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## **Politics and Trade: New Zealand-Japan Relations in the 50-80-th of the XX century**

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*The given article examines various aspects of New Zealand-Japan relations during forty years in the middle of the 20th century. The author analyses the period of New Zealand-Japan interaction, when contacts in political, economical, cultural and other spheres of cooperation and acceptance of fundamental importance documents were objectively predetermined by the content of bilateral relations and actions in their evolution. The accomplished research allows to come to the conclusion that those years were the period of great significance laying the foundations for further strengthening and development of relations between the two leading countries in Asia-Pacific region.*

*Keywords: New Zealand, Japan, Asia-Pacific Region, international relations, foreign policy, external trade, regional cooperation.*

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**Introduction.** There are many interesting pages in the history of New Zealand foreign policy. But one aspect of that policy has become extremely significant for New Zealand in the second half of the XX century, that is New Zealand-Japan relations. "It is a unique relationship in that Japan was New Zealand's only major trading partner, with which there is only a small element of shared culture and a comparatively slight network of relationships." (Kennaway, 1972: 124)

There are many differences between Japan and New Zealand at political, economic, social and cultural levels. Japan has an area of more than 370,000 square kilometers, New Zealand occupies about 270,000 square kilometers. According to the population, economic power

and influence in the world we must accept the fact of overwhelming superiority of Japan. That is why we have to underline that the peculiarity of Japan-New Zealand relationship is its essentially asymmetrical nature, and disparity of significance of bilateral relations for each country.

Any study of the relationship between two nations risks being either too narrow by focusing only on government-to-government activities or too wide by studying everything which shapes bilateral relations. That is why it is necessary to understand the main stages in the development of Japan-New Zealand relationship. Investigation of bilateral cooperation begins from the period before the 1950s when direct contacts between two nations were very limited and mainly

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concentrated on political and economic problems, and people-to-people relations of two societies. It is very interesting to observe the transformation of Japan-New Zealand relations. Bilateral contacts in the XIX century were insignificant, because New Zealand was “terra incognita” for people in Japan, and Japan was a far-away exotic oriental country for New Zealanders. At the beginning of the XX century New Zealand was the dominion of the Great Britain and probably was in Japan’s interest because of being an ally of the mother country.

In the XX century New Zealand’s relations with Japan went through several distinctive phases. In 1902-1922, Japan was in alliance with the British Empire. During that period New Zealand therefore officially welcomed the Japanese victory in the war of 1905 between Russia and Japan. New Zealand also relied partly on Japanese naval power in the Pacific. New Zealand troops in the Middle East and Europe in the First World War traveled in convoys protected by Japanese cruisers.

In 1922-1941, the dominant attitude was one of cautious unconcern. The Anglo-Japanese alliance was replaced, contrary to New Zealand wishes, by the Four Power Treaty between the British Empire, the United States, France and Japan, and the Washington Naval Agreement. For the next 19 years, while events in Japan were not treated generally as being of great concern to New Zealand, Japan was treated with some suspicion, and New Zealand contribution to the Singapore naval base was regarded as a useful insurance premium to guard against any possible aggression. New Zealand Government urged after 1935 that the League of Nations should follow a stronger policy of opposition to Japanese expansionism in China. The dominant attitude probably remained, however, in 1932, Arnold Toynbee said that “a sheer sense of relief that the Japanese tiger, now that he has made his long-

awaited spring, has chosen to leap the Yellow Sea and bury his claws in the flesh of China instead of attempting to leap the Pacific and seek his prey in New Zealand or Queensland.” (Toynbee, 1933: 532-533) New Zealand had few economic relations with Japan at this stage.

During the Second World War Japan was the only country, threatened of the invasion to New Zealand. And from 1945 till 1951 New Zealand’s troops took part in the occupation of Japan. New Zealand role on the Far Eastern Commission, an 11- nation body in Washington which was intended to be partly responsible for occupation, was described as follows: “On a vast variety of issues affecting Japan, New Zealand representatives made known their support for measures designed to deprive Japan of physical means of aggression or the will towards it. These restrictive and somewhat punitive attitudes were retained long after American policy had begun to move in quite different directions.” (Larkin, 1969: 5-6) Between 1946 and 1948, some 12,000 New Zealand service personnel participated in the occupation as part of the British Commonwealth Occupation Force. The area of their responsibility was Yamaguchi Prefecture. That was the first large-scale people-to-people contact between New Zealand and Japan.

**Research aim.** The article is aimed at presenting of some results of the long period of New Zealand-Japan interaction study, when contacts in political, economical, cultural and other spheres of cooperation and acceptance of fundamental importance documents were objectively predetermined by the content of bilateral relations and actions in their evolution.

