burly of international politics, which is not renowned for respecting such values. Even those maintaining that New Zealand should be helped because of its war record recognised that this argument had diminishing returns.[967] Further, it fails to explain how other nations that contributed to the allied war effort failed to receive special trade arrangements in the European Community. The idea that British political leaders personally liked New Zealand and New Zealanders has some truth, particularly for Harold Wilson (although he never visited) and Margaret Thatcher. New Zealand benefitted from being seen as part of the Anglosphere, with perceptions of shared culture, political systems and history. However, this does not explain why Edward Heath, who resented helping New Zealand and did not get on well with John Marshall, still saw it as imperative to get a satisfactory special arrangement for New Zealand dairy in 1971.

A further 'diplomatic' school of thought attributes Britain's help for New Zealand to the effective campaigns deployed by New Zealand diplomats and ministers.[968] It is true to say that New Zealand Governments marshalled meagre resources reasonably well. They benefitted from (mostly) remaining publicly neutral on the merits of British accession. This gave the New Zealand Government the status of an 'insider', while retaining the implicit and occasionally explicit threat of public criticism of the British Government if New Zealand's interests were not sufficiently safeguarded. It also meant New Zealand ministers and officials could cultivate relationships with both pro- and anti-Common Market factions in Westminster, across the left and right, and mostly found receptive audiences in Brussels. Brinkmanship was used when necessary, including by John Marshall in Luxembourg in 1971 (see Chapter Two). However, the 'diplomatic school' explanation also has limits. It is mostly

[967] Brian Lynch interview with the author, Wellington, 23 January 2018.

[968] Examples of the 'diplomatic school' include: Marshall, *Memoirs: Volume Two*, 93-114; Ansell, 'New Zealand and the EU', in Lynch (ed.), *Celebrating New Zealand's Emergence*, 38-42; O'Brien, 'Britain, the EU and New Zealand', in ibid., 27-37; Richard Nottage, 'Economic Diplomacy', in ibid., 43-47; Brown, 'New Zealand in the World Economy', in idem, (ed.), *New Zealand in World Affairs III: 1972-1990,* 31; Woodfield, *Against the Odds*, 168.

advanced by former ministers and officials involved in the negotiations, most notably Marshall himself. These accounts are sometimes motivated by burnishing individual and institutional legacies. Moreover, they are mostly derived from only partial recourse to the documentary record, and still less research into the perspectives of British and continental European protagonists.

The most important driver of the British Government's protection of New Zealand trade was not sentimentality, altruism, personal connections nor New Zealand diplomacy, but the political conditions in Westminster. As explored in Chapters One and Two, from the 1960s the two largest British political parties were fractured on the issue of British accession to the European Communities, and in this context New Zealand emerged as an important political 'test' of entry terms. There were those on both the left and right of the Labour and Conservative parliamentary parties, and in the pro- and anti-Common Market factions of both, who saw New Zealand as an important issue to be addressed in the course of British accession.

This was replicated in the broader polity. Influential business factions, including in shipping, finance, trade and insurance, saw a continued New Zealand trade relationship as important and pressured British Governments to preserve it. Within the British news media, anti-Common Market newspapers such as the *Daily Express* were vocal in their support for New Zealand and other Commonwealth causes, but even pro-Common Market papers like the *Guardian, Financial Times,* and *The Economist* saw New Zealand as 'key' to unlocking broader support for European integration. Rising food prices were among the most important political problems from the late 1960s, becoming prominent in the debate about Britain's Community membership. This favoured New Zealand, which could point to its own efficient, cheap and good quality food. All these factors contributed to New Zealand trade being seen by the broader British public as one of the most important problems to be solved in the course of British entry (examined in the first three chapters, above).

Specific political situations in Westminster also helped New Zealand's cause. As in Chapter One, Harold Macmillan's Government was divided on the merits of accession and felt it needed to negotiate special arrangements for New Zealand and the other Commonwealth nations in 1961-63, partly to demonstrate that Britain's Community membership and a continued global role were not incompatible. This set a template for its successors, serving a

warning that Commonwealth trade issues were potentially problematic enough to derail accession efforts. The conditional nature of the first British application in 1961-63 helped focus opposition criticism on to the terms negotiated, rather than the question of membership *per se.* Within the British Labour Party, treatment of the Commonwealth was elevated to among the most important of these terms. Harold Wilson's Government followed these lines into the application of 1967, emphasising New Zealand dairy trade as being among the priority problems to be solved prior to entry. As outlined in Chapter Two, Edward Heath held this into the negotiations of 1970-71, concerned that his own unruly backbenchers would side with the Labour frontbench and latch onto New Zealand as a reason to vote down accession legislation. In 1975, re-elected Prime Minister Wilson and his Foreign Secretary James Callaghan belatedly seized on the review of New Zealand's special arrangement as a potential 'win' in the renegotiation. As they saw it, an advantageous deal for New Zealand, along with other assistance for the Commonwealth, would help to unite their Cabinet, Parliamentary Party and the broader public behind continued British membership in that year's referendum, without having to make Treaty changes to alter the CAP (see Chapter Five). Margaret Thatcher felt supporting New Zealand would help to win concessions from France on the budget and agricultural reform in 1981 (see Chapter Six).

