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While this book could not have been researched and produced without the help of all those acknowledged above, the author takes complete responsibility for any inaccuracy or major omission of fact, for any subjective bias that might intrude, and for the overall analysis of ‘Kiwi Keith’. This is one account and interpretation of Sir Keith Holyoake’s life. An author with a different perspective, or putting weight on different aspects of Sir Keith’s life and contribution, or trying to fit the subject more systematically to various general theories of political leadership might well have written a somewhat different book. I doubt, however, that any objective biography of Sir Keith Jacka Holyoake would or could do other than conclude that he was one of New Zealand’s greatest political figures.
FEW POLITICIANS IN any democratic country during the twentieth century had such a long and distinguished career as Sir Keith Jacka Holyoake, PC, CH, GCMG, KG, QSO, who was New Zealand’s Prime Minister for a short time in 1957 and for a further eleven years from the end of 1960 until February 1972. He was also Governor-General from 1977 to 1980 and had earlier served as Deputy Prime Minister and Minister of Agriculture from 1949 to 1957 and as Minister of Foreign Affairs from 1960 to 1972 and State from 1975 to 1977. In all, he was a Member of Parliament for 40 years, representing Motueka from 1932 to 1938 and Pahiatua from 1943 to 1977, and a minister for 22 years. He was, with William Ferguson Massey, Gordon Coates, and Jim Bolger, one of New Zealand’s great farmer-politicians – arguably the greatest.

Although he left school at twelve years of age with only minimal formal education, by the time he was a young man Holyoake was not only running his own farm and playing representative rugby but was also one of the leaders of the New Zealand Farmers’ Union and the New Zealand Rugby Union. In 1932, at 28 years of age, he became the country’s youngest Member of Parliament – twenty years younger than the next on the Government benches and thirteen years junior to the youngest on the Opposition side of the debating chamber.

A fourth-generation New Zealander known from his childhood to friends as ‘Kiwi Keith’ or just ‘Kiwi’, he was also New Zealand’s first self-consciously and openly nationalist prime minister. Holyoake sought to keep New Zealand’s traditional links with Britain, the United States, and Australia, but told the British bluntly that he saw New Zealand as a totally independent nation and himself solely as a New Zealander who could not – and would not – call himself British.¹ New Zealanders, he claimed, would in the not too distant future even be distinguished ethnically from Australians by the much greater intermarriage between citizens of European, Maori, and Pacific Island ancestry.² He also fought passionately to prevent the takeover of New Zealand’s economy and media by wealthy foreigners, arguing that, both economically and culturally, this country should never become ‘the plaything of multimillionaires from overseas’.³

Holyoake believed in private enterprise and equality of opportunity. He disliked monopolies, whether state or private, believing both were the antithesis of free competitive enterprise. Like most conservative politicians,
he was also not impressed with ideologies that emphasised the collective state over the rights of individuals, or believed in some utopian society, or thought that any person, idea or system was, or ever could be, perfect. He did not like radical policies or rapid and dramatic change, which he thought upset and confused most people, and he certainly did not approve of governments that imposed such disruption on people without their consent. The key characteristics of his approach to government were moderation, gradual and incremental progress, and consensus.

Unlike the Labour politicians Michael Joseph Savage or Roger Douglas, therefore, Holyoake had no great desire to inspire or effect dramatic and comprehensive systemic change in New Zealand. He was a transactional leader to whom immediate goals, efficient management of public affairs, and the cultivation of majority support were paramount. His aims were to advance his personal career, keep the National Party in office, maintain New Zealand’s security and prosperity, and grow and gradually improve its economy and society. In pursuit of these objectives, he was quite prepared to have the government play a leading role in the diversification and strengthening of the country’s economic base as a necessary prerequisite for continued and even greater prosperity. During his years as Prime Minister, major and inclusive Agricultural Production and National Development conferences were held; an aluminium industry was established; the steel, timber, pulp and paper, and tourism industries were greatly expanded; oil and gas exploration was pursued, eventually leading to the Maui field; and there was overall a considerable increase not only in agricultural but also manufactured output and exports.

With his deputy John Marshall, he personally spearheaded the eventually successful negotiations between 1961 and 1972 to protect New Zealand export markets in Britain, as the UK sought to join the European Economic Community, and also trade negotiations to expand New Zealand’s markets in Australia, the United States, Japan, and the Soviet Union. He consistently as New Zealand’s leader opposed nuclear testing, especially by the French, in the Pacific, and put New Zealand firmly behind all attempts internationally to obtain a comprehensive test-ban treaty. He was the first New Zealand prime minister to stop the racial selection of New Zealand All Black rugby teams when playing South Africa’s Springboks. During the last few years of his administration, Holyoake, admittedly somewhat belatedly, also personally took the lead in New Zealand moving to recognise and develop closer relations with the People’s Republic of China.

Holyoake loathed high taxes, which he saw as taking from those, such as farmers, who produced real wealth, to spend often on unnecessary bureaucracy. But he also believed that rising prosperity should be shared throughout the
community, and as a result, the social security system was maintained, with benefits regularly increased, and housing and tertiary education policies were implemented to expand a property-owning democracy and to create greater equality of opportunity for young people. Furthermore, although politically and personally conservative, Holyoake backed his more liberal colleague, Ralph Hanan, in liberalising New Zealand’s criminal law, extending the licensing hours, establishing the office of Ombudsman and the Law Revision Commission, and making divorce less difficult and acrimonious.

Holyoake was always impressive in the party organisation, in caucus and cabinet, and in dealing with people in the privacy of his office. There, he was nearly always well informed, shrewd, decisive when necessary, and very much in charge of the situation. He was also a master in the House and on the hustings. For almost the entire time he was National’s leader, Holyoake dominated all other politicians in his own party and also within Labour’s ranks. As National’s Prime Minister, Holyoake welded together into a strong and, in public, united cabinet a diverse group of very talented lieutenants such as Marshall, Tom Shand, Ralph Hanan, and, later, Robert Muldoon – although at least two of them, Marshall and Shand, thought they could do his job better.

Indeed, throughout his career, Holyoake had to counter opponents within his own caucus and party organisation, as well as among more right-wing businessmen, who wished that he were not leader. Such critics were initially successful in denying him the leadership by promoting Sidney Holland before Holyoake returned to Parliament in 1943, and they again tried to find an alternative, either Bill Sullivan or Leslie Munro, in the late 1950s. From the mid-1960s, increasing pressure came on Holyoake to retire in Marshall’s favour, although Holyoake would still have been strong enough to have resisted the challenge in 1972 had he chosen not to retire then. Labour more openly challenged him, but a ruthless Holyoake destroyed the reputation of its leader Arnold Nordmeyer in the early 1960s by continually manipulating public resentment against Nordmeyer’s 1958 ‘Black Budget’. Holyoake advocated a similar negative strategy – again successfully if somewhat unfairly – fifteen years later to portray Bill Rowling as weak and ineffectual compared to Muldoon. Only Norman Kirk in 1972 would probably have been able to beat Holyoake, although National’s leader had successfully withstood two earlier challenges from Kirk in 1966 and 1969.

A strong man, both mentally and physically, Holyoake loved working, and put in long hours absorbing papers, listening to different points of view, and making decisions on the matters to which they related. He also enjoyed getting away from Wellington and the burdens of office and working with his
hands, especially on his property at Kinloch. He often said, ‘Tell the people, trust the people’, and commenced the practice of daily press conferences and also introduced a daily oral question time for MPs to interrogate ministers in the House. But he was not a great communicator through the mass media and, although he got on well with some individual journalists, distrusted the press generally. Nor were his manner and voice suited to the television era that started during his term as Prime Minister. As a result, he found it very difficult to articulate his own values, goals, and achievements through that medium.

There has been a tendency among political historians and journalists, as well as political opponents, to claim that Holyoake found it easy to be a consensus politician and get himself and his party re-elected throughout the 1960s because that decade was a prosperous era with little to divide New Zealanders as a nation. Nothing could be further from the truth. Certainly, the early 1960s were a prosperous time, but even then the certainties of the 1950s were fast eroding. The savage downturn in New Zealand’s terms of trade in late 1966 and the imminent entry of Britain to the EEC made day-to-day economic management and longer-term strategic planning very difficult in the later years of the decade. Largely as a result of economic policies pursued by Holyoake’s government to dampen down inflation, a significant pool of unemployment developed for the first time in 30 years, and during the late 1960s and early 1970s a substantial proportion of New Zealanders experienced relative if not absolute economic hardship. Added to the country’s increasing concern about an uncertain economic future was the strategic insecurity that came from the Cold War, the spread of communism through Asia, the global arms race, and the proliferation of nuclear weapons and testing.

That said, the 1950s and 1960s were certainly more prosperous and stable times than the decades that had immediately preceded them and those which were to follow. Holyoake’s cabinet and caucus, and the adult population as a whole, had grown up during World War I and the Great Depression, and many had served in World War II. They desired peace, normality, security and prosperity, free from unemployment, want and war. They believed that everyone should have a job, a decent home, access to free quality education for their children, and security in illness and old age. It is worth noting that most New Zealanders not only aspired to but also did enjoy those things during Holyoake’s prime ministership.

Despite the partisan contest between the two parties, both National and Labour during the 1949 to 1972 period were committed generally to a regulated economy; to comprehensive and universally available education, health, and social security systems; to maintaining export markets in the
United Kingdom; and to building a strong security alliance with the United States. Each wanted to govern a pluralistic and relatively egalitarian society in which the representatives of all the major sectors were recognised and involved in decision-making at the corporate level. Politicians and civil servants constantly consulted the leaders of the farmers’, employers’, and trades’ unions, and legislation and regulation were used frequently to set rules and resolve conflict among them. The state itself was, of course, not just a neutral referee but also a major player, with its own vested interests in maximising production and export receipts and minimising social conflict. Understandably, there was a premium on consensus and stability – two of Holyoake’s major aims in government – even when both became increasingly difficult to maintain from the mid-1960s on.

That did not mean, however, that New Zealand was a totally united and uniform society during the period 1949 to 1972 when Holyoake was either Prime Minister or Deputy Prime Minister for all but three and a half years. After the 1949 and 1951 elections, no party gained over 50 per cent of the total vote at an election. Although National dominated government, New Zealand politics during the Holyoake era in particular was much more fragmented than the results of the first-past-the-post electoral system then used indicated. The significant minority of votes regularly cast for the third party, Social Credit, rarely translated into a seat in Parliament. In fact, had the mixed member proportional system now used to elect MPs been in operation during the 1950s and 1960s, neither National nor Labour would have been guaranteed a majority of seats in Parliament and been able to govern alone after 1954.

There was diversity and conflict throughout the entire period, even if it escalated toward the end. Perspectives and vested interests always differed between town and country; urban businessmen and farmers; employers and unions; men and women; Maori and Pakeha; New Zealand-born citizens and more recent immigrants; those who looked to Britain as ‘Home’ and those who were starting to fashion a New Zealand national identity; people who believed New Zealand’s security depended on unquestioning allegiance in foreign affairs and defence to the United States and others who wanted a more independent international position. As time went on, so there developed also a division between older New Zealanders, socialised by war and depression, and a younger generation that had personally never experienced either.

During the 1960s, New Zealand changed both demographically and attitudinally. It became much more urbanised, industrial, and heterogeneous. There were more immigrants, not only from Britain but also from elsewhere in Europe and from the Pacific Islands, although not at that time from Asia to any great extent. Younger New Zealanders were better educated than their
parents and there were greater numbers and proportions of white-collar workers and homeowners in the population than at any previous time in the country’s history. A greater number of women were entering the paid workforce too. More New Zealanders had motorcars, there was a housing boom, and the suburbs mushroomed. Television spread rapidly after its introduction in the early 1960s, becoming a central feature of recreation and information in many homes, and transforming social habits.

Socially, New Zealand was also becoming a much more diverse and permissive society during this decade, especially among the young, many of whom were influenced by and reflected their hippy, flower power, and swinging counterparts in the US and Britain. Feminism, the advent of the birth-control pill, environmental concerns, opposition to nuclear weapons and racism, and growing debate over abortion and homosexuality all impacted on New Zealand, and particularly on younger New Zealanders. The issue that most seriously came to divide the nation throughout the later years of the decade was the country’s involvement in the Vietnam War, which Holyoake personally and privately tried hard to prevent and then limit but which he had, as Prime Minister, to defend publicly and take responsibility for.

Holyoake was always an enigmatic figure, underestimated and even ridiculed by many of his opponents and critics. To them, he appeared to be a pompous prat with a plummy voice, and a dapper dresser who took inordinate care with his appearance – even, some alleged, trying to disguise his short stature by wearing built-up shoes. They regarded him as a pragmatic, not a principled, politician; a cautious, if reasonably compassionate, conservative; and a manipulator who always sought consensus constructed through compromise around the lowest common denominator of public opinion. As one leading political scientist concluded, Holyoake was simply ‘the consensus maker, whose whole triumph was to dampen down issues and difficulties into a monotonous series of tight but real [election] victories’. The man’s critics argued that his successes owed more to luck than sound judgement, and that his conservatism meant that New Zealand put off addressing in the 1960s many of the economic issues that were to become, as a result of that delay, much more serious in the 1970s and 1980s. They also believed that it was incongruous that he was the leader of a government that took New Zealand into the Vietnam War in the 1960s – in the process, splitting the country’s traditional unity on foreign policy and defence – because, unlike many men of his generation, he had not served in the armed forces during the Second World War.

A ranking of 30 New Zealand prime ministers over a hundred years, from John Ballance to Jim Bolger, was published in 1998 and was based on
assessments from 30 historians, political scientists, MPs, journalists, and public servants. Holyoake was ranked only fifth overall, after Richard John Seddon, Peter Fraser, Michael Joseph Savage, and Ballance, and just ahead of Norman Kirk. Three of those six were Labour, and two Liberal, leaders, with only Holyoake hailing from the conservative side of the political spectrum. That ordering, however, might have reflected the political perspectives and admiration for radical change of the respondents, one of whom felt compelled to note that she found ‘it difficult to separate political skills from the purposes for which they are used’. In five separate categories that contributed to the overall assessment, Holyoake was ranked second to Seddon in party management, fourth in both parliamentary skills and crisis management, seventh in legislative achievements, and eighth in leadership qualities.

Holyoake would certainly have found it difficult to assess his own standing in such a survey, and always claimed himself that he was just an ordinary man, who had been fortunate to reach the top in politics because he became an MP at a very young age and, after 1943, enjoyed a safe seat. His youth and longevity meant that he outlasted all his contemporaries when he first entered Parliament in 1932 and, with the exception of John Marshall, cabinet in 1949. He was also fortunate to be the leader of the National Party during the late 1950s and the 1960s, which, both organisationally and electorally, were the party’s vintage years and during which the Labour Opposition was divided and struggling with its transition from a trade union socialist party of the 1930s and 1940s to the more broadly based social democratic party that emerged during the 1970s and thereafter. There was more, however, to Holyoake’s success than merely luck and longevity, significant factors though both undoubtedly were in his political career.

Holyoake may have been, as some suggest, a gambler who rode his luck as a politician. But if so, he was a very successful one for 50 years. It seems much more accurate to look upon him as a man who, admittedly having some luck, as most successful politicians do, also possessed the acute ability to understand people and foresee problems, and to manipulate both in order to defuse, where possible, major divisions within his own party and government – and indeed within the electorate as a whole – and to build support, or consensus, for the many things his government did both at home and abroad.