**Methodology** of scientific cognition is comparative historical and ideographic methods.

**Materials.** The most considerable period in New Zealand-Japan relations started since American policy changed rapidly in 1949-1951. In the absence of peace agreement the policy

of the United States prevailed. New Zealand's principal concern was security, so New Zealand foreign policy also changed, though more slowly, in the same direction. New Zealand's official relations with Japan developed in the 1950s. The Trade Representative (R.L.G. Challis) had been appointed to Tokyo in 1947 and he was concurrently the chief of the New Zealand Reparation and Restitution mission. The office was upgraded to diplomatic status in 1952 – following the signing of the Japanese Peace Treaty in 1951 – and the Japanese (who had had consular representation in New Zealand since 1920s) opened the diplomatic mission in Wellington in 1953.

After 1950s, however, Japan became an indirect ally during the Cold War period and the economic partner of great importance. The Japanese Peace Treaty signed in San Francisco in September 1951 removed any further restrictions on Japanese economic development. It also weakened the effect of the military restrictions included in the 1947 Constitution, since the allied powers recognized that Japan as a sovereign nation possessed the inherent right of individual or collective self-defense referred to in Article 51 of the Charter of the United Nations and that Japan might voluntarily enter into collective security arrangements.

In the 1950s Japan was almost a supplicant, eager to re-establish the commercial relations with all the countries that had been sundered or restricted by two decades of depression, war and occupation. New Zealand was not crucial to the process from the economic point of view but it did have some political significance, as a Commonwealth member and an ally of the United States. It was important for Japan to normalize its relations with such countries, to break down the reservoir of suspicion. In 1954, New Zealand began to negotiate a cautious trade agreement with Japan although was not willing to grant full GATT rights. With the signing of a trade treaty

in 1958, this set of circumstances slowly receded. Through the 1960s, when Japan boomed, its economic importance to New Zealand increased, but New Zealand's importance to it declined. "It was clear that New Zealand's relations with Japan would never be as "cozy" as with Britain and to develop them would require vigor, sensitivity and imagination." (Trotter, 1991:225)

It was an exchange of prime ministerial visits, which then gave some impetus to the relationships between the countries. Sidney Holland visited Japan in 1956, the first New Zealand Prime Minister to do so, and Prime Minister Nobusuke Kishi visited New Zealand in 1957, also a first such visit. New Zealand acquired shared commitments with Japan in an increasing number of international organizations. Japan was admitted to the United Nations in 1956 and later to the Colombo Plan, the Asian and Pacific Council, the Asian Development Bank and so on.

The most important feature in New Zealand-Japan relations since 1951 has been Japan's economic resurgence and the massive increase in trade between the two countries, especially following the bilateral Trade Agreement of 1958, which was upgraded to a full Trade Treaty in 1962. The main feature of Japanese foreign policy, at any rate until the mid-1960s, was so-called 'low posture' policy, the policy of 'economics above all', of quietly working her way back to international acceptability and helping to assuage the memories of the Second World War. Japan's major pre-occupation was its relationship with the United States, and in particular its wish to restore a measure of equality within this relationship.

This period is in the focus of analysis the essential problems and priority of levels in Japan – New Zealand relations. In this connection, it is important to mention a special role of cultural contacts and as a revealing indicator the interest in Japanese language, surpassed French as the

most popular foreign language studied in New Zealand secondary schools.

The most considerable period began in 1960s, when we could see the difference between political role and economic power of Japan in the world. Prime ministerial visits became a norm for New Zealand administration. Prime Minister Holyoake (1965 and 1970) visited Japan. Prime Ministers Ikeda (1963), Sato (1967), came to New Zealand. At the officials level annual talks were instituted between New Zealand's Ministry of External Affairs and the Gaimusho (Ministry of Foreign Affairs of Japan) in 1967 and continued.<sup>1</sup>

New Zealand's trade with Japan was therefore far more important to New Zealand than it was to the Japanese, and Japan could find alternative markets for its exports much more easily than New Zealand. Japan occasionally showed some readiness to exploit this position of strength in economic negotiations—notably in the early stages of the 1965-1966 dispute over the extension of New Zealand's fisheries limits, though in the later stages, Japan showed marked willingness to compromise.