Evaluating New Zealand's effect on European integration

This thesis argues that New Zealand's influence on British accession to the European Community was substantial, out of proportion to the former colony's size, location and strategic importance. This is demonstrated by the partial truth that New Zealand and other Commonwealth problems helped to undermine the first British attempt at entry in 1961-63. In 1971, negotiating the special arrangement for New Zealand cost Britain in hard currency, having to pay 12 times the actual price of the policy into the Community budget in the first year of membership to convince Community partners (primarily France) of the merits of the special arrangement (see Chapter Two). British officials were also of the opinion that a focus on New Zealand issues cost Britain in the renegotiation of the budget mechanism at the Dublin Summit of 1975 (Chapter Five).

The New Zealand case study illuminates Britain's relations with its Community partners. French antipathy towards British entry is well known, and this thesis adds to the collective knowledge of this. France was the member state that was most at risk from New

Zealand trade in the Common Market, politically and economically. Its obstruction reflected this. However, it also suggests that French Governments were willing to concede to British demands for New Zealand trade at key times, if those in Paris felt they had extracted the maximum political and financial price. It is a small subset of evidence, but it indicates that the Gaullist nationalism of French Governments in this period had limits, and that elements in the French Government saw political benefits in accepting Britain in an enlarged Community. It is also apparent that, at least in 1970-71, 1975 and 1979-81 the French Government used the New Zealand issue to extract financial and political concessions from Britain in other areas. In some ways, this suited both France and Britain, as it avoided conflict on more substantial issues.

The New Zealand case study also illuminates aspects of Britain's relationship with member states beyond France, and with the European Commission. The Commission and the 'friendly five' members largely wanted Britain to accede to the European Communities in the 1960s and early 1970s. New Zealand trade was recognised as being important because of the influence it had on the political situation in Britain. This encouraged Commission officials to go to considerable lengths to secure solutions. There are multiple mentions in the archival record of the sheer volume of time spent on New Zealand issues, which by some estimations was greater than that of other third nations. Individual Community member states also supported the New Zealand case, although they were wary of New Zealand's reputation as a *demandeur* in Brussels. Most notably, the Federal Republic of Germany emerged as a sympathetic advocate for New Zealand's case in the Community, often supporting Britain against the protectionism sought by France and other dairy producing members in the Community, such as Ireland and Denmark.

The European Community's willingness to help New Zealand also reflects its efforts to establish coherent and proactive foreign and trade policies. There has been a tendency to characterise European integration from the early 1970s to early 1980s as 'Eurosclerosis', with introverted national contestation, crisis management and stagnation. However, several revisionists note that from the early 1970s, the European Community paradoxically started to coordinate foreign policy and develop a greater global profile. Since inception, there was a long-running debate between those in the Community wanting regionally-focussed institutions with a protected internal market, largely associated with Gaullist France and its

promotion of the CAP; or conversely internationalists who envisaged the Community as a global power with proactive and coherent foreign and commercial policies.[969] The solutions found for New Zealand should be understood in this context, suggesting that the internationalists had the upper hand at times. It made it less likely for the Community to simply abandon the interests of a sympathetic Western nation that exerted considerable political influence in Britain. It also explains why the European Community's relationship with New Zealand eventually broadened beyond discussion of agricultural problems, at least in part because New Zealand proved itself a helpful 'international citizen' in other multilateral organisations.

Historiographical contribution and avenues for further study

This thesis has pushed the boundaries of the existing historiography in several ways. Firstly, it adds to the relatively small but growing amount of historical scholarship on Britain and European integration in the 1970s and beyond, which is under explored relative to the 1950s and 1960s. Secondly, it adds to a very small body of historiography that explores Britain's relationships with its former colonies as it joined the European Community, triangulating sources from all three perspectives. As a political history, it augments the recent revisionist economic histories chronicling New Zealand's relationship with Britain in the second half of the twentieth century, but goes beyond them by looking, for the first time, at sources from Britain, the European Community and New Zealand, as well as from multilateral organisations. It contributes to the body of work questioning the form and extent of British decolonisation, arguing that experiences in the Anglosphere should be included in such histories, and that these should be placed within the context of the global Cold War. Moreover, it adds to the vibrant debate about the extent to which Britain's former colonial power has influenced political thinking and relations with Europe, including the 2016 referendum vote to leave the European Union, and Britain's search for coherent post-Brexit foreign and trade policies.