When Keith Jacka Holyoake retired as Prime Minister in 1972, New Zealand was a very different country to that which existed when he first took over that office in 1957. Certainly, much of the continuing transformation that took place during that time – economically, socially, attitudinally, and internationally – would have happened whoever had led the government. It was a complex, organic change rather than the result of policies implemented
from on high. Not without uncertainty, tension, and even conflict, however, that inevitable change had to be recognised and reacted to by New Zealand’s politicians. Holyoake and his government did so, and with considerable success, in the shorter term, although their critics would allege with the advantage of hindsight, and possibly with some justification, that they did not do so quickly or radically enough and thereby bequeathed or created in the longer term problems for those who came after. Even with that caveat, however, Holyoake’s almost unequalled length of service as prime minister and politician, his dominance of the political scene during the 1960s, and the transformation of New Zealand domestically and internationally during that decade under his administration make him undeniably one of the most remarkable figures in New Zealand’s history.
KEITH JACKA HOLYOAKE, known from an early age as ‘Kiwi Keith’, or simply ‘Kiwi’, to distinguish him from an Australian cousin also named Keith, was a fourth-generation New Zealander, although his family name can be traced back to ancient England. The surname Holyoake was believed to have derived from the ancient Druid priests of Stonehenge, whose rites took place under the holy oak tree. From the first recorded member of his family in 1567, the Holyoakes of Warwickshire produced a long line of clerics, scholars and teachers.¹

All four of his grandparents, however, were born in the Nelson district of New Zealand’s South Island. His paternal great-grandparents, Richard, the cousin of George Jacob Holyoake, who is generally regarded as the radical founder of the British co-operative movement, and Eliza Holyoake (née Kimble), had arrived in New Zealand on the ship Indus on 6 February 1843, and after disembarking at Nelson settled in the Riwaka Valley. Richard was born at Walmouth, London in 1808. He left England in 1818 as a ten-year old cabin boy and had lived in New Zealand for a time prior to 1833, having first come on trading ships and then spending a period as a whaler.² He had returned to England in 1833, but after his first wife died he married the sixteen-year-old Eliza, from Deptford in Kent, in 1841 and sailed for New Zealand at the end of the following year. At Riwaka, Richard became a landowner, buying some land in Kaiteriteri Road from the New Zealand Company and a further 25 acres from another colonist, Thomas Rowling, one of whose descendants was also to become a prime minister of New Zealand.³ Eventually his fertile block grew to some 60 acres. There he planted apples – the second recorded planting in the district – pears and loquat. Richard Holyoake also built a boat to transfer firewood from Riwaka to Nelson, but on only its second voyage it was wrecked during a violent storm in 1848, for a time leaving its owner
‘entirely destitute of the means of supporting his family’ because he had invested so much in its construction.4

Reflecting on his great-grandfather’s arrival in New Zealand, Keith Holyoake was to write more than a hundred years later: ‘You must remember that many who migrated wanted to sever themselves from the associations in the Old Land for one reason or another. Remember also that it took six or seven months to sail to New Zealand and a similar time for a letter. You must try also to visualise the conditions of living of the early migrants. The struggle for bare existence for many years, often in dreadful isolation.’5

Richard and Eliza, who lived to 86 and 87 years of age respectively, had nine children, the sixth of whom, Thomas Henry, was born in Motueka in 1851. Thomas, who has been described as a belligerent man with a ‘wild and rough nature’ that earned him the nickname of ‘Te Kooti’,6 in 1871 married Laura Ellen Jacka. She was the daughter of another early Nelson settler, Thomas Jacka, who had been a law clerk in Penzance, Cornwall, before coming to New Zealand and teaching at Riwaka. He was a member of the Nelson Provincial Assembly from 1855–58 before he died at the age of 38 in 1859. Laura was well educated and genteel and later published a small book of her poems and hymns.7 They in turn had eight children.

The third of these was Henry Victor Holyoake, born in 1875. In 1897, Victor – or Vic, as he was commonly known – married Esther Eves, the granddaughter of two other Nelson pioneering families, the Eves and the Gibbs. Esther’s paternal grandparents, William and Sarah Eves, had arrived in Nelson from Kent on the ship London in 1842, and her maternal grandfather, James Gibbs, arrived the same year on the ship the Bolton. Gibbs founded the Plymouth Brethren church at Wakefield, and his son-in-law, Esther’s father James William Eves, was a Brethren lay preacher and Sunday school teacher for many years.8

The Plymouth Brethren had been formed in 1827 when John Darby, an Irish lawyer who had become for a short time a Church of England minister, left that church and eventually set up a fellowship of some 800 evangelical nonconformists at Plymouth.9 Darby and his followers were critical of the established church and believed in the ‘priesthood of all believers’. As a result, they did not have a hierarchical church organisation, professional clergy, or formal orders of service, and their meeting places were simple halls without decoration where they could enjoy worship and fellowship. Their services centred on a fundamentalist belief in and study of the Bible as the inspired word of God and the weekly sacrament of communion. In the middle of the nineteenth century, the Brethren in Britain were to split into ‘Open Brethren’ and ‘Exclusive Brethren’, the latter very intolerant of ‘non-
believers’ and unwilling to work alongside, socialise with, or intermarry with them. The Nelson Brethren, however, remained largely ‘Open’ and willing to become part of their wider community. They were happy to work with other Christians, including the local Anglicans and Presbyterians, and especially the Wesleyans, who shared the Brethren’s evangelical fundamentalism.

Esther, one of ten children, was born at Dovedale in 1873, but in February 1877 torrential rain and an overflowing Motueka River flooded the Eves’ farm, destroying their home and forcing them to shift to a smaller mixed farm in Pigeon Valley. Esther was clearly an intelligent young girl, and on completing her primary education went to Nelson College for Girls, founded and led by New Zealand’s first woman university graduate, Kate Edgar. In turn, Esther also became a teacher and at eighteen years of age was appointed to the Riwaka School. She taught there from 1891 to 1894 before transferring as sole teacher to the new Orinoco School, where she remained until resigning at the end of 1896 to marry Victor Holyoake the following January.

Victor and Esther had seven children, the first two of whom, Conrad and Muriel, were born at Riwaka. More and more people were planting orchards in the district and soon after the turn of the century the first shipment of fruit to England was sent under a government guarantee of one penny a pound, which for many years thereafter was a substantial backstop for the industry. In 1902, however, Victor left the family farm, after a dispute with his father, and sold his share to a sister. He moved for a short time to Nelson to work for a stock and station agent. He then shifted to Scarborough (Mangamutu), near Pahiatua, in the North Island and purchased a small general store. Conrad recalls that the Mangamutu store was opposite the local school and was set on several acres of cleared land, ‘liberally dotted with decaying stumps of the larger forest trees, and old charred ratas still standing’. The store itself ‘stocked almost everything from a needle to a hay fork; including groceries, haberdashery, farm shirts, trousers, sweets and general hardware’.10

In early 1904, while playing cricket at Pahiatua, Victor was soaked during a downpour. A chill turned to pneumonia and then acute tuberculosis, which was to trouble him for the rest of his life. With a very ill husband, Esther, in the last weeks of pregnancy with her third child, took over the running of the store while Victor returned to Riwaka to convalesce at his parents’ home. Esther’s mother came to Mangamutu to stay and help with the new baby and the older children when Keith Jacka Holyoake was born on 11 February 1904.11 At the time of his birth, his parents were both 29 years of age. Keith’s second name, Jacka, was his paternal grandmother’s family name.

Esther found running the store in the absence of her husband a considerable strain, especially as it was burgled during the time she was alone
there with the children, though fortunately the intruder was chased off by the family dog. In 1905 the store was sold and the family, now reunited, moved to Hastings where Esther for a time managed a three-storeyed boarding house in Frederick Street. As Victor’s health improved they moved first to a three-acre farmlet at Mahora and then in 1908 to a 166-acre farm, overgrown with fern and manuka, at Omokoroa, some fifteen miles northwest of Tauranga.

By the time Esther and the children, now numbering five, joined him at Omokoroa, Victor had built the shell of a house. Conrad recalls:

The house was not completed when we arrived; only the bedrooms and the large kitchen-cum-living room were match lined but not wall papered and not even the flooring was laid in the rest of the house – that was to come later. The furnishings were the simplest bare necessities but Mother soon made the indoors presentable . . . our “convenience” was a 5’ x 4’ by 6’ high corrugated iron “dunny” hidden in the gorse behind the wash house – a “one holed”, with cut up squares of pages from the “Auckland Weekly” hanging from a nail.12

The eldest of the Holyoake children also recalled his mother’s ‘strong religious faith’ and reminisced of her ‘feeding the hens and singing “Jesus loves me, yes I know – chook, chook, chook”!’13

The six years that the family lived on the dairy farm at Omokoroa were difficult years. Victor worked extremely hard breaking in the farm and milking by hand the dairy herd, which Keith described subsequently as 27 ‘scrub cows’.14 Esther and the older children helped with the milking and other farm chores, and a sixth child, Harold, was born in 1911. The older children, including Keith, were later to remember this time as a period of hard work and few luxuries. According to Conrad, ‘the experience left an indelible impression on our scale of values. Above all else, it taught us to be self-reliant.’15 Not only did Esther cook, clean, and sew for her family, but she also assisted them with their schoolwork. There were no roads, and Conrad, Muriel and Keith shared a pony as they travelled daily to the local single-teacher school some three miles away, delivering a heavy can of farm cream to a dairy factory’s cream wagon collection point on the way. Keith later recalled that he had received most of his schooling, ‘I wouldn’t say education’, at that school.16

Victor was a very hard worker but ‘wasn’t an extrovert’ and ‘wasn’t brought up to handle’ dealing with strangers. His eldest son recalled: ‘Father was not a very communicative or outgoing person, and even his instructions about how to do a job were never very detailed.’ He was also, as a father, a ‘strict disciplinarian. He used the strap from time to time. He had no favourites.’ But
even so, his children saw him as easier-going than their mother.\textsuperscript{17} Esther was clearly the stronger personality and the major influence on her children, and they recognised that she ‘was the motivating force in the family’.\textsuperscript{18}

Mother sustained us in all our strivings. She was a deeply religious person although with a very simple faith, very tolerant and broadminded but firm, and I cannot recall her ever uttering an unkind or bitter word against anyone. We were always warmly and neatly clothed, even if at times our garments were well darned and patched. Although plain, our food was always abundant, well cooked and nourishing. And we received wonderful help with our school studies . . . . Books were never bought and we had practically no household library. Nevertheless, because of Mother’s precept and example we all gained a reasonable command of the English language.\textsuperscript{19}

Esther ‘taught us to speak good English. You daren’t use bad grammar. Even at the table you had to be correct.’\textsuperscript{20} Keith Holyoake’s somewhat pompous elocution in later life was at least partly the result of his mother’s speech training.

In 1912, Keith, then aged seven, became ill with appendicitis, which ultimately turned to peritonitis. Unwilling to operate himself, the local doctor sent his patient to Waihi Hospital. Because rain had flooded the Wairoa River and made the road to Waihi impassable, Keith was taken by trap to Te Puna, by launch to Bowentown, and finally delivered by horse-drawn coach to the hospital. His parents travelled to Waihi with their son and stayed with him until he had recovered, leaving the 14-year-old Conrad to look after the farm and do the feeding out and milking and the 11-year-old Muriel to do the cooking and look after the younger children. Carrick Robertson, later to become Sir Carrick and one of New Zealand’s most prominent surgeons, operated on him. According to other members of the Holyoake family, Keith was very ill after the operation and a nurse was delegated to sit with and care for the boy, who was not expected to live beyond the next morning. To his family’s surprise and delight, Keith survived.\textsuperscript{21}

Just after Christmas the following year, Keith’s grandfather, Thomas, died, but not before having visited Omokoroa and becoming reconciled with his son. Noting the ‘spartan conditions’ in which Victor’s family was still living, Thomas suggested that he move back to Riwaka and subsequently bequeathed the Riwaka property to him.\textsuperscript{22} So, in 1914, Victor moved his family – except for Conrad, who had got a job with the Post Office and remained in Tauranga – back to Nelson. The farm, on ‘fantastic land’ of ‘silt carried by the Motueka River’, was some 32 acres and grew apples, pears, hops and tobacco. It was very productive and employed up to 100 seasonal workers at harvest.
time. It also shared a boundary with a farm owned by the grandparents of a future Labour Prime Minister, Wallace (Bill) Rowling.23

From 1914–16, Keith attended the one-room Brooklyn Primary School, where he shared a desk with an Australian-born cousin, also called Keith Holyoake. To distinguish them, the boys were called ‘Kiwi Keith’ and ‘Aussie Keith’, but in time this was shortened to ‘Kiwi’ and ‘Keith’ respectively. Thus, for the rest of his life, the New Zealander would tell new acquaintances to ‘Just call me Kiwi’ and he also signed his letters to other family members ‘Kiwi’.24

All his brothers received at least a secondary education; two, Oscar and Claude, as did their sister Muriel, became teachers, and Neil went to university in Christchurch before becoming a farmer. Keith, however, was forced to leave school in Standard Six when only twelve years old. As he recalled later in life: ‘My schooling stopped at 12 through no fault of my parents. We were poor people. They couldn’t afford a secondary education for me.’25

Victor’s health never completely recovered after his illness in 1904 and he became increasingly dependent for help on the Riwaka farm on the eldest of his sons living at home. The situation was compounded by the lack of capital and labour during the First World War, although Victor and his brother Clifton were able to afford to import engine-operated John Bean sprayers from the United States in about 1915. However, the availability of workers – even if Victor could afford to employ someone to help – was a greater problem, with 45 per cent of New Zealand men between the ages of 19 and 45 serving in the armed forces during the 1914–18 war. Over half became casualties and one in seven was killed.

KEITH’S EARLY TEENAGE years consisted of hard work on the farm during the day and furthering his education with the help of correspondence lessons and tutoring by his mother at night. In later years, he recalled that as a teenager he would lie in bed reading books by candlelight, with a dictionary at his side: ‘With my lack of schooling I had to use the dictionary as a handbook – to learn the meaning of words.’26 He joined a book club and recalled buying a copy of Darwin’s Origin of Species when aged about thirteen. Although he learnt to read, and later speak, fluently and accurately, Holyoake did not master writing anything of great length or complexity as well. Even in later years, he preferred to communicate orally rather than in writing. While the rest of the family was concerned that Keith would not get a secondary education, he enjoyed the open air and physical labour of the farm and did not at the time appear to regard leaving school as an undue hardship. Nevertheless, in later life he reflected, ‘I know that if I’d been to university I’d be capable of
leading a fuller life’ and did feel ‘handicapped’ by not going on to secondary or tertiary education.27 Once, when he was ‘deploiling the fact that [he] hadn’t had a secondary school education and university’, and a university-educated Labour MP ‘comforted [him] by saying, ”Well you know, if you send a fool to school he only comes away a school fool’”, Holyoake’s ‘retort to him was “Well I’d rather be a schooled fool than an unschooled fool”’.28 He added, however, ‘I doubt whether I’d have been a better Prime Minister had I been a better formally educated man’.29 All the same, Keith learnt one very important lesson as a young farmer: ‘[Y]ou should live as if you were going to die tomorrow but you should farm as if you were going to live forever.’30

The daytime work was certainly hard and Keith laboured not only in the orchard but also in the packing shed, where he was known to pack apples for up to 48 hours without a major break.31 He used a horse-drawn plough and hoed by hand and also looked after a small herd of dairy cows as well as the fruit, hops and tobacco.32 Chemicals, such as hydrated lime, arrived in 112-pound hessian sacks and had to be stacked manually, with workers looking ‘very much the likeness of a snowman’, and the fruitwraps arrived in large bales with wooden surrounds and steel straps, weighing two hundredweight or more.33 Long hours were spent dragging around hand-operated, and later engine-operated, pumps with 100 feet of hose to spray the fruit trees to combat fungus disease, brown rot infection, American blight, or woolly aphids. The work was not only extremely strenuous but the sprays made it very disagreeable. Keith later recorded:

Among my most harrying memories are the problems of spraying with the horse-drawn outfits on windy days, resulting in frayed tempers, bolting horses and badly-burnt skin on face and hands . . . . Perhaps my most traumatic memories are those of making our own lime and sulphur sprays by standing over a 400 gallon tank of boiling water and gradually mixing in sulphur powder and burnt lime. It was not a very easy nor pleasant task. Indeed, it wakened thoughts and warnings that we were frequently given as children – about the fire and brimstone that possibly awaited us in the next world. Spraying, and mixing the sprays beforehand, remain in my memory as about the closest thing we had to serpents in our little Garden of Eden here in the Motueka district.34

He also operated a miniature sawmill on the farm to provide the slats for apple boxes.35

Nor was the work always finished at night. When drying the tobacco, for example, Keith would go to bed and set the alarm for an hour later. He would then get up and go and check the temperature in the kilns before returning
to bed and resetting the alarm, again waking an hour later. The procedure went on all night and he believed that it was the major reason that he found it difficult to sleep through the night later in life.\textsuperscript{36}

While helping his father on the farm, and increasingly assisting him to manage it, Keith was paid only board and pocket money. He came to resent this state of affairs and, like his father before him, eventually decided to strike out on his own and left Riwaka, crossing Cook Strait to Wellington. There he stayed with his uncle, Harry Jacka, and his family in Hanover Street and got a job at 'the corner store' in Wadestown Road.