Despite all these qualifications, the eventual prospects for New Zealand trade with Japan might still be excellent, and economic relations with Japan were generally likely to be even more predominant than many in New Zealand had come to realize (Kojima, 1971). Japan already had the third largest gross national product in the world. New Zealand's trade with Japan rose to 46 million (NZ dollars) in 1961<sup>2</sup> and to 57 million in 1966.<sup>3</sup> From New Zealand's point of view, the expansion in this bilateral trade was probably the most significant success in its policy of trade diversification. (Stefanchuk, 2007a:78-79) Every year until 1970, except 1965, the trade balance was favorable to New Zealand. New Zealand's trade with Japan rose to 102.7 million in 1971.<sup>4</sup>

Unofficial contacts were also slow to develop. In few years there was the start of a

trickle of Japanese tourists and visitors to New Zealand, and of course Expo 70 also encouraged the growing number of New Zealand tourists to visit Japan. Despite the significance of the economic relationship, however, the interest in and knowledge of Japan among the New Zealand public, and even in New Zealand universities, were fairly sparse.

Since 1970s, “it was obvious that New Zealand had to adopt a different stance in our relationships with our friends, allies and trading partners. We could no longer afford to be a country that said “yes” to everyone and end up with the short end of the stick.” (McKinnon, 1993:216) Economic relations with Britain and the United States were still important but “the National Party of New Zealand, which formed the government, put in practice more predictable foreign policy”. (Stefanchuk, 2007b:42) Economic diplomacy with New Zealand's other significant trade partner, Japan, traversed newer ground. The economic relationship with Japan in the 1970s was dominated by the ‘fish for beef’ dispute in 1977-1978. In 1978 New Zealand introduced a 200-mile exclusive economic zone. It was a change, which brought fishing more directly within the ambit of the resource economy than before. Foreign countries now had to apply to the New Zealand government to fish within the zone. With Japan, it was, in Prime Minister Muldoon's eyes, an opportunity to negotiate improved and stable long-term access for New Zealand exports. (Timoshenko, 2006:138) In May 1977 he told the Japanese that no agreement would be signed with any Japanese fishing organization until New Zealand could get regular access for farm products on to the Japanese market. The Deputy Secretary of Foreign Affairs, Merwyn Norrish, amplified this strategy even further, suggesting that New Zealand could consider restrictions on Japanese cars.<sup>5</sup>

Diplomatic and more public exchanges followed through 1977 and into 1978. When Muldoon attacked Japan for 'commercial imperialism'. After signing the agreement at the end of June in which Japan recognized that continuing expansion of meat and dairy products exports, on a stable and secure basis, is a vital element in New Zealand's trading relationships, Muldoon was able to declare a victory and the two countries accordingly signed a fishing agreement. In 1981, Muldoon explained that there were secret clauses in the agreement which provided for increased trade and he claimed in effect that fee proof of the pudding—the agreement—was in the eating—the increased trade since 1978: "we negotiated improved access for our farm products and fish and further tests on our pinus radiata and, in turn, gave the Japanese some fishing quotas for the second half of the year ... There is no doubt that the agreement has enabled us to increase our exports to Japan, and that is what is all about." In the case of beef and veal and dairy products, while there was a surge in tonnages shipped to Japan in 1978-79, the growth after that was negligible." (McKinnon, 1993:217)

In 1980s, despite their differences over trade practices, Japan and New Zealand worked together on the establishment of the economic cooperation between the countries of Asia and Pacific Region. New Zealand Prime Minister Muldoon agreed with this initiative of Japanese Prime Minister Ohira, when he visited New Zealand in January 1980.

New Zealand was an advanced democratic nation, which, together with Japan, belongs to the Asia-Pacific region. New Zealand maintained and developed close political and economic relations with Japan. Recognizing the importance of its trading and economic relations with New Zealand, Japan has made efforts to intensify and diversify bilateral relations with this country. It is also Japan's policy to continue developing close

and harmonious relations with New Zealand in the realization that their cooperation is essential for the stability and prosperity of the entire Asia-Pacific region.<sup>6</sup> During 1980s both Japan and New Zealand were involved in regional cooperation and Asia-Pacific Economic Cooperation, which started in 1989. Both Japan and New Zealand objected to French nuclear weapons testing in the South Pacific; it became concerned about environmental issues and the idea of comprehensive security. (Timoshenko, 2009:125-127) In all the spheres of bilateral contacts, New Zealand and Japan served for the development and strengthening of the relationships too.

**Conclusion.** While examining various aspects of New Zealand-Japan relations during forty years in the second half of the XX century, it is necessary to say, that all the contacts in political, economical, cultural and other spheres of cooperation and acceptance of fundamental importance documents were objectively predetermined by the content of bilateral relations and actions in their evolution. Since the defeat of Japan in 1945, and the establishment of New-Pacific political and economic order, both New Zealand and Japan were partners.