Of course, this project is not all-encompassing. Significant gaps remain in the study of Anglo-New Zealand relations in this period, let alone the effect that European integration had

[969] Orbie, 'The EU and the Commodity Debate', 297–311; Awesti, 'The Myth of Eurosclerosis', 39–53; Drieghe and Orbie, 'Revolution in Times of Eurosclerosis', 167–18.

on these. It is hoped that the thesis can be of assistance for future scholarship. This could include a comparative study, looking at the decolonial experience in the UK along with Australia, New Zealand and Canada as the three old Commonwealth countries of the 'Anglosphere', possibly contrasted with the experience of Commonwealth countries from the Global South. A further comparator could be the former empires of other European powers in the context of European integration. Additional research could look beyond the study of high politics, including the role of business and pressure groups in establishing policy (as Hall has done for the producer boards in New Zealand's case). It is also hoped that the cultural history of New Zealand in the 1970s will mature to the point where it can better articulate the extent and nature of decolonisation in New Zealand. Ideally this will avoid the deterministic prisms of independence and national exceptionalism which dominate the orthodox historiography. These could demonstrate the transnational aspects of the events and processes in New Zealand, placing them in the broader context of decolonisation elsewhere, globalisation, the Cold War and other factors.

Above all, this thesis has demonstrated that, unlike the *Rainbow Warrior,* Anglo-New Zealand relations were not tragically sunk by the efforts of the French Government. They continued post 1961, 1973 and 1977. They continue still. At the time of writing, the New Zealand Government is negotiating free trade agreements with both the European Union and post-Brexit Britain. Knowledge of the history of these relationships can help us to understand the present.

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R17725544	ABHS	18069	W5402/42	BRU 46/5/1	41
R17725579	ABHS	18069	W5402/23	BRU 46/9/3	15
R17725592-	ABHS	18069	W5402/17	BRU 46/5/1	38
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R18230074	ABHS	7148	W4628/8	LONB 20/543/1	1
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R18230361	ABHS	7148	W4628/45	LONB 66/1/12	3
R18230398	ABHS	7148	W4628/51	LONB 66/12/2	2
R18230401	ABHS	7148	W4628/62	LONB 67/1	3
R18230406	ABHS	7148	W4628/52	LONB 67/1/3	3
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R18230603	ABHS	7148	W4628/84	LONB 85/3/7N	1
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R18230759	ABHS	7148	W4628/114	LONB 86/5/4	2
R18230820	ABHS	7148	W4628/123	LONB 106/7A	1
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R20758978	ABHS	950	W4627/3450	123/4/1,	42
R20758986	ABHS	950	W4627/3451	123/4/1	48
R20758994	ABHS	950	W4627/3452	123/4/3	2
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R20759155	ABHS	950	W4627/3467	123/4/7	2
R20759156	ABHS	950	W4627/3480	123/4/10,	1a
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R20759207	ABHS	950	W4627/3484	123/6/4	2
R20759220 -	ABHS	950	W4627/3486,	123/7/2	3
R20759221	ABHS	950	W4627/3486	123/7/2	4
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R20759245	ABHS	950	W4627/3489	123/11/1	4
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R20759253-	ABHS	950	W4627/3491	123/11/2	2
R20759297	ABHS	950	W4627/3498	123/11/2	45
R20759311	ABHS	950	W4627/3500	123/11/3	4
R20759312	ABHS	950	W4627/3500	123/11/3	5
R20759317	ABHS	950	W4627/3501	123/11/3	10
R20759328	ABHS	950	W4627/3503	123/11/3	21
R20759335	ABHS	950	W4627/3504	123/11/5	3
R20759336	ABHS	950	W4627/3504	123/11/5	4

R20759341	ABHS	950	W4627/3505	123/11/6	4
R20759343	ABHS	950	W4627/3505	123/11/9	1

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R17517615	AECO	18656	PM11/3		

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R21698655	AAWS	19738	W2718	TALBOYSW2718	46

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R20431910	AALR	873	W5427/918	61/1/8	32
R20431911	AALR	873	W5427/918	61/1/8	33
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R20431947	AALR	873	W5427/923	61/1/8	46
R20431948	AALR	873	W5427/923	61/1/8	47
R20431949	AALR	873	W5427/923	61/1/8	48
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R20431928	AALR	873	W5427/924	61/1/8	50
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To the thoughtful British elector, whatever his/her views…
Vote no to Common Market
Common market - out!
Common market - out!
We can't catch up if we don't keep in!
Securing our food
Having our say
Why you should vote "Yes"
Helping our families
Before you make your mind up, consider why Britain should stay in Europe
Keeping our jobs
No to the market!
The common market: British freedom and democracy in danger
Get Britain out!
Vote to quit the market
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