They told me that Mr Plummer wanted a boy who must be able to drive a horse and trap to deliver parcels, especially for the weekends. I applied and was engaged on that work and generally helping in the store for a few months before returning to my father's farm . . . . At that time the store had its own bakery and baker. Mr Plummer had a wagon and horses and travelled down to the city to purchase fruit and vegetables and to transport general goods for the store. I enjoyed this episode as one of the experiences I had as an alternative to working with my father growing apples and pears and hops and tobacco on the farm at Riwaka.\textsuperscript{37}

The rest of the family suggested to their father that Keith should have ownership of half of 'Palmdale', the Riwaka farm, in lieu of wages; and when Victor agreed, Keith returned. Subsequently, in the late 1920s, Victor sold him the other half and moved to another farm himself.\textsuperscript{38} By then, Keith was not merely working on the farm and in the packing shed but was also responsible for up to 100 casual workers employed from time to time, and he was later to claim that it was then that he learnt tolerance and diplomacy and developed both organisational and people management skills.

THE YOUNG HOLYOAKE did not limit himself to working on the farm but was active in the wider community as well, including becoming a foundation member of the local Motueka Fruitgrowers' Association, formed at a meeting in 1926. At the time, 80 per cent of the Port of Motueka's revenue came from fruit exports. Among the 25 inaugural members who attended was Keith Holyoake, then aged twenty-three. The annual subscription was set at a not inconsiderable 5 shillings and members had to take up one share in the Association for each 100 acres or part thereof in orchard. The Association's first president was Bill Rowling's father, Arthur. The Association subsequently opened its store and offices in a building known locally as 'Holyoake's Stables', from which Keith's uncle and cousin operated a general carrying business.\textsuperscript{39}
Because there was no Brethren Assembly at Riwaka, Esther and the children attended the local Presbyterian church, where she taught Sunday school for many years. Victor was not a churchgoer but Esther insisted that all the children should attend until they were sixteen, when they could make up their own minds. According to his eldest brother, ‘Keith drifted away once he got into football’. Later in her life, after the children were grown up, Esther travelled each Sunday to the Brethren Assembly at Motueka, driven there by Victor, who stayed outside during the service reading or chatting to friends. Not only her children but also her grandchildren and the children of workers on the farm remembered her as a rather austere woman, singing hymns around the house and while working on the farm, or reading the Bible, or allowing them to take a pair of tweezers and extract a Bible verse rolled into little cylinders and kept in a honeycomb cabinet hanging on the wall.

In discussing his own religious beliefs with one of his daughters in later years, Holyoake said that, although brought up by his Brethren mother and later going to his wife’s Presbyterian church, he thought of himself as ‘spiritual rather than religious’. To that general Christian upbringing and sense of spirituality, he added his own homespun philosophical musings, which as a young man he recorded in his diary. Holyoake noted down quotes that impressed him in his reading, such as Chesterton’s suggestion that, ‘If a man is not a socialist up to the time he is twenty-five he has no heart; if he is after that he has no head’. But he also made up his own short comments and almost invariably signed those with his initials, K. J. H. These were precepts that he consciously tried to live his life by, both personally and later politically. Among them were such observations as:

‘The man who has nothing to boast of but his illustrious parentage is like a potato – the only good belonging to him is under the ground.’

‘Some converse, others talk. Some discuss, others argue.’

‘There is no real enjoyment in spending money before it is earned.’

‘There is no electric elevator to success. Step up the stairs, don’t stare up the steps.’

‘Every ideal should be built up on the rock-bottom foundation of common sense.’

‘Be it true or false, what is said about men often has as much influence upon their lives as what they do.’

‘To know truth well one must have fought it out.’

‘If you would be loved as a companion avoid unnecessary criticism upon those with whom you live.’

‘Most of the great things in life have been done in spite of.’

‘The only real happiness is that gained through love for and in the service of your fellow men. Men of today or the future generations.’
Holyoake worked hard but he also enjoyed recreation. As one journalist observed: ‘Riwaka was a place of endless summer sunshine and healthy winters. There were five beaches and a river nearby, and bush and hills handy.’ Keith played a variety of sports, especially rugby and tennis, at both of which he was more than competent. The Holyoake family had its own tennis court on the farm and Keith was considered one of the strongest players in the Nelson district. He was president of the local tennis club, and continued to play interclub tennis until he was in his forties. As a rugby player he captained not only a competition-winning seven-a-side team made up entirely of his brothers and cousins but was also the long-time captain and hooker of the very successful Wanderers Club senior team. In 1922, when Keith was eighteen, he nearly died after being kicked in the stomach during a football match. His heart stopped beating during the incident but a doctor present at the game realised the seriousness of the situation and was able to resuscitate him. After what he described as ‘an enforced spell of two years’ during which he was unable to play because of the injury, Holyoake returned to rugby in 1924 and for the following seven years not only played at club level but also represented the Golden Bay-Motueka subprovincial side that in 1929 won the Seddon Shield from the usually much stronger Marlborough team. He was nominated twice, in 1929 and 1930, unsuccessfully, for the South Island representative squad, and retired as a player at the age of 26 after ‘breaking a rib at Westport and then putting another out of place when picked for the Seddon Shield’ team. He then became a selector for Golden-Bay-Motueka and continued refereeing well into the 1930s – indeed, for several years after he became a Member of Parliament. From 1930–33 he was President of the Golden Bay Rugby Union and became a vice-president of the New Zealand Rugby Union. In addition, he was a competitive cyclist, kept doves, and developed a lifelong liking for race meetings – a fondness he shared with and possibly derived from his father Victor.

WHEN HOLYOAKE WAS 30 he married Norma Janet Ingram, who was five years younger. She had been born in Motueka in 1909, one of six children born to Gordon and Flora Ingram, the father originally from Aberdeen and the mother born at Riwaka. She had been educated at Motueka High School, and had represented Motueka as a hurdles and high jump athlete. She taught for a year after leaving school but her father, a blacksmith and metal worker, who also for a time was a hotel proprietor and drum major of the Motueka Highland Pipe Band, became ill and then died. Her mother opened a boarding house and Norma returned to help as chambermaid and waitress.
Subsequently, and at the time she married Keith, she was a saleswoman in Buxton’s Drapery Store at Motueka.49

Keith and Norma met at the local tennis club and were engaged for about five years before eloping to Wellington to get married in the registry office on 24 September 1934. The only witnesses to the wedding were the political organiser Bert Davy and his wife Florence, who were resident in Wellington. One of the couple’s daughters believed that they eloped because they were frustrated by Esther’s ambivalence towards her son’s choice of bride but that, once they had been legally married in the registry office, Esther came around and was determined that they should have a ‘proper’ church wedding with their marriage sanctified by God.50 Although one cannot be sure, that certainly appears a reasonable assumption for the two quite different weddings within the space of four months.

The second ceremony was held at St Andrew’s Presbyterian Church in Motueka on 11 January 1935, followed by a large celebration.51 The local newspaper reported:

The church was filled to its utmost capacity and a large crowd of friends and interested spectators lined the pathway and the approach to the steps. When leaving the church the bride was presented with a silver horseshoe, with green and yellow ribbons, by Mrs A. D. Taylor, on behalf of the members of the Motueka Women’s Division Farmers’ Union and both bride and bridegroom were greeted with showers of confetti, while many young people barred the way.52

Keith and Norma had five children: two boys and three girls. The eldest two, Roger and Peter, were born in 1936 and 1937, while their father was MP for Motueka. Diane was born in 1939 and Lynley in 1942, when Keith was out of Parliament but still living at Motueka. Keitha, or Jennifer-Mary as Keith preferred to call her, was born in 1946, after the family had moved to Dannevirke. When Keitha was born, friends said that she looked like her father and should be called Keitha. Holyoake rejected the suggestion and called her Jennifer-Mary. Children’s names could be changed within six months of birth, and while Keith was out of the country Norma added the name Keitha as her youngest daughter’s first name, which also made her initials K. J. H., like her father’s. Her father always, however, referred to her as Jennifer-Mary or Jenni. All three girls later married and became Diane Comber, Lynley Hyams and Jenni Parton. In time there were to be twelve grandchildren.53

Keith’s mother Esther and father Victor both died, aged 80 and 79 respectively, in 1954. This was three years before their son became Prime Minister but 22 years after he first became a Member of Parliament.
AT THE 1928 ELECTION the Motueka electorate, which had been held for the previous fourteen years by the Reform Party, was unexpectedly won by George Black, a twenty-four-year-old supporter of Sir Joseph Ward and his newly formed United Party. Black had been a parliamentary committee clerk and was generally regarded as a very bright young man. The Reform Party was determined to win the seat back in 1931 and the search for a credible young local candidate began. One Reform activist, Alexander ‘Sandy’ Monahan, a retired farmer and former county chairman, who was then a Government Life Insurance agent, boarded with the family of Keith’s fiancée, Norma Ingram. Monahan ‘first suggested and then persuaded’ the twenty-seven-year-old Keith Holyoake to stand. Holyoake, who was not a member of the Reform Party at the time and had been saving to travel on a working holiday overseas, was at first ambivalent. He had NZ£400 in the bank and had booked his passage to England. He sought Conrad’s advice and his older brother responded: ‘You can go around the world any time. If you go now, you will be a back-country fruit-farmer all your life.’ Holyoake decided to seek the selection and Monahan then told the Reform Party electorate committee that Holyoake had agreed to stand after ‘a large and influential deputation waited upon him’ and persuaded him to do so. As Holyoake later recorded: ‘I have to confirm that Sandy Monahan was both large and influential. He was the deputation.’ At the selection meeting in August, Holyoake won the nomination, defeating four other older aspirants: the Chairman of the Nelson Freezing Company, the Chairman of Takaka County, a former army colonel, and a Wellington-based Reform Party organiser. Holyoake believed that Monahan had persuaded the local Reform members that they needed a young candidate to displace Black. His selection is the first entry in a diary that records the highlights of each year in his life from 1931 to 1956.
Perhaps not coincidentally, Holyoake became a member of the Masonic Lodge on 30 September 1931, a few weeks after his selection as candidate. He was to remain a Mason, first in Motueka Lodge Number 117 and then from 19 February 1948 in Rawhiti Lodge Number 66 at Dannevirke, until his death – although, as his obituary in the Freemasons’ journal noted, ‘a busy Parliamentary life made it impossible for him to proceed through the usual offices’. He was a Grand Master and then in 1979 Patron of the Masonic Lodge of New Zealand and received a long-service award for 50 years’ continuous membership when in hospital only days before he died, though he had actually qualified for it some two years earlier.

Shortly before the election, in September 1931, the economic depression in New Zealand, which followed the 1929 stock market crash in the United States and the collapse the following year of agricultural export prices on which the New Zealand economy depended, worsened. That forced the United and Reform parties in Parliament, led respectively by George Forbes and Gordon Coates, to form a coalition government. The new Government retrenched economically, and one of their actions was to stop construction on the Nelson railway, which Ward had promised at the 1928 election to complete. Some 300 construction workers lost their jobs. Black, who had been one of the two United whips, voted against this and Forbes expelled him from the United Party shortly before the 1931 election. At that election, the supporters of the Government stood as Coalition United or Coalition Reform and it was agreed that their sitting MPs would be endorsed by both parties. Had Black remained a Forbes supporter, Holyoake would probably have had to stand aside. Because Black chose not to support the Coalition and its economic actions and stood for re-election as an Independent, Holyoake became the Government’s new standard-bearer.

Holyoake freely admitted that he struggled with public speaking during his first campaign because, before he agreed to stand, he didn’t think he ‘had spoken in public more than just saying thank you on the receipt of a cup or shield at a football dinner, or something like that’. According to one source, Monahan, who assisted Holyoake in his campaign, coached the young candidate in public speaking on a local beach. Holyoake also had the support of Bert Davy and Tom Wilkes, probably the two best professional political party organisers of their generation. Both were to become personal friends and continue to be important in Holyoake’s political life over future years.

Albert E. ‘Bert’ Davy (1887–1959) was a hairdresser who had been campaign organiser for the Reform Party between 1919 and 1926. He helped form and organise the United Party led by Sir Joseph Ward in 1928 and was the National Coalition’s organiser in 1931, spending some time in Motueka
assisting Holyoake. In 1935 he organised for the Democrat Party, which split the National Coalition’s vote, and in 1939 and 1940 helped form a People’s Movement to oppose socialism and to foster a wartime coalition government. It merged with the National Party in 1941 but in 1942 he formed a short-lived New Zealand Co-operative Party. Later he became manager of the *Hawkes Bay Daily Mail* and was appointed chairman of the Trade Practices and Prices Commission by the 1957–60 Labour Government.

Thomas Gortley ‘Tom’ Wilkes (1895–1955) had been a plumber and then an inspector with South British Insurance and had served with the Wellington Mounted Rifles in World War I. He was a member of the first committee of the Returned Soldiers’ Association in Wellington. Among many positions he held on New Zealand sporting bodies, he served as President of the NZ Soccer Referees Association and Vice-President of the NZ Football Association. Wilkes lost his job with a Wellington motor company during the Depression and moved to Nelson with his family in search of casual work on the farms there. His wife, Esther, obtained work weeding carrots on the Holyoake farm and Keith subsequently offered Tom work and the Wilkes family the use of two whares that he kept for casual workers close to the farmhouse. In 1931, Wilkes became Secretary of the Takaka Branch of the Reform League and was to assist Holyoake with his 1931, 1932 and 1935 election campaigns. On the formation of the National Party in 1936, Wilkes, who by then was a close friend and confidant of Holyoake, became sequentially its Wellington, then Dominion, then Auckland organiser before becoming Wellington Divisional Secretary between 1939–41 and finally Dominion Secretary from 1941–55.

The Motueka seat was a huge, ill-roaded electorate with a very mixed constituency. There were small farmers and their seasonal workers producing fruit, hops and tobacco. There were also coal miners at Reefton, timber mill workers, iron workers, cement workers, and labourers in various public works camps. Reduced farm incomes, business failures, and widespread unemployment made the Government in 1931 unpopular and Holyoake’s task difficult. In an arduous campaign, he travelled throughout the large electorate speaking at numerous and often hostile meetings. At one relief camp on the Shenandoah Road a worker asked Holyoake what the initial ‘J’ stood for. When the candidate explained that Jacka was his grandmother’s family name, the response came back that it should be spelt with a double ‘s’ on the end. Other meetings contained less humour and more hostility. One story told of the young candidate having to hold a meeting in the Labour stronghold of Reefton in his hotel room, with the audience of two arriving and leaving by the fire escape. At another meeting, the audience, after passing a motion of no confidence in Holyoake, threatened to throw him, his organiser, and his car...
off a nearby cliff. Despite all his campaigning and the fact that he also spent almost all of the NZ£400 he had in the bank pegged towards his overseas trip, Holyoake failed by 517 votes to take the seat off Black.

Holyoake’s candidacy, however, had brought him to the attention of his constituents and he recalled that ‘the local farmers said “Well this boy’s got something to give” – we’ll get him into the Farmers’ Union. I hadn’t even been to a meeting of a local branch of a Farmers’ Union before that.’ The Farmers’ Union, established in 1902, was an interest group representing the relatively general and ongoing interests of farmers and also a pressure group that sought to influence government on specific issues and policies. It was part of the political pluralism of New Zealand in which corporate bodies such as those representing farmers, manufacturers, trade unionists, bankers, and other major occupational sectors of society competed among themselves to influence government, which in turn consulted them and sought, often through compromise, to establish a consensus on what the government should be doing.