In political sphere, prime ministerial visits became a norm for each New Zealand administration and the Government of Japan. Sidney Holland visited Japan in 1956, the first New Zealand prime minister did the same. And Prime Minister Nobusuke Kishi visited New Zealand in 1957, it was also the first visit of this kind. Prime Ministers Nash (1959), Holyoake (1965 and 1970), Muldoon (1976 and 1981), Palmer (1990) visited Japan. Prime Ministers Ikeda (1963), Sato (1967), Tanaka (1974), Ohira (1980), Nakasone (1985), came to New Zealand. Not all the Japanese prime ministers, whose terms were often short, visited New Zealand. Most New Zealand prime ministers visited or sought to visit Japan. Not all of them were been successful. But

at the officials level annual talks were instituted between the two countries.

To the end of 1980s the Japanese Government widened its sphere of relationships, especially in the Asia-Pacific region. This process was well involving increasingly fruitful contacts between Japan and New Zealand. Japan and New Zealand were countries in friendly relations and share such values as democracy and free trade. In addition, the two countries became stable trading partners on the basis of complementary economic and trade structures. For Japan, New Zealand was a stable supplier of agricultural products. For New Zealand, Japan was the second largest destination of its exports (16.3 percent in value) and the third largest for its imports (15.0 percent in value). New Zealand has been recording surpluses in its trade with Japan (some \$500 million in 1990).<sup>7</sup>

After all, the two countries were in similar positions as allies of the United States in the Pacific area, and therefore faced similar problems. Among them are: how much independence to seek within the American alliance, how best to influence the United States on matters of mutual disagreement, and so on. They helped each other in working towards solutions to these problems, though the Japanese Government was more concentrated on domestic problems.

After the trade treaty in 1958, there was a number of other agreements and regular consultations: double taxation (1963), fisheries (1967 and 1978), air services (1980), and multilateral economic consultations (1980). Over

the last decades, Japan has become one of New Zealand's largest export markets, sometimes taking the first place, but always among the "big four" (Australia, Japan, the US and the EC) – and often New Zealand's largest two-way trading partner. Over the forty years all of New Zealand's major primary industries – dairy products (especially for cheese, SMP (skim milk powder) and casein); meat (both beef and lamb); wool; forest products; horticulture and fish, appeared a principal market to Japan (Stefanchuk, 2009:17-19).

Unofficial contacts were also developed. In few decades there were many Japanese tourists and visitors to New Zealand, and a growing number of New Zealand tourists visited Japan. Despite certain problems in the economic relationships, however, great interest and knowledge about Japan among New Zealand public, and in New Zealand universities among students and specialists, has grown up. (Peren, 1999:184-211)

It is obvious, 50-80-th years of the XX century for New Zealand-Japan contacts was period of great significance laying the foundations for further strengthening and development of relations between the two leading countries in Asian-Pacific region.

### **List of Abbreviations**

- DB – Diplomatic Bluebook
- NZFAR – New Zealand Foreign Affairs Review
- NZOY – New Zealand Official Yearbook

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<sup>1</sup> [http://www.mofa.go.jp/~23k/RegionalAffairs/Pacific/New Zealand](http://www.mofa.go.jp/~23k/RegionalAffairs/Pacific/NewZealand)

<sup>2</sup> NZFAR, Vol. 27, N 1, 1977, P.17.

<sup>3</sup> NZOY, 1968, 644-654.

<sup>4</sup> NZOY, 1979, 562.

<sup>5</sup> NZFAR, Vol. 27, April-June, 1977, P.19.

<sup>6</sup> DB, 1980, CHAPTER THREE: DIPLOMATIC EFFORTS MADE BY JAPAN, Section 1. Promotion of Relations with Other Countries – <http://www.mofa.go.jp/policy/other/bluebook/index.html> – 10k

<sup>7</sup> DB, 1991, Chapter IV. Regional Situations and Relations with Japan, Section 1. Asia-Pacific. – <http://www.mofa.go.jp/policy/other/bluebook/index.html> – 10k

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## **Политика и торговля: новозеландско-японские отношения в 50-80-е годы XX века**

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*В статье рассматривается период в истории японо-новозеландского взаимодействия (50-80-е годы XX века), когда контакты в политической, экономической, культурной и других сферах сотрудничества, принятие основополагающих для обеих сторон документов объективно определялись содержанием и динамикой развития. Используемый комплексный подход позволяет обосновать выводы о значении периода для последующего развития и углубления отношений между двумя ведущими государствами Азиатско-Тихоокеанском региона.*

*Ключевые слова: Новая Зеландия, Япония, Азиатско-Тихоокеанский регион, международные отношения, внешняя политика, внешняя торговля, региональное сотрудничество.*

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