Among the farmers there were many subgroups: dairy, wool, meat, wheat, fruit, vegetable, and hop growers. There were wealthy farmers on large estates and poorer farmers on small, often marginal, farms. Within the Farmers’ Union there was also considerable diversity regionally, with the provincial branches retaining considerable autonomy. Although the Farmers’ Union included all kinds of farmers, most wool farmers preferred their own Sheep Owners’ Federation, formed in 1910, and a minority of dairy farmers also set up a separate Dairy Farmers’ Union in 1920. Throughout the 1920s and into the 1930s there was a major battle between the Farmers’ Union and the Sheep Owners’ Federation over compulsory acquisition and marketing by producer co-operatives and boards, which the former favoured and the latter opposed.

The most prominent leader of the Farmers’ Union during this turbulent period was William Polson. Brought up on a farm, Polson had for a time been a journalist and Editor of Truth, and had been a founder of the Political Reform League in 1905. A wealthy sheep farmer near Wanganui, he was to be President of the Farmers’ Union for fifteen years, from 1921 to 1936, and during that time became estranged from the Reform Party, which he believed had been captured by urban business interests to the detriment of farmers’ interests. Polson always resisted the Farmers’ Union being too closely aligned with any single political party, or forming its own Country Party, although he had sympathy with the credit reform views of some Country Party advocates. In 1928, after declining the United Party nomination, he stood as an Independent for Stratford and defeated the sitting Reform MP. Holyoake was to get to know Polson well through both the Farmers’ Union
and in Parliament during the 1930s; and on many matters, such as their shared belief that MPs should represent all classes and occupations and not one single interest group, or that there should be national marketing schemes for primary produce controlled by producers through boards with statutory powers, their views coincided.

Holyoake recorded in his diary that on 1 May 1932 he attended his ‘first meeting of [the] Farmers Union and was elected Chairman. May 24th elected Nelson Provincial Chairman.’ He was to remain the Nelson President and represent the Nelson and Marlborough provinces on the Dominion Executive of the Farmers’ Union until 1941, serving for a short time as Acting Dominion President in 1938. He also became the first President of the Motueka Agriculture and Pastoral Association at the time of its inaugural A & P Show in 1935.

Late in 1932, Black committed suicide by taking cyanide poison on Makara Beach. Many years later, in a television interview with Lindsay Perigo, Holyoake referred to Black’s suicide and commented that he regretted not having beaten ‘that little Irishman in the first place’. He was devastated when he received a letter from Motueka taking him to task for his comments and for having caused distress to Black’s daughter, a ‘well-known, popular and loved Infant Mistress’. Holyoake immediately responded that he was ‘terribly sorry’ for what he had said and would make a public statement if that would help. He wrote: ‘My defeat by the late George Black in 1931 has never rankled in my mind. You may also recall that . . . I said that he was a brilliant young man . . . and [understood] his wife to be a splendid woman who was always held in the highest esteem by everyone.’

Faced with a by-election in Motueka, the local Reform Committee immediately notified Coates that it wished to nominate Holyoake again. The Reform Party leader responded that he had discussed the matter with Forbes and hoped to be able to let Wilkes have a ‘satisfactory’ reply later that day and assured the Committee that Holyoake ‘will have my support but in his own and all our interests I would like to secure for him unanimity of support’ as the ‘official reform [sic] coalitionist candidate’. The Labour Party believed that it could win the seat and nominated as its candidate P. C. ‘Paddy’ Webb. Webb was forty-nine years old, and had been President of the NZ Federation of Labour (the ‘Red Feds’) and Social Democratic and then Labour MP for Grey from 1913–18, when he resigned after being convicted and sentenced to two years’ prison for refusing to be conscripted into the army. Webb had been deprived of the right to stand for Parliament for ten years and during that time had established a prosperous coal business in Christchurch. He was later to return to Parliament as MP for Buller from 1933–46 and to serve as a cabinet minister from 1935–46.
A third candidate was the eighty-year-old Roderick McKenzie, one of Seddon’s ministers, who had held the Motueka seat as a Liberal from 1896–1914, after earlier representing Buller, and who hoped to pick up the former Black and Liberal-United support in the electorate. The contest, however, was clearly between Holyoake and Webb, who picked up not only Labour voters but also a large proportion of those who previously had voted for Black.

Both the Coalition Government and the Labour Opposition threw all their resources into the by-election. Davy, who assumed overall control of the by-election for the Coalition, was impressed with Holyoake as candidate and also later gave Wilkes, who organised the campaign locally, a reference, noting that they had known each other for a ‘number of years’ and that Wilkes was a ‘most capable, successful and reliable organiser’, whose ‘integrity and ability are of a very high order and his character above reproach’. Many outside speakers visited the sprawling electorate with its many small settlements. Holyoake himself held 142 meetings, sometimes as many as seven a day, during the campaign, and often at relatively isolated mines, farms, and public works camps. He drove around in a small two-seater, 8-horsepower Standard car, while somewhat incongruously his Labour opponent drove a La Salle, the American Rolls-Royce of the time.

One of the major national issues was whether or not the Government should raise the exchange rate. Coates, who had just returned to New Zealand from the Empire Conference in Ottawa and whom Holyoake met personally for the first time, ‘came almost immediately from the ship’s side down to take part in that by-election. He was of course a dominating personality in every way’, and greatly impressed the young candidate as they travelled around the electorate addressing meetings together. In retrospect, Holyoake credited Coates for the win rather than himself.

Holyoake beat Webb by 458 votes at the ballot box on 2 December 1932 and became, at 28 years of age, Parliament’s youngest Member. He was some twenty years younger than the next youngest MP on the Government’s side of the House and thirteen years younger than Labour’s youngest MP, John A. Lee. Not surprisingly, Holyoake was very conscious of his age and subsequently recalled that he was a ‘very young, green, raw recruit’ during his first six years in Parliament and as a result thought that his views were less consequential than those of other MPs, especially ministers, all of whom were much older.

Parliament met on 26 January 1933, much earlier than usual, to deal with an exchange rate crisis. The new MP did not take part in the debate but was a fascinated observer as first the Minister of Finance, Downie Stewart, resigned rather than raise the exchange rate and then as Coates took over as Minister
of Finance and piloted a bill to that effect through the House. Again he was impressed with Coates as both a ‘dominating personality’ and a ‘dominant personality’, although he appreciated that ‘people either loved or hated him, or respected and hated’.27

Holyoake, however, was less impressed shortly after when Coates introduced a Customs Act Amendment Bill, which increased tobacco taxes. The new MP was not averse to using his first speech in the House – at 2 a.m. during an all-night session on 24 February, four weeks after his swearing-in – to oppose his own government’s legislation and to risk offending his leader. Holyoake’s maiden speech in Parliament started modestly. He declared that, ‘it behoves one as young in years and in politics as I to be wary from the outset’ and expressed the hope that he would always show ‘a commendable degree of modesty in his attitude to older Members of the House’. He then referred to the gold-mining industry and the undesirability of taxing it, before coming to his major topic, the ‘importance of the tobacco-growing industry in the Motueka district’. He pointed out that the tobacco industry was growing rapidly and employing a large number of people on a relatively small area of land. Starting with about 20 farmers planting an acre or two of tobacco after World War I, the number of tobacco growers in his Motueka electorate had by 1926 grown to 160, cultivating a total of 450 acres and producing a crop of 360,000 pounds of leaf valued at NZ£36,000. By 1933 there were 700 growers, 2500 acres, and 2,000,000 pounds of leaf crop with a value of NZ£180,000. The tobacco growers employed some 1500 workers, half of them female. He strongly opposed increased taxes on locally produced cut and plug tobacco, which would force smokers to consume imported cigarettes to the detriment of the New Zealand product. Consequently, he had to oppose the Bill, which in its current form would ruin the young and very promising industry.28

A senior Labour MP, Dan Sullivan, spoke after Holyoake and praised the new MP’s speech ‘for manner, method and material’. But Sullivan also expressed ‘sympathy for him in that on this the first occasion he addresses the House, he should find himself so much in opposition to the Government he was elected to support’.29 Coates, however, did not take umbrage at Holyoake’s speech and subsequently wrote to the new young backbencher: ‘My dear Holyoake, Please accept my hearty congratulations upon what I consider the best maiden speech I have heard in Parliament. Your constituents would be proud of you . . . it is unfortunate that I should be the cause of your anxiety. The case as you have stated it is hard to answer.’30 Coates suggested Holyoake talk with the Comptroller of Customs, and as a result the sections relating to the tariff on the import of tobacco and the excise on New Zealand-grown tobacco were altered in the industry’s favour. Holyoake was delighted
and very grateful to Coates for his advice and help, and later recorded: ‘I had other occasions similar to that to be grateful to him for his understanding and helpfulness to a young and inexperienced and rather green Member of Parliament.’

Thereafter, Holyoake admired Coates not only for the personal help he gave his younger colleague but also because of Coates’ pragmatism and courage in coping during ‘the heat and burden of the day’ with the impact of the worldwide economic depression on New Zealand. With the Depression, Holyoake observed:

All the guidelines had gone. All the old textbooks had gone by the board. There was really no clear line to follow . . . He was ready to give anything a go . . . some men are lucky in the times in which they have the opportunity to govern . . . Coates was the most unfortunate of men in this respect . . . Had he had the opportunity to exercise his powers and his qualities of government and leadership and courage in better times, he would have been known as one of our greatest statesmen – I think he still is . . .

Holyoake also appreciated Coates’ horseplay, although on one occasion it backfired on them both. Coates often indulged in mock boxing or wrestling with other Members, and once, as they were moving into the lobbies to vote in a division in the House, Holyoake felt someone behind him ‘put his arm around my neck with a good hard twist, his elbow in the front of my throat, and I didn’t know who it was but I said “Look if you don’t let go there’ll be a mess around here.” With that he tightened his grip and I only had to heave my shoulders and he went right over my head on to the flat of his back. And he was not nonplussed at all, he got up and said “Look, I’ll show you how to get out of that one.”’

On another occasion, Holyoake inadvertently damaged his leader’s reputation. There was a widespread and persistent belief that Coates, who was ‘a jovial, friendly, rollicking sort of fellow’, drank too much alcohol. One day Holyoake took a deputation to see Coates at 10 a.m. Coates was obviously not inebriated and was quite on top of the complicated matter being discussed, so when the group left his office Holyoake commented: ‘“Well, he was obviously under the influence already”, and I said this because it was obvious that he wasn’t but do you know these people really thought that I was speaking seriously.’

It is somewhat surprising that a young MP who used his maiden speech to oppose a finance bill moved by his leader, who then literally threw that leader onto the floor of the House, and who also, albeit facetiously, accused
him of being drunk early in the day, should come to regard that leader as
mentor, hero, and model, and in turn should be regarded by the older man as
a probable successor as party leader. But that is how the relationship between
Holyoake and Coates developed. Holyoake, who described himself as being
at that time only ‘a young, very young, very green, very raw recruit in the six
years that I shared a seat in Parliament with Gordon Coates’, later recalled
that the older man ‘was a tremendously commanding figure, had a very
commanding physique, a very handsome man. Yet with it all a great dignity.
A vibrant person, a very vital person yet with it all he had a very great sense
of humour.’ Holyoake also admired the way that Coates, as Deputy Prime
Minister, deferred to the Prime Minister, Forbes, even though Coates carried
a heavier load and, in Holyoake’s and many others’ eyes, was the stronger
and more able personality. As a result, Holyoake was taught a lesson that
‘I have never forgotten that a Deputy must – should – always and, indeed,
in the interests of teamwork defer finally to his leader’. While Holyoake
found Forbes to be an intelligent and very kindly man, he had little influence
on the new young MP; unlike Coates, whom Holyoake came to regard as
‘somewhat in the light of a political father. I could always go to him for advice
and indeed he occasionally gave me advice without me seeking it.’ The young
MP consciously tried to emulate his older and more senior colleague, whom
he subsequently described as ‘the greatest single influence’ on his political
attitudes and development. Coates also came to regard his protégé highly,
and as Holyoake also recalled: ‘I remember very excitedly on one occasion
– have forgotten what occasioned it – but he said to me “One day my mantle
will fall on your shoulders” – on my shoulders... it is a memory that has
lingered with me and one that I treasure.’

INSIDE THE HOUSE, Holyoake continued to speak out on behalf of his
constituents, especially tobacco growers, and although a trenchant critic
of socialism was quite happy to advocate government spending along lines
advocated by John Maynard Keynes, the British economist, in order to create
demand and move New Zealand out of economic depression. Indeed, in one
speech in 1934 he proposed that New Zealand should follow the ‘New Deal’
policies of the American President Franklin Delano Roosevelt. As the MP,
he visited all parts of his electorate frequently, helped individual constituents,
and agitated for a tunnel through the Takaka Ranges. In addition to attending
sessions of Parliament in Wellington and also working hard in his marginal
electorate, Holyoake continued to manage his farm, which he took over
finally from his father on 1 August 1934. In that year he registered a record
production of some 8000 cases of exported fruit at ‘fair prices’. As President of its Nelson Province, he also became widely regarded as one of the New Zealand Farmers’ Union’s leading voices in Parliament. The Farmers’ Union magazine observed: ‘He is the youngest member of the House but what he lacks in years is made up in wisdom and his work and utterances have caused a good deal of interest . . . . He is one of those rare people who can turn experience to account and learn the lessons it teaches . . . there is every reason to expect he is going to play a bigger part in future years.’ Holyoake also enjoyed working on the Trust Board of Nelson’s Cawthron Institute for agricultural and horticultural research, to which he had been appointed in April 1933, and he remained a member of the Motueka Fruitgrowers’ Association Executive.

An indication of Holyoake’s appeal to his farming constituents is found in a speech he gave when opening the Takaka A & P Show in 1934. After recognising that ‘the last three years have been grim and worrying for all of you’ he expressed hope that ‘there appears to be a much brighter outlook . . . at long last’. He suggested that farmers should adjust to the ‘fashions of our customers’ and that New Zealand farmers needed to do as the Danes had done in developing a superior butter for the British market, for which the British were prepared to pay more. He then went on to stress the importance of cooperation and interdependence generally in New Zealand’s economy and society.

In fact, Holyoake became regarded as a farmers’ spokesman in general and for the hops and tobacco growers in particular, as some contemporary verse in the Christchurch Star-Sun exemplified:

Tobacco’s a fragrant exotic –
A luxury product indeed;
The spell that it casts is hypnotic
On those who once take to the weed;

But Holyoake, very well knowing
It’s one of the promising crops,
Is keener on seeing it growing
Beside the green paddocks of hops.

The first legislation for controlling the tobacco-growing industry was passed through Parliament in 1935. It provided for a more stable basis and for the expansion of the industry, and Holyoake in retrospect was to declare, ‘I was more instrumental in passing that Act than anyone else’.
On 7 January 1935, Holyoake hosted Prince Henry, Duke of Gloucester, the third son of King George V and Queen Mary, on a visit to the Motueka electorate. The Duke chose to drive himself, with Holyoake alongside him, through the Buller Gorge from Nelson to Westport, photographing the countryside and stopping for a picnic along the way.46

Four days later, Holyoake married Norma for the second time. His fellow parliamentarians held a function in Wellington for them. In congratulating the newly-weds and wishing them well, Coates predicted that his young colleague was ‘destined to play a prominent part in the future politics of New Zealand’. He warned Norma, only half-jokingly one suspects, that ‘she must guide him so he did not veer too much to the left, as his opinions seemed to run along very radical lines’ and he had a tendency to assert his independence.47

Holyoake got ‘good prices and [a] fair crop’ from his new hop garden in 1935, and although the fruit crop was light throughout the district managed to export 5350 cases also at good prices. The yield from his single acre of tobacco, however, was ‘poor’.48 Despite his marriage, his farming, his Farmers’ Union positions and activities, and his becoming in April 1935 President of the Motueka and Golden Bay Rugby Union and Vice-President of the New Zealand Rugby Union, he was primarily preoccupied throughout 1935 in getting re-elected to Parliament.

The 1935 election was a very bitter campaign, with Nationalist MPs and candidates being blamed personally for the Depression by those who were unemployed, bankrupt, homeless, or starving. Holyoake later recalled that he was abused and spat at on the hustings but could understand the hatred because of the terrible conditions people had been enduring. He stressed his youth by campaigning with the slogan ‘Young Men for New Problems’ and his local knowledge and understanding of the farming and mining industries of the Motueka electorate. He also invited electors to ‘FOLLOW ENGLAND AND VOTE HOLYOAKE’, drawing voters’ attention to the British Conservative Party’s landslide election victory a few weeks before the New Zealand poll.49 Instead, voters throughout New Zealand on 27 November 1935 chose to reject the Reform-United Coalition Government, whose total vote in 1932 was cut by a quarter. Only seventeen National Federation and two pro-Government Maori MPs survived. Among them was Holyoake, who somewhat surprisingly was re-elected in Motueka, even though his small majority was reduced even further to 280 votes against a strong Labour candidate, R. J. L. York, the Mayor of Motueka. A colleague, Sidney Holland, told Holyoake that ‘no one but you could have hung on to the seat in 1935’ for National.50 Pondering on why Motueka was the one seat that went completely against the electoral tide in 1935, Holyoake speculated that it was his association with and defence of the
fledgling tobacco industry, whose future was still under threat, that had kept many small farmers loyal to him.

His delight at holding his seat was compounded by the birth of his and Norma’s first son, Roger, a few weeks later. The farming scene, however, was not as bright. Extensive hail damage wiped out his tobacco crop and 50 per cent of his fruit was damaged. Even the 5340 cases he exported had to face the lowest prices on record – on average, 8 shillings 4 pence and 3 farthings a case. Only a good crop of fifteen bales of hops helped the budget.

The nineteen MPs left in the anti-Labour Opposition after the 1935 election were described by Holland, the new MP for Christchurch North, as ‘more like nineteen independent Members’. They ‘disagreed among themselves, they had no regular caucus meetings, and no team spirit’. Most, with the exception of Holland and Holyoake, ‘were yesterday’s depression men’. In the House, Holyoake was promoted to the second row of the Opposition, seated directly behind Coates, immediately in front of Holland, who was in the third and back row, and opposite Labour’s leaders, Michael Joseph Savage, Peter Fraser, Walter Nash, and Dan Sullivan. This put him very much in the centre of the debates and action as Labour embarked on implementing its comprehensive and radical policies.

IN THE MONTHS THAT followed, Coates was extremely angry at the overall result of the election and could barely conceal his contempt for Forbes. In May 1936, however, a conference was held in Wellington to permanently fuse the remnants of the Reform and United-Liberal parties, and any other anti-Labour groups or individuals who wished, into a new New Zealand National Party. One important question was who was to lead the party in Parliament. Coates was unacceptable to Forbes and his supporters, and Forbes was unacceptable to the Reformers. Either’s selection would have split the caucus and probably destroyed the fragile unity of the nascent National Party outside, as well as inside, Parliament. Although both met and addressed the provisional Dominion Council of the National Party, it was clear that the new leader would have to come from elsewhere in the depleted caucus and one possibility was the young MP from Motueka. As one of Coates’ confidants later recalled, Coates, ‘from the first days when he’d known Holyoake, would name him as the chap likely to succeed himself’. Claude Weston, who at the time chaired the Council of the new party and was a few months later to become its president, invited Holyoake to meet the Council. Which he did, but his comparative youth, his short tenure as an MP, the extreme marginality of his electorate, and the fact that he was Coates’ protégé did not endear him
to Coates’ opponents within the party. As a result, the choice came down finally to two much older and more experienced MPs: Adam Hamilton, a Reformer who had been Postmaster General and Minister of Labour and Employment in the discredited 1931–35 Coalition Government; and Charles Wilkinson, an Independent, though previously Reform, MP for Egmont, who was favoured by Forbes. Hamilton won a caucus ballot by one vote, whereupon Wilkinson again became an Independent.

Although none thrived, fruit farmers in general fared better than most farmers during the Depression. The new Labour Government found that many of those farmers, including Holyoake, favoured government involvement in the marketing of pip fruits and fruit juice, some control on the local market, and a guaranteed price for export fruit. Indeed, Labour’s Minister of Agriculture was later to say publicly that he was ‘glad to place on record’ his appreciation of ‘the willing and valuable assistance’ Holyoake had given to him in regard to the fruit, hop and tobacco growing industries.\(^57\) Holyoake was opposed, however, to the Government replacing producer boards with a centralised Marketing Department, and during the debate on the Primary Products Marketing Bill in 1936 attacked Labour’s marketing policy as ‘confiscation’.\(^58\)

Meanwhile, Holyoake continued to develop his own farm and increase its production. Although the 1937 farm season was ‘the wettest season on record’ and hail again damaged Holyoake’s crops, causing some 2000 cases of fruit to be rejected for export, he was able to record in his farm diary that, ‘I exported [the] largest quantity of any grower over [the] Motueka wharf . . . 7988 cases’. His tobacco crop that year, however, was only fair and his hops produced only a ‘light 11 bales’.\(^59\) The following year was even better and Holyoake recorded a ‘splendid season for all crops’. He exported a record total of 9988 cases of fruit and produced 17 bales of ‘good quality very large hops’ and about 2000 pounds of tobacco.\(^60\)

For a short time in 1938, Holyoake became Acting Dominion President of the Farmers’ Union and presented the Union’s views on the Labour Government’s Social Security Bill. The National Opposition was against the proposed legislation, which Holland described as ‘applied lunacy’ in contrast to Savage’s description of it as ‘applied Christianity’.\(^61\) Holyoake, when speaking in parliamentary debates as a National MP, was also opposed to the Bill because he believed it meant increased taxation. As spokesman for the Farmers’ Union, however, he submitted that the Union strongly supported a universal national health insurance scheme funded from taxation and it also favoured a universal tax-funded pension scheme.\(^62\)

As one of the few young men on the Opposition benches, Holyoake was a particular Government target but gave as good as he took. He also indicated
that he saw himself as a possible future leader of the anti-Labour forces, responding to one interjection about what his government had done with the retort, 'I have never had a Government. In days to come, when the honourable gentleman is sitting in his bath chair, he may read about the doings of the Holyoake Government.'

Lee often tried to persuade Holyoake that he was not really a conservative, and years later Holyoake recorded how: ‘Jack followed me around here and there and talked to me, you know, whenever he had a chance. I remember particularly up in the library he would come and find me browsing round and tried to persuade me that I was quite considerably more than pink. I would only admit to being pink in those days.’ Even so, Holyoake was astounded when Lee subsequently told him that Savage had asked Lee ‘to try and induce me to leave the National Party and join up with the Labour Party . . . I never wavered’.

Having survived the Labour landslide in 1935, Holyoake might have expected to hold on again in 1938, but the electorate had been altered by boundary changes with the exclusion of some solidly conservative farming areas on the Waimea Plains and the inclusion of a mining area near Greymouth. Poor clay soils needing extensive fertiliser treatment led to many apple orchards on the Moutere Hills being abandoned and planted in forests. There were also up to 2000 relief workers in the electorate, many building a new road over the Takaka Hills. Labour had a new young candidate, C. F. ‘Jerry’ Skinner, who was twenty years later to become Deputy Prime Minister in Walter Nash’s government and would almost certainly have succeeded him as Labour’s leader had he not died.

There was considerable hostility towards National MPs among Labour supporters, and Holyoake got a rowdy reception at many meetings. He did not even bother visiting some Labour strongholds in the electorate. A schoolteacher, who was also a returning officer for the Rakopi School at a public works camp south of Farewell Spit, recalled that Holyoake and Skinner were both coming to speak but ‘knives were being sharpened for Holyoake and he wisely kept away’ and Skinner ‘won by 100% at Rakopi’.

In his election pamphlets, Holyoake stressed the number of executive offices he held in local organisations and his performance in defending local interests in Parliament over the previous six years. He tried to appeal to workers by stating that ‘Holyoake has never voted for any cuts’ and made a special appeal to women voters on the issues of the cost of living and the future freedom of their children. The two ‘real issues’ between National and Labour, he argued, were ‘Private Ownership or State Dictatorship’ and ‘Individual Freedom or State Ownership’.
Holyoake spent some time out of his electorate in 1938, campaigning for the National Party on a speaking tour of the West Coast, Christchurch, Otago, and Southland. But as the election got nearer, he realised that he was in trouble and a week before election day urgent assistance was requested from the party’s Wellington Division, of which the Motueka electorate, along with the Nelson and Marlborough seats, was part. A cheque for £150 was despatched immediately.\(^{69}\) It was not enough to save the seat. At the end of a stormy campaign, Holyoake confided in his electorate chairman: ‘Politicians are like waves. They are either coming in or going out. Don’t tell our committee, but I think I’m on the way out.’\(^{70}\) He was. Skinner won by 817 votes. A *Nelson Evening Mail* editorial commented that Holyoake, who had for six years ‘devoted the whole of his energies to furthering the interests of the people he represented . . . was regarded as one of the most promising of the younger members in the House, and we sympathise with him in his defeat which represented the rejection of a political policy and was certainly not . . . a vote against him’.\(^{71}\)

Coates wrote to Holyoake expressing his regrets and advising: ‘[F]or Heaven’s sake keep in the field. You will win the seat back, and you already know of my high regard for your ability and my realisation of your place in the country’s future . . . this is the time when a big heart counts.’\(^{72}\) To which Holyoake replied: ‘My greatest regret is at the thought that I have let you down in your expectations of me . . . I hope I shall be in a position to repay your many kindnesses over the past six years at some time in the future. Just at the moment I feel a little stunned and though not dejected, like saying: “To H- with public life”.’\(^{73}\)

The Labour Prime Minister, Savage, while delighted with his party’s election success, was publicly and privately magnanimous towards his defeated opponent and told the *New Zealand Herald* reporter O. S. Hintz that Holyoake was ‘a good lad . . . . He’ll get back into the House and he’ll lead his party some day. And after they have learned from us, they’ll be a better party than they are now. I’ll miss him in the House. I’ve sent him a telegram to tell him so.’\(^{74}\)

Holyoake received many other messages of sympathy at his loss. His big brother Conrad suggested that his defeat was ‘all part of life’s experiences and I have no doubt that the knock won’t do you any harm in the long run’.\(^{75}\) Forbes was ‘certain that you will be a winner’ again in the future; Holland believed that Holyoake would be ‘greatly missed. Let’s hope only temporarily’; Hamilton commiserated that ‘All our fellows feel the loss of Holyoake very keenly’; John Cobbe, MP for Manawatu, suggested, ‘I am not sure that your present defeat might not be for your ultimate good. A man at
your time of life, having a young wife and a growing family, needs something more profitable and more certain than politics’; and Alex O’Shea, a farmers’ leader, observed that one consolation was that Holyoake could again devote his time to being Nelson Provincial President of Federated Farmers.76

Although many of those who wrote assumed he would stand again, a number, including Holland, suggested that Motueka would be too hard to recapture from Labour and that Holyoake should seek a new, safer seat, Nelson being specifically mentioned. Holyoake was indeed later approached to stand in Nelson but the deputation, he recalled, ‘came in through the back door and they left through the back door. How could I place my trust in them?’ 77 Nelson was also not the safest of seats for a National MP and Holyoake realised from his own experience that a long tenure in Parliament and a chance to become leader of one’s party required a safe seat. He decided to look further afield.
THE FORMER REFORM Party supporters within the National Party, led by Coates and Hamilton, were keen to get Holyoake back into Parliament as soon as possible. Hamilton’s leadership of the party was under threat from the much younger Holland, whose support came largely from Forbes and the former United members of the National caucus. Coates and Hamilton saw Holyoake as a much more acceptable alternative if the leadership change could be delayed until their protégé was back in Parliament. Although out of the House, Holyoake continued during 1939 to maintain a political profile. His friend Wilkes, who had been Holyoake’s organiser in 1931, 1932, and 1935, was by then Wellington Divisional Secretary of the National Party. He organised a speaking tour for Holyoake that took him throughout New Zealand on behalf of the party: to Dunedin, Christchurch, Invercargill, the West Coast, Wanganui, New Plymouth, and Dannevirke. Holyoake combined his political activities with Farmers’ Union business and was equally active in speaking to and forming branches of the Union and its ‘Young Farmer’ groups throughout the country.

At the same time, Holyoake continued farming at Riwaka, giving up tobacco growing temporarily but increasing his production and export of fruit, largely apples and pears. After a very dry summer in 1938–39 when he had to irrigate constantly with a pump, he exported a record 12,000 cases of fruit and also produced 10 bales of hops. While he was out of Parliament between 1938 and 1943 his main form of public life and activity was in the Farmers’ Union and producer organisations: ‘I was producing fruit – apples and pears, hops and tobacco and I was on the Executives of each of those three bodies.’ All three crops recorded good prices, helped by the Labour Government’s guaranteed prices and other assistance to farmers. Holyoake retired from all the sporting and other bodies that he had accepted office in
while he was an MP but remained the Nelson and Marlborough representative on the Farmers’ Union, was re-elected to the Motueka Fruit Exporters Executive, and topped the poll and was elected chairman of the New Zealand Hop Marketing Committee from 1938–41. He twice proposed in 1939 and 1940 a ‘cooperative selling organisation’ for hops, but this was rejected each time by a majority of the growers. Because for a short time he stopped growing tobacco, he retired from the Tobacco Growers Federation Executive. In 1940, however, the wartime demand for New Zealand-grown tobacco pushed income from that crop up to 40 per cent of the Motueka district’s total income from horticulture and Holyoake pulled out five acres of orchard in order to return to kiln-dried tobacco.

During this period, the Farmers’ Union was being absorbed into a new organisation, New Zealand Federated Farmers. Holyoake, who had been President of the Nelson Province of the Farmers’ Union for the previous eight years, was from 1940–43 the Union’s South Island Vice-President. As a fruit, hops, and tobacco farmer, Holyoake was seen as being committed to neither the sheep farmers nor the dairy farmers. He was thus able to play a constructive role in helping to bring the various farming factions together. When negotiations took place to bring all farmers under one organisation, he became in 1941 one of six members of the provisional executive of the new proposed farmers’ federation incorporating some fourteen earlier farming groups. Holyoake was prominent in three of them: the Farmers’ Union, the Fruit-Growers’ Federation, and the Hop Growers. He was one of seventeen signatures on the applications to incorporate the Federated Farmers of New Zealand in December 1944, following the initial conference that resolved to establish the new organisation in October of that year, and served as its Vice-President from 1944 until 1950, shortly after he became Deputy Prime Minister and Minister of Agriculture. In all, he was a member of the Dominion Council of the Farmers’ Union and Federated Farmers from 1932–50 and was one of the most influential farmer-politicians of the period. Holyoake believed that his activity in the Farmers’ Union and later Federated Farmers meant that he knew nearly all the leaders of the farming industry in New Zealand, was on a first-name basis with them all, and a personal friend of many.

However, his political activity after his defeat in 1938 was not entirely altruistic. Holyoake was looking for a new electoral home. It was clear to him that Motueka was unlikely to be won back from Labour at the next election, scheduled for 1941. He therefore let it be known that he would not stand again for that seat but wanted the National Party’s nomination for a safe seat. He also suggested that if he did not get one he would consider accepting an invitation to become the leader of a new conservative People’s Movement.
Following Labour’s sweeping 1938 election victory, the People’s Movement had been set up in 1939 by people who not only opposed Labour but also thought that the National Party Opposition under Hamilton was lacklustre. They objected to what they saw as ‘exaggerated state control and interference’, wanted a government of national unity during wartime, and were very concerned about the ‘rehabilitation of our soldiers after the war’. Its organiser was Davy, who had helped Holyoake in the Motueka campaigns of 1931 and 1932 and who had been a witness at his registry office marriage to Norma. At Davy’s invitation, Holyoake travelled to Wellington early in 1940 and discussed the prospect of becoming the leader of the ‘people’s people’, as he referred to them. He was offered a generous salary of NZ£1000 per year and another NZ£1000 expenses a year for two years. He admitted he was tempted, but, ever cautious, declined to commit himself until he had talked with Hamilton and his friend Wilkes.

On 21 April, Holyoake wrote to Wilkes telling him of his meeting with the People’s Movement and his subsequent contact with Hamilton. He stated his case thus:

Frankly and bluntly my position is this. I am not standing for Motueka again, Nelson is too tricky . . . . There are other seats in the offing. Pahiatua, Manawatu, Masterton, Otaki, Temuka. How do they fit in. To represent a seat with any likelihood of permanency it is essential that the man live and gain his living in his district. For me this means a farm to be bought. I am definitely not selling my little plot here and taking a risk with my money in a type of farming I do not know and might not make a success of. I can however, have a shot at that type of farming while always holding my plot here as a backstop to which I might retire at any moment and on any emergency. (A real Conservative “eh”).

Question? Where is the farm to come from. [sic] Have we not some millionaires behind the National Party. [sic] I did hear that Eric Riddiford said soon after the last election that we must not run any risk of losing Holyoake. Did he say it and what did he mean, what is he worth?

I hear you say, “That is a tall order”. Well, it might be but unless something like that is done I simply can’t go into politics again.

Certainly not with any sense of security for the future, and I look to that not only for myself but for the little family . . . . Unless a good fairy drops me a farm from Heaven in another electorate I must stick to Motueka. Tis [sic] means oblivion.

Holyoake then pointed out:

The second alternative is that I might accept an offer made to me recently (which incidentally carries with it a very attractive monetary bait) and have a real and
exciting flutter in a prominent position in politics with a problematical outcome at
the next elections.

I’m young and feeling energetic and more anxious for a fight today than ever
before. What would you do?²⁰

In ending his letter to Wilkes, Holyoake stressed that the ‘position is urgent[,] a decision must be made at an early date’ and added a postscript:

I know you will say that I am a rat, ungrateful to my teammates etc but really Tom
I try but can not feel under any obligation to or indebted to any political party and
I have stood for Reform, Coalition and National. I am though deeply concerned
in the good government of our country and will do nothing that I think will be
injurious to it.¹¹

As a prominent farmers’ leader, an experienced but still young parliament-
arian, and someone who might be able to hold disaffected former Reform
Party supporters to the National Party, Holyoake was clearly very important
to National, especially in its electoral appeal to the farming community, where
National was under pressure not only from the People’s Movement but also
from the Social Credit-influenced Country Party in the North Island. Sir Alfred
Ransom, a former lieutenant of Ward and Forbes, had held the blue-ribbon
seat of Pahiatua, where Holyoake had been born, since 1922. At 72 years of
age, Ransom decided to retire at the next election, and indeed was to die
shortly before it was held in 1943 after it was postponed for two years because
of the war. Although Ransom had never been a Coates supporter, Holyoake
had impressed him during the six years they had been in Parliament together
between 1932 and 1938. With Ransom’s support, Hamilton and Wilkes moved
swiftly and within two weeks had arranged for Holyoake to replace Ransom
unopposed as the party’s new candidate.

On 1 May a meeting of representatives from the National Party branches
in the electorate met at Woodville and passed the following resolution: ‘That
this meeting requests Mr K. J. Holyoake of Motueka to accept nomination
as the Official National Party Candidate for Pahiatua, at the next election,
and that each Branch in the Electorate be asked to convene a meeting of its
members to confirm the action of the Electorate Committee.’ Within five
days, the Pahiatua, Woodville, Norsewood and Makotuku branches had met
and each unanimously did so.¹² Hamilton subsequently visited Holyoake at
Motueka to discuss the matter further on Wednesday 22 May before meeting
the Pahiatua Electorate Committee at Dannevirke on Saturday 25 May to
confirm Holyoake’s selection.¹³
But there still remained the issue of Holyoake’s proposed farm in Pahiatua. Over the next twelve months, National supporters from the electorate, led by Cyril Hunter, found a suitable farm for the new candidate and arranged the funding for its purchase. Hunter was, however, somewhat disconcerted by Holyoake’s laid-back attitude towards the farm purchase and, after Holyoake visited the electorate and stayed with him, complained to Wilkes:

Although he seemed very keen about his prospects in Pahiatua and very satisfied with what had been done for him, I think he is taking the buying of the farm too cheaply. His idea was that he did not have sufficient knowledge to buy a farm for himself and therefore he might just as well leave it to me and a small committee (consisting of Ronnie McDonald and Leslie James) to buy the farm for him, or go so far as to find a farm which he would then inspect and make the final decision with us. The matter is left in this way for a month Holyoak [sic] having returned to Motueka . . . . Holyoak [sic] should take a house in Dannevirke . . . meeting people on perhaps a better basis of looking for a farm rather than by interviewing them with a view to Political Support. Holyoak’s [sic] objection to this procedure was that he did not want Mrs Holyoak [sic] to be put to the inconvenience of two moves, one to the house in Dannevirke and then to a farm. I think he was also influenced by the cost involved in renting a house . . . . From the Political point of view the more closely that Holyoak [sic] is personally associated with the buying of the farm the less it looks as though money has been subscribed for him.

Hunter ended his letter by noting a recent donation of £50 towards the farm and suggesting that the stock firms involved in the purchase ‘should work for a cut rate commission or probably no commission at all’.14

It was to take another five months before a suitable farm was located at Waitahora near Dannevirke, and another five months before sufficient funding was found and the farm purchased. In March 1941, the land and stock agents, Williams and Kettle of Napier, offered Holyoake the freehold of Sections 17 and 18 of Block XVI in the Tahoraiti Survey District. Holyoake signed a declaration, required under the 1925 Land Settlements Act, that he was ‘not the owner . . . of any other land which would exceed 5,000 acres’, noting he did at the time own 32 acres of farmland in Motueka. Its valuation was £2,599 and a mortgage of £1,150 was still owed on it to Holyoake’s father. He had completed payment of a first mortgage on the property to the State Advances Corporation the previous year.15

The farm at Waitahora was called ‘Kia Ora’ and was 970 acres in size. The price was £11,874, made up of land £8,318, goodwill £1,000, and stock £2,556. The stock at the time consisted of 1872 sheep, 4 dairy cows and 2
horses. Williams and Kettle had some difficulty raising a £7,000 loan on the land but eventually arranged it with the Public Trust and the AMP Society, leaving a balance of £4,874. Wilkes and Hunter paid another £3,000 donated by National Party supporters, leaving Holyoake to find the remainder. The general manager of Williams and Kettle suggested Holyoake and his family move in within the next month, although the purchase was not finally completed until 19 August 1941.\(^{16}\)

In the meantime, National had elected a new leader. There were concerns about Hamilton’s uninspiring leadership going into the scheduled 1941 election, but the very energetic and ambitious Holland may well have had an added incentive in forcing a leadership change before the election because of the selection of Holyoake in Pahiatua and his imminent return to Parliament. Holland and Forbes, who had a very strong personal as well as political relationship, realised that Coates held them both in contempt and would try to promote Holyoake to the party’s leadership to succeed Hamilton if he could. With their other allies, including the formidable Polson, Holland forced a leadership ballot in November 1940, and replaced Hamilton as National’s leader, winning by 13 votes to 8.\(^{17}\)

In February 1941, despite Hamilton’s strong disagreement, the new leader persuaded the bulk of the People’s Movement to merge with the National Party.\(^{18}\) Although the Auckland Provincial Executive of the People’s Movement resisted for some time what it saw as not a merger but ‘unconditional surrender’ and refused to join National, the Dominion Executive of the People’s Movement, dominated by its Wellington branch, did and received two seats on the National Party’s Dominion Council and two on each of the Divisional Executives.\(^ {19}\) Significantly perhaps, Holland immediately received a letter from Holyoake’s Dannevirke branch of the National Party congratulating him on solving the party’s differences with the People’s Movement.\(^ {20}\) Davy did not transfer his loyalty to National, and continued up until shortly before the delayed 1943 election to seek a leader for the remnants of the People’s Movement or a possible new Liberal Party.\(^ {21}\)

Holyoake did not immediately move to Pahiatua but continued farming at the Palmdale property at Riwaka. In 1941 he bought an automatic staker and irrigation pipes for the farm and built a new hop kiln, a new tobacco shed, and a new five-room workers’ bach. An excellent growing season saw the farm produce its ‘heaviest ever’ crop of pears, 13 kilns of tobacco, and 18 bales of hops. Yet, despite all the work and improvements, the weather in 1942 resulted in ‘poor crops all round at Riwaka’, although this was compensated for by ‘an
excellent season at Dannevirke’, the Kia Ora farm which Holyoake had taken possession of. That situation was reversed the following year when Holyoake recorded that there were big crops of fruit, hops and tobacco but only fair results from Kia Ora. At Palmdale there was ‘a bountiful crop, grown and harvested under exceptionally good conditions of weather’ with the assistance of men from the Nelson, Marlborough and West Coast Regiment.22

The Holyoake family arrived in Dannevirke at the end of 1942. They were farewelled from Riwaka at a gathering attended by some 600 people, who presented their former MP with a roll-top desk. In thanking them, Holyoake said that he believed that ‘the great struggle of the future will be between those who believe that the state can and should control our every action on the one hand and those who believe in true democracy on the other hand’.23 Roger was five years old, Peter three, Diane one, and Lynley, born in October the previous year, a babe in arms when the family moved to Pahiatua. Indeed, Diane did not at first move with her parents but stayed for six months with a couple in Westport, who had become friends of her parents while fruitpicking on their farm. Holyoake and his family did not move onto Kia Ora but instead rented and subsequently purchased a house at 10 Victoria Avenue, Dannevirke, a town established originally by Danish immigrants. Sawmilling was its major source of income before the establishment of small industries and services for the developing rural hinterland. There was also a Masonic Lodge at Dannevirke, which Holyoake joined.

Holyoake never in fact lived on his new farm. At first he kept on Stan Mangin, already the full-time farm manager, who remained until 1955 when Len Maher became the manager until Roger Holyoake took Kia Ora over in 1962. Holyoake himself was a full-time politician after 1943. He visited his farm, twelve miles from Dannevirke, only at weekends, although he retained an interest in its management and also continued to be very involved in Federated Farmers. He was happy with a ‘splendid wool clip’ at Kia Ora in 1944 but very disappointed with the ‘terrible crops all round at Riwaka’, the ‘worst ever’ that his manager there had achieved, partly because of the ‘very rainy season’.24

Holyoake was heavily committed financially with mortgages on both farms, the cost of managers at both Palmdale and Kia Ora, the rent of the house in Dannevirke, meeting the living expenses of a family that, with the birth of Keitha in 1946, numbered seven, and, after his re-election in 1943, not only the costs of canvassing the electorate but also having to travel to and maintain accommodation in Wellington when Parliament was in session. His eldest daughter Diane remembered how tight money was throughout the 1940s and how, before they moved to Wellington to live in 1951, no one ever seemed to have new clothes. Indeed, all the children’s clothes were recycled.
down to younger ones, with Diane even having to wear boys’ underpants with the flies sewn up after they became too small for her older brothers. She also remembered that the staple meat eaten in the family was mutton, collected free each Sunday afternoon when Holyoake visited Kia Ora to talk with the manager, and that beef was not on the menu until the family moved to the capital. Even then, Holyoake often brought back sides of mutton from the farm when he visited his electorate.

Nevertheless, their family life was a happy one and the children looked back on a ‘wonderful childhood’ at Dannevirke where they could be ‘free and easy’, riding their bikes to school and playing outdoors. Their mother also regarded this as a lovely time in her life. Norma was ‘not a city type person’ but enjoyed cooking on her coal range, gardening, helping the children with their homework, playing golf, making some good friends, and patting her cats. Not a sophisticated person, she could, however, put people at ease and had the gift of remembering even passing acquaintances and their names, and indeed was better at that than her husband.

Holyoake did not allow politics to encroach too much on his home or family. His children recalled that they ‘grew up almost in a political vacuum’ because ‘once he stepped inside and closed the door, as far as the children were concerned politics was a rare intruder and an even rarer guest. Dad rarely brought politics home.’ Instead, he found time to entertain his children with imaginary stories of Chuddy the caterpillar, ‘weaving his own thinly veiled experiences into a compendium of tales’, or he played games with them in the garden, on one occasion swinging so wildly from a rope tied to a branch of an oak tree that he ‘took out the whole side of the steps with his backside’. Most of his time was, however, now spent campaigning to re-enter Parliament.

PAHIATUA, LIKE MOTUEKA, was a wide-ranging electorate. It had been in existence for almost fifty years and consisted of a string of country towns servicing the sheep, cattle and dairy farms between the ranges and the coast. Holyoake decided to spend the latter part of 1941 canvassing around it and preparing for the election scheduled for the end of the year. And he made quite an impression on his new constituents. More than thirty years later, one wrote to him about the only meeting Holyoake ever held at the small settlement of Ngaturi:

It was only a small meeting in the local school or hall, and I hadn’t been looking forward to it, as in my life as a parson I have had to go to so many meetings, and so many of them have been stuffy. But I well remember how your meeting was
distinctly not stuffy, and you held our interest all the time . . . . My wife . . . who has a very good memory, tells me that you were wearing a light grey suit, and that you had a matching soft hat. So you made an impression!39

However, the deterioration in the war throughout 1941 made a normal election campaign almost impossible. Many party officials and some MPs, both Labour and National, had volunteered for military service overseas. Similarly, many women party members were preoccupied with the war effort or the welfare of servicemen. The press and public were impatient with domestic political competition and many wanted a government of national unity to prosecute the war. Fraser and Holland agreed, therefore, that the election should be postponed until 1942, though the Prime Minister was not prepared to accept a coalition government. After considering whether all National Party nominations should be reopened in 1942, it was decided instead to confirm candidates selected for the 1941 election for a further twelve months.30

When Japan entered the war at the end of 1941 and the threat to New Zealand became much greater, Holland again demanded a coalition and finally, in June 1942, Fraser agreed to a War Cabinet, with Labour and National each having three members. A larger War Administration of seven Labour and six National ministers was also created. The Labour Cabinet retained responsibility for all domestic matters not connected with the war. The election was again postponed, this time until 1943.

In September, Holland withdrew from the War Cabinet and War Administration after accusing the Government of interfering with the judicial process by suspending the sentence of Huntly miners who had been sentenced to imprisonment for an unofficial strike in breach of war regulations. Holyoake’s two mentors, Coates and Hamilton, disagreed with Holland’s action, even though it was endorsed by the National caucus, and subsequently criticised their leader, withdrew from the caucus and rejoined the War Cabinet as Independent MPs. When Holland moved a vote of no confidence in the Government, Coates, Hamilton and two other former Reform Party National MPs – John Massey, the son of the Reform Prime Minister from 1912–25, Bill Massey, and Herbert Kyle, who held the Riccarton seat from 1925–43 – crossed the floor and voted with Labour. Coates announced that he would stand as an Independent for his seat of Kaipara at the 1943 election but died in May of that year. Hamilton and Massey subsequently rejoined the National Party and at the 1943 election were re-elected as National MPs while Kyle retired. Kaipara was won by Clifton Webb, a Coates supporter, who subsequently was cultivated by Holland as ‘a counterweight against his obvious rival for the leadership, Holyoake’, who at last re-entered Parliament at the same election.31
WHEN THE WAR started in August 1939 many young men volunteered for military service, and the attitude of the Motueka Fruitgrowers’ Association was demonstrated when it expelled from its membership a World War I veteran who had become an active pacifist. Holyoake was 35 at that time, a married man, who had a third child three months after the outbreak of the war. He was also a farmer, and the Labour Government, concerned about the management of the country’s farms and the maintenance of production of food and exports, decided that not only farmers essential for stock care, milking, lambing or shearing but also all tobacco growers and workers on tobacco farms were in an ‘essential industry’ and were exempted from serving in the armed forces. Holyoake, however, appeared before a Manpower Committee and asked to be permitted to enlist. His appeal was rejected.

Nevertheless, Holyoake continued to be somewhat embarrassed by his non-combatant status, recognising that other men of his age and marital circumstances were volunteering and also eventually being conscripted. They included National MPs such as Jim Hargest and Arthur Grigg and the Labour MPs Jack Lyon and Gordon Hultquist, all of whom died overseas. Holyoake became a corporal in the Home Guard at Riwaka in 1941 and, after instruction at Burnham Military Camp, became a 3-inch mortar instructor in the Motueka Battalion of the Home Guard.

However, in late 1942, Holyoake was called up for active service and a medical examination ranked him as Grade 1. An X-ray taken at that time, though, indicated a healed spot on his lung, suggestive of tuberculosis, from which his father had suffered since Keith was a child and which was eventually to cause Victor’s death. The Army, therefore, required him to have a specialist examination at Nelson in May 1943. This cleared him of TB but also revealed an ‘apparent heart abnormality’, which would almost certainly have precluded service in the armed forces. No final decision, however, was made at that time regarding his medical grade or its effect on his call-up.

Then, in June 1943, by which time he was 39 years old, with four children, and living at Dannevirke, Holyoake wrote to the Army saying that he was ‘anxious that [his] full military obligation should be carried out’ if he was found medically fit for overseas service. He needed a decision, he said, in order to make plans before the next farm production season. He did not, though, mention that both his farms at Motueka and Dannevirke were being managed and that he was campaigning full-time in Pahiatua for the 1943 elections. He followed the June letter up the following month with another, noting that although the Tobacco Board was appealing for all growers to be exempted he had ‘refused to permit an appeal on my behalf’, possibly because he was no longer engaged personally in the growing of tobacco following his
move to Dannevirke.\textsuperscript{36} A fortnight later the Army informed Holyoake that, irrespective of his health at that time, because he had four children, he would not be required either for posting overseas or for territorial service within New Zealand.\textsuperscript{37}

In later years, Holyoake appeared to be somewhat apologetic that he had not served in the armed forces overseas during World War II, possibly because many of his National parliamentary colleagues and Labour opponents were returned servicemen. His own lack of military service also probably made him very reluctant when he eventually became Prime Minister to send New Zealand soldiers, even volunteers, to fight overseas – for example, to Vietnam in the 1960s.

THROUGHOUT THE latter part of 1942 and 1943, Holyoake had the part-time help of an able electorate organiser appointed by the Wellington Division. This was Eric Pryor, a former journalist, who was later to become the Auckland Division’s secretary and for a short time after that the National Party’s Dominion Secretary until ill health forced his retirement.

At the 1943 election, Labour sent a number of its top ministers into the Pahiatua electorate to support its candidate George Hansen, a Wairarapa farmer. It was an attempt to tie Holyoake down, because it is doubtful that even the most optimistic Labour supporter seriously thought they could win the seat. It was obvious that he would return to the House, and Holland recognised this by allocating him one of National’s major live election broadcasts. One newspaper subsequently observed that ‘many good judges consider that easily the best speech of the campaign, in style, delivery, fluency and general polish was that broadcast by Mr K. J. Holyoake from Pahiatua’.\textsuperscript{38} Nevertheless, Holyoake did campaign assiduously within the electorate, not only in the main centres but also at smaller places such as Tipapakuku, Ruakoa, Ngaturi, Otawhao, and Mangatoro. Because it was his first campaign in Pahiatua he declined invitations to speak for his party in Auckland, Wellington, Waimarino, and the South Island, and accepted only two, in nearby Masterton and Wairarapa. There was little surprise when Holyoake took the seat with a comfortable majority of 1825 votes.\textsuperscript{39}

Thereafter, Holyoake was away from home a lot when Parliament was in session. Each week, on Tuesday morning, he would be collected in a car by Cyril Harker, MP for Hawke’s Bay, and Matthew Oram, MP for Manawatu, and they would travel to Wellington, returning at the end of the week, often to a round of electorate functions and meetings with constituents. His eldest daughter recalled that their family life changed dramatically after he
re-entered Parliament, and that during that time ‘he was only home on the weekend and really it was impossible for those guys to know the effect on their children, it’s very sad . . . . I don’t remember him as a father then . . . those first ten years of my life.’

In Parliament, Holyoake’s importance to National was recognised by Holland immediately seating him on the front bench next to the former leader, Hamilton. By 1944, although Polson was Holland’s unofficial deputy, Holyoake was acting occasionally as Leader in the House in Holland’s absence. He was also elected in 1945 to the party’s Dominion Executive and Dominion Council. The National caucus generally was much stronger after the 1943 election than it had been before. National now held 34 of the 80 seats, compared to 25 prior to the election. That increase in MPs, together with more unity and higher morale within the Party itself, cemented Holland’s leadership and largely removed the possibility of a challenge to him by the remnants of the Coates faction using Holyoake as its candidate. Indeed, Holyoake recalled that when he returned to the House there were so few MPs left who had once thought of themselves as Reform or United ‘that quite rapidly the old party allegiances disappeared’ and thereafter ‘I don’t think we could claim that the philosophy or the . . . personalities of either party dominated the National Party’, which ‘found its own philosophy, found a new way and new people’. Rumours were to continue for several years, however, that Holyoake either would break away from National – for example, in 1944 to lead a new Liberal Party along the lines of that created by Robert Menzies in Australia – or would challenge Holland for National’s leadership – for example, before the 1946 election.

Both his farms were doing well in his absence and he recorded in 1945 and 1946 that both Palmdale, managed by Arch McLean, and Kia Ora, managed by Mangin, had had an ‘excellent season’, with the total net income over £3,000. In April and May 1946, Federated Farmers sent Holyoake, as its Vice-President, to an important post-war conference in London of farming organisations. It was attended by the representatives of 31 countries and established a permanent International Federation of Agricultural Producers. He travelled by the SS Wairarapa via the Panama Canal to Liverpool and then on to London. This was his first overseas trip, fifteen years after he had originally planned to go by himself in 1931, and he recorded in his diary that he thoroughly enjoyed it.

While overseas, he was asked by Fraser to attend, with Nash, a meeting in Bermuda of representatives of the British Commonwealth Parliaments Association and the Congress of the United States. The Bermuda conference was on the topic ‘Foreign Relations’, and Holyoake confided to Holland that, ‘I guess I won’t make any contributions but I hope to learn something’.
Nash finally decided not to go and Holyoake became the sole New Zealand representative. He travelled with the British representatives from London to New York on the *Aquitania* and then flew to Bermuda.

Contrary to his own modest expectations about his likely input, Holyoake did make a contribution, and recorded in his diary that he ‘did well at the Conference’. He certainly impressed the British representatives, who reported to their government, and also to Fraser and Holland, that Holyoake ‘was a very great success’, that ‘there could not have been a better representative of the New Zealand Parliament’, that he had ‘made some excellent speeches’, and that he had ‘endeared himself to all the members of the delegation’. Holyoake had ‘never once dealt with any local party question but always represented the national interest of New Zealand’.

The eight British MPs who went to Bermuda – four Conservative, including Anthony Eden, and four Labour – had unanimously requested that a letter be sent to the Secretary of the Parliamentary Association with a copy to Holland recording their opinion of Holyoake, because they believed that he would be ‘over-modest in giving a valuation of his own work’. Because he had been alone, the British had ‘treated him as one of our own delegation’ and declared: ‘We would like you to know how much we enjoyed the privilege of having him with us. He did a wonderful job, and by his personality he soon acquired the affection of all who attended the conference . . . . Mr Holyoake had to put his country’s viewpoint on all subjects, and in so doing acquitted himself with distinction’; and ‘by his speeches and actions, not only in Bermuda, but in Washington, Ottawa, and in this country’ he ‘has done more than his share to increase the prestige of his country and our already warm affection for its people’.

Holyoake returned to Britain via New York, Washington DC, and Ottawa and was given a dinner in his honour at the House of Commons by the British parliamentarians with whom he had travelled to Bermuda, because they wished ‘to show their appreciation’ of him. Before returning to New Zealand, Holyoake toured Europe, where in Germany he viewed the damage caused by the war and in the Netherlands looked at European farming, which he found much less efficient and productive than New Zealand’s. His flight home was an extended one via Cairo, Basra, Karachi, Calcutta, Penang, Singapore, Darwin, and Sydney.

In May, while Holyoake was overseas, the electoral boundaries were radically altered as a result of the abolition of the Country Quota. Holland wrote to Holyoake that this had resulted in eight fewer rural seats and eight more urban electorates. Among those that disappeared was Motueka, but the enlargement of Pahiatua’s boundaries made it, according to Holland,
'the safest National seat in [the] Wellington Division'. He also told Holyoake that 'Polson will probably retire' at the forthcoming election now that his seat of Stratford had also been abolished. This removed the only other senior farmers’ leader from National’s front bench and also opened up the position of Holland’s deputy, which Polson had occupied. Despite the adverse boundary changes overall, Holland was remarkably optimistic and believed National would win the Auckland marginal seats of North Shore, Parnell, Eden, and Roskill and ‘pull the big show off. This is not just pep talk. What margin I wouldn’t even guess’ but ‘Things are going extraordinarily well’.50

In the event, Holland was just a little too optimistic about the 1946 election. National did win Eden and Parnell but failed to pick up North Shore and Roskill, which were not to fall until 1949. National increased its number of MPs to 38, all general seats, compared to Labour’s 42: 38 general seats and the 4 Maori seats. As Holland had predicted, the boundary changes meant that Holyoake more than doubled his majority in Pahiatua to 3520.

William Polson did, though, retire at the 1946 election, and when the National caucus met the following January Holyoake was officially elected Deputy Leader. The choice was between Holyoake and Bill Sullivan, a building contractor and ally of Holland. Holyoake was younger and, like Polson, a farmers’ leader and provided greater balance to the leadership. His election was welcomed particularly in the rural electorates.51 There was little material support for an Opposition Leader, let alone a Deputy Leader, in those days, and it was not until the end of 1947 that Wilkes advised Holyoake that the party’s Dominion Executive had decided to grant him £100 annually for the extra expenses he was incurring in the role. Holyoake was very appreciative, especially as the news came while he was still recuperating from having his gall bladder removed on 15 October.52 As he told Holland, it had been a slow convalescence, and even two months later, although the operation had been successful, ‘the muscles of the wound are obstinate and taking a long time to knit and tone up’ and as a result ‘[I] can’t exert myself much yet’.53 Holyoake’s health had been, he recorded in his diary, patchy throughout the year because of indigestion and pain in the duodenum.

Holyoake was far from destitute, however. In November 1947 he bought the house he rented at 10 Victoria Avenue, Dannevirke, and also purchased a new tractor and a new portable spraying outfit for Palmdale and put in 50 acres of crops at Kia Ora, which unfortunately failed because of a severe drought. When he tried to grass the failed crop area the following season the contractor sowed it too late and that also was a failure. Although he got a good return from the 10,000 cases of fruit and the hops and tobacco at Palmdale in 1948, he was forced to sell half the cattle and some sheep at Kia Ora.54
HOLYOAKE ALWAYS NURSED his large rural Pahiatua electorate and, even in later years as Prime Minister, would drive himself to all his 20–30 branch AGMs, getting back to Wellington well after midnight. But in the late 1940s he found being a conscientious MP for Pahiatua and Deputy Leader demanding and tiring, and he resented the demands Holland made on him to stand in for the Leader at functions. In May 1949, for example, Holyoake wrote a long letter to Holland after the latter had asked his deputy to take his place as speaker at a Kandallah Branch luncheon. Holyoake, revealing a number of his frustrations, responded: ‘Can’t you fly up and back in the same day? I can fill in but darned if I know what to talk about. I have talked the current stuff, taxation, socialism, communism so much that I am sick of it. Let me know honestly, do you think that trite stuff I gave at the Chch luncheon would fill the bill? Otherwise I guess it will have to be communism, unless you have some other suggestion.’ He told Holland that he was ‘concerned that old age pensioners [are] concerned about Nat Party policy for [the] election’ and that it was ‘Not too early to make a clear statement’. He then complained: ‘These country electorates. Norma and I got home after three o’clock in the morning on Sunday. I had a public meeting last night. A Church Diamond Jubilee at Eketahuna tonight and we leave at 5-30 tomorrow morning to represent you at a Deb Ball at Wairoa. Leave there at 5-30 next morning for home. Etc. etc. Ah well, we must remember the honour and glory we gain.’ His Pahiatua AGM the previous Saturday had wanted to open nominations for Pahiatua but found the electorate had only 1100 financial members, just over half the 2000 minimum needed before selecting a candidate. He ended the letter with a postscript: ‘If you find it at all possible to do the Kandallah show even at the last minute don’t hesitate to let us know. As a matter of fact I am feeling quite a bit jaded just now.’

Holyoake’s election itinerary in 1949 was second only to Holland’s as the National Party campaigned for its first victory. He initially scheduled 44 meetings in his own electorate, but cut them back to 29 when he realised that he would be out of the electorate speaking throughout the country for ten of the days between the start of the campaign on 25 October and the election on 29 November. His election speeches were written out quite fully in untidy but clear handwriting, the spelling and punctuation almost always accurate. Holyoake argued that ‘the National Party is in favour of private and cooperative enterprise’ but was ‘against monopolies’. He accepted that ‘the danger in private ownership is monopolies. But they are a certainty under Socialism.’ The key to preventing any monopoly was ‘free competition’, and while Parliament could control ‘privately owned monopolies’ it was ‘difficult
to control State monopolies’. The Labour Government believed that New Zealand history had started in 1935 but that ignored the ‘record of great achievement’ over the previous 100 years during which ‘pioneers . . . came to New Zealand for freedom and opportunity’ and ‘established our great industries by private and cooperative enterprise’. Labour’s attitude was that ‘Private enterprise was making wicked profits to pay righteous taxes to help make up state losses and social services’.

In one speech, he attacked Nash, the Minister of Finance, personally as a ‘difficult man, self-willed, stubborn. He will not let go his power.’ Nash’s Budgets should be known as ‘Begrudget’ because he was the ‘greediest taxgatherer the world has ever known. The National Party will reduce taxation. Every penny of taxation is written into the cost of living’ because ‘this is added to the price of goods and services, and the customer pays’. He constantly reiterated National’s election slogan: ‘Make the pound go further’. In yet another speech, Holyoake claimed that the two major problems facing New Zealand were inflation and taxation. The great bulk of the taxation was ‘paid by wage and salary earners and people in business and farming in a comparatively small way’. The wage earner and those on fixed incomes, who could not pass on that tax, were also always the hardest hit by inflation. He believed that the inflation issue would particularly influence women voters, because the battle against it was being ‘fought in the kitchens’. Young people and returned servicemen, eager for opportunity and frustrated by import controls, land sales controls, price controls, building controls, shortages and rationing, as well as inflation and taxation, were also obvious targets for National.

Understandably, in the light of his own background and those of his audiences, he devoted much of his speeches to farming matters. He often started by describing a farmer: ‘Someone has asked me to define a farmer. A farm is a piece of land entirely surrounded by mortgages. A farmer is a land worker entirely surrounded by troubles. Weather, prices, costs and pests. Not least of these pests is the socialist. A persistent, irritating pest with curious, unpredictable habits. Something akin to the leech, which sucks the energy and very lifeblood from whatever it preys upon.’ Half of the nation’s MPs were farmers, who had a ‘deep conviction that farming is the very basis and lifeblood of our country. The basis of all true prosperity . . . . The farmer [is] always an individualist (a private enterpriser) with [a] self-reliant independent spirit.’ But farmers ‘amply demonstrated [that they] could work together’ in ‘co-operative organisations for processing and marketing’ which are ‘splendid examples of democracy at work’. During the war the ‘farmers forgot [the] political battle in [the] battle for production’ but the socialists had used the
war ‘to create further controls over [the] farmer and deprive farmers of some of [the] value of their production’. Labour, in ‘pursuit of its class war . . . have set country against town . . . . It is frightful and frightening to realise hatred and jealousy have become the basis of political creed and action . . . . [It is] high time we realised [the] welfare of each section is dependent upon the other.’59

Holyoake claimed that ‘primary production is the basis of the standard of living of every person living in New Zealand and the best way to increase our standard of living would be to increase our primary production’. The Labour Government had been saved by steady, even spectacular, rises in world prices over recent years, compared to terrible low prices during the Depression, but had not increased production in the way its predecessors had. Ignoring the effect of the war on farm labour, he compared, for example, the increase between 1925 and 1935 of 50 per cent in the number of milking cows with a decrease of 8 per cent between 1935 and 1945. He also contrasted the increases between 1925 and 1935 of 22 per cent in cattle numbers, 20 per cent in sheep, and 50 per cent in wool production with the more modest increases of 11, 8, and 16 per cent respectively during the period 1935–45.60

National won the 1949 election comfortably and ended fourteen years of Labour government. With 50,000 more votes than Labour, National won 46 of the 80 seats in Parliament, a majority of 12. No one celebrating National’s victory that night would have predicted that the party would govern New Zealand for all but six of the next 35 years.

FOR A SHORT TIME after the election, although Holyoake became Deputy Prime Minister, he and his family continued to live at Dannevirke. In 1950 he sold the Palmdale farm at Riwaka for NZ£ 10,000 to his youngest brother Neil.61 In May 1951 he also sold the Dannevirke house and the family moved to 23 Bolton Street, Wellington. Roger and Peter were enrolled at Wellington College and the girls at Kelburn Normal School. As one daughter recalled, when the family moved to Wellington, ‘then we were reunited as a family, he’d come home every night for tea, and then go back [to the House], and we got to know each other then’ in the way the family had not been able to know their father when they resided at Dannevirke.62 When he was home, he tried not to let politics intrude.

He didn’t live it entirely, you know, speaking it, dreaming it, thinking it. When he came home he was able to cut it off completely . . . great political debates and ranging topics in the home or around the dining table, we didn’t have too much of
that. I think my father found it far better if he could cut off short periods of time and have purely family life.  

Holyoake might have seen his family more but he was certainly even busier during the years in Wellington after 1949 than he had been before. For 20 of the next 23 years he was either Deputy Prime Minister or Prime Minister, and for the other three Leader of the Opposition.
NONE OF HOLLAND’S 1949 Cabinet had experience as a minister except for brief exposure in the short-lived War Administration. Most of the old-time Reformers, whom Holland had never really liked or trusted, had retired or died, and none of the survivors, with the exception of Holyoake, was included in the new ministry. The core of the Cabinet was Holland, who somewhat surprisingly took the Finance portfolio; Holyoake, the Deputy Prime Minister, who was also Minister of Agriculture and Marketing, and Scientific and Industrial Research; Sullivan, who became Minister of Labour; and Webb, the Attorney-General. Then came a group of older MPs who had helped create the National Party over the previous thirteen years: Ron Algie (Education), Charles Bowden (Customs, and Industries and Commerce), Walter Broadfoot (Postmaster General), Ernest Corbett (Lands, Forests, and Maori), Fred Doidge (External Affairs), Stan Goosman (Works), Tom Macdonald (Defence), and Hilda Ross (Minister without portfolio). Some were expected to retire after one term in office. Three younger MPs, Jack Watts (Social Security), Jack Marshall (Health), and Wilf Fortune (Minister without portfolio), and Holland’s veteran ally Polson, now Leader of the Legislative Council, which Holland was determined to abolish, completed the ministry.¹

Holyoake was the obvious choice for Agriculture because of his background as a farmer and his leadership positions in the Farmers’ Union and Federated Farmers, and his appointment was well received for the same reasons. As Holyoake told a journalist years later: ‘I know farming and horticulture inside out. I know all the top men, on first-name terms, and I had a good grounding in marketing.’² Over the previous 35 years there had been
eight other Ministers of Agriculture. None had been really prominent in the leaderships of their parties and six had been defeated at the polls. Agriculture was seen as a very difficult portfolio and one in which one’s reputation was likely to be seriously damaged. Holyoake, however, relished the role and was to hold the portfolio until he became Prime Minister nearly eight years later. He genuinely believed, and frequently expressed the view, that agriculture was the backbone of New Zealand’s economy and prosperity and that New Zealand farmers were the hardest-working and most efficient and productive of the country’s citizens.

On taking office, he was particularly determined to reduce the centralised state control of New Zealand primary production that had been imposed in the late 1930s and the 1940s and to return marketing back to producer co-operatives. He had always favoured co-operative producer boards for the marketing of primary products rather than government-appointed bodies, and National’s 1949 election policy explicitly promised to disestablish the existing Marketing Department. After consulting carefully and patiently with senior officials – notably Bernard Ashwin, the Secretary of Treasury, and E. J. Fawcett, the Director General of Agriculture, both of whom believed on balance that the status quo was more efficient – Holyoake carried out the abolition in 1953.3

Holyoake had other priorities on his ministerial agenda. He abolished cream rationing in February 1950. Tax rebates and fertiliser subsidies were used to encourage farmers to modernise and lift production. He was keen to improve scientific research and its application to farming and to eradicate rabbits and other pests. On the destruction of rabbits, he again clashed with his departmental officials, who wanted compulsory establishment of rabbit boards throughout the whole country as the cheapest and most efficient solution. Holyoake preferred ‘complete coverage on a voluntary basis’ because, although taking longer, being less efficient, and more expensive, it would not restrict an individual farmer’s freedom.4 There was a determined effort to develop marginal hill country and pumice land for farming. He consulted Federated Farmers and the producer boards frequently, seeking broad-based consensus in what has been described as ‘the often disputatious, and sometimes downright cantankerous rural community’.5

As Minister of Agriculture, Holyoake also had to approve his department’s proposals for expenditure and seek cabinet and budget approval for them. The Director General of Agriculture during Holyoake’s tenure as Minister made requests for more staff, additional laboratories and equipment, overseas travel for staff, subscriptions to the Journal of Agriculture, the establishment of a veterinary school, and the immediate provision of additional diagnostic
stations, but, according to departmental records, on all of them there was a ‘difference of opinion between Minister and Department’ because Holyoake ‘put more emphasis than does [the] Permanent Head on value in relation to [the] public purse’.6

The economic historian John Gould has pointed out that the 1950s saw three major technical revolutions that greatly increased the stock-carrying capacity of New Zealand’s pastureland, especially on the hill-country farms.7 The first was the replacement of native vegetation with exotic grasses. The second was more intensive land use as the result of the spreading of government-subsidised superphosphate and lime fertilisers. The third was the use of aerial top-dressing. As a result, sheep numbers increased from 33.86 million in 1950 to 47.13 million in 1960 and beef cattle numbers rose from 2.09 million to 3.02 million over the same period.8 The wool clip went during the same period from 307 million to 580 million pounds.9 Even if export prices eased later in the decade, the greater quantities of wool, meat and dairy products available for export somewhat compensated for that in the short term.

The 1950s also saw a great expansion of New Zealand’s forest industries and especially the harvesting of large exotic pine plantations planted in the 1920s and 1930s. New Zealand Forest Products built a large mill at Kinleith in the South Waikato in 1953 and Tasman Pulp and Paper opened a mill at Kawerau in the Bay of Plenty in 1955. Forestry came not under Holyoake’s portfolio but was the responsibility of his colleague Corbett.

Holyoake had to cope with a tremendous amount and range of detailed administration in the Agriculture portfolio. He was greatly assisted by the able Fawcett, who ran the Department very well. An examination of the Holyoake Papers in the Alexander Turnbull Library reveals for every year between 1949 and 1957 copious separate files on products such as agriculture, dairy produce, bobby calves, eggs, flax, fruit, grain, hides and sheepskins, honey, hops, meat, milk, potatoes, tallow, tobacco, vegetables, and wool. There are other files on agriculture in general, deputations, fertiliser, the Food and Agricultural Organisation (FAO), the Marketing Advisory Council, the Marketing Department, Nasella tussock, primary products, rabbits, rural housing, shipping, stabilisation, statistical information, and cabinet submissions.10

As Deputy Prime Minister, Holyoake took part in parliamentary debates other than those concerned with his portfolio responsibilities. During the Address in Reply debate in 1950, for example, he summed up the general goals of the new National Government: ‘To grant greater personal freedom; to achieve higher material standards of living for all; to administer for all the people and not for one section; to end class warfare; to foster cooperation and above all to give New Zealand a Government that will govern and not be
pushed hither and thither by any pressure group.' He also told Parliament that he wanted ‘unity, co-operation, team-work between all sections of our people . . . . This government wants to put an end to class warfare, to hates and the enmity and jealousies that go with them, it wants to put an end to industrial waste, to industrial strife, to social strife and the social bitterness that goes with it. This government wants to foster co-operation between all sections, to govern fairly and firmly without fear or favour.’

The historian Tom Brooking has very persuasively analysed the characteristics that made Holyoake one of New Zealand’s most successful farmer-politicians. First, New Zealand’s environment, although not as harsh or capricious as that of Australia or North America, forced farmers to be hard-working, pragmatic, flexible, cooperative, and innovative, all characteristics that Holyoake was also to exhibit throughout his political life. While he disliked trade unions and centralised state control, he understood the need for farmers to work well with their seasonal workers and those who processed and transported their products and was willing to use the mechanisms of the state to solve problems if necessary.

To an extent, the Minister of Agriculture was constrained by the fact that New Zealand was an economy dependent on the export of a limited range of agricultural products to one major market, the United Kingdom, and also by trade arrangements made by previous governments. With the outbreak of war in 1939, for example, the British had contracted to purchase, initially for a term of five years, New Zealand’s entire exports of meat and dairy produce. Britain also agreed to buy New Zealand’s entire wool clip for the duration of the war and for one year after at an agreed price. These bulk purchase contracts for meat and dairy were renewed in 1940 and again in 1948.

In the early 1950s, the marketing of New Zealand’s increasing agricultural production was not a great problem. Wool continued to sell well, with boom prices during the Korean War, and this, together with high prices for other agricultural exports, gave New Zealand a substantial, but short-lived, balance of payments surplus. The National Government relaxed import controls, but over-importing led to their reimposition within a few years by the next Labour Government. During the 1950s also, the United States started to import a large percentage of New Zealand’s beef exports, reducing dependence on the British market. Even though the British bulk purchase agreement for dairy produce was terminated in 1954, sales and prices held up reasonably well until a sudden collapse in 1957, when the problem became one for a new Labour administration, not for Holyoake and the first National Government.
IN SEPTEMBER 1950, Holyoake travelled to Britain. In London he discussed with the new British Labour Government, especially Harold Wilson, the President of the Board of Trade, the future of agreements on bulk food exports from New Zealand to the British market. This included the concept of floor prices and the negotiation of price increases. Holyoake was not a member of the cabinet committee that Holland had established, consisting of himself, Bowden, Doidge and Webb, to examine New Zealand’s relationship with the International Monetary Fund (IMF) and the General Agreement on Tariffs and Trade (GATT). Nevertheless, while overseas he also represented New Zealand at a very important and sensitive international trade conference at Torquay. New Zealand was not a member of the IMF but it had belonged to GATT since 1948, the year after it was established as an international trade organisation. GATT permitted most-favoured nation treatment among the contracting partners but also sought to reduce tariffs by negotiation. An increased level of international trade, it was believed, would increase prosperity generally and help to prevent international instability. New Zealand was most concerned about two issues. One was the potential damage to its bilateral preferential trade with Britain, especially for butter and meat, if the Torquay conference moved to end Imperial Preference, as was anticipated. The other was the danger to New Zealand manufacturers if, as the Auckland Star’s financial editor put it, ‘the doors were flung wide open for an inflow of goods which undercut local factories’, leading to ‘staff retrenchment and falling wages’. Despite these dangers, Holyoake hoped that GATT would help New Zealand find alternative markets for agricultural products outside the United Kingdom.

There was a strong group within the National Party, including Doidge, which was opposed to GATT and wanted New Zealand to withdraw. The Minister of External Affairs argued that, ‘In the case put forward by our own departmental advisers, I have not found one convincing argument in favour of GATT’, which committed New Zealand to the gradual elimination of the British Preferential Tariff System, New Zealand import controls, the reduction of New Zealand tariffs, and the joining of the IMF. Doidge and the anti-GATT MPs had considerable support outside Parliament. The New Zealand Manufacturers Federation was ‘afraid import control was going to be abandoned’ and New Zealand’s protected secondary industries destroyed, although Holland assured them that ‘they need have no fears whatsoever in that connection and that that possibility was ruled out completely’ because the Government’s ‘whole policy was that of full employment’. Federated Farmers also held misgivings about the removal of Imperial Preference and told Holland and Holyoake so.
In the weeks leading up to the Torquay conference, New Zealand’s government started to edge towards withdrawal from GATT but finally decided instead to make clear its position that it would not join the IMF or make any other special exchange agreements and would not abandon tariff protection for New Zealand industry. GATT members could discriminate against non-members, and import restrictions were permitted where necessary to protect a country’s balance of payments, and this was also important to New Zealand. New Zealand would also ‘ask GATT to state whether, in the circumstances, they wished the New Zealand Government to continue their membership of this organisation’. This led to the Secretary of the Treasury writing to Holland as Minister of Finance stating: ‘I am alarmed to learn that consideration is being given to the withdrawal by New Zealand at the above negotiations of something like 50 tariff concessions granted by New Zealand in previous negotiations.’

Having decided to remain a GATT member, the Government needed to be represented at its Torquay conference and Holyoake was chosen, accompanied by a number of officials, to attend. He was given very detailed instructions. A secret summary written some time after the end of the conference recorded: ‘Before our delegation left New Zealand they were instructed to pay full regard to the interests of manufacturers in New Zealand, to serve the interests of our export industry, and to have regard to safeguarding imperial preference.’

New Zealand also decided to remain the only major country in the British Commonwealth outside the IMF, and announced that fact at the start of the conference on 2 November 1950, only 24 hours before the expiry of the time limit for joining under the Bretton Woods agreement. New Zealand was not to join the IMF and the World Bank until 1961, when Holyoake decided that it might be a source of cheaper overseas loans when the country from time to time needed to fund adverse balances of payments.

While in Britain, Holyoake visited Chartwell to meet Winston Churchill and also spent a weekend with Eden. On his way back to New Zealand he stopped at the United Nations in New York, meeting amongst others Dean Acheson, the US Secretary of State, and Lester Pearson, the Canadian Foreign Minister.

The Korean War of 1950–53 led to a great demand for wool internationally, and as a result prices boomed. New Zealand’s export earnings from wool rose from NZ£46 million in 1949 to NZ£74 million in 1950 and NZ£128 million in 1951. Fearful that this increased overseas income would lead to excessive inflation and the overstimulation of the New Zealand economy,
the Government decided, after consultation with reluctant farmers, to freeze temporarily 25 per cent of the farmers’ wool income, which was placed in suspensory accounts with payments to farmers spread over a number of years. The move was not popular with many wool farmers and, in hindsight, was an overreaction. The high prices for wool could not be sustained and earnings dropped to NZ£91 million in 1952. The continued demand for imports, however, started to deplete foreign currency reserves and the Government introduced a system of ‘exchange allocations’, which had a similar effect to the more direct quantitative import controls that had been recently removed.

Farmers were also not impressed by ongoing industrial unrest and strikes by militant unions, especially those that affected exports. The trade union movement was deeply divided between the Federation of Labour (FOL), whose most influential leader was the able but ruthless Fintan Patrick Walsh – the nearest thing to an American-style industrial gangster New Zealand has ever seen – and the more militant, communist-influenced Trade Union Congress (TUC).24 The major component of the TUC was the Waterside Workers’ Union, led by Harold ‘Jock’ Barnes and Toby Hill. The ‘Cold War’ between the Soviet Union and the West had been worsened by the Korean War, and in New Zealand there were many who were not only fed up with continual strikes on the waterfront, which hindered the export of farm products at a time when they were obtaining high prices overseas, but who also perceived union activity as a challenge by New Zealand communists to the country’s constitution and government. The first challenge, however, did not come on the wharves.

Late in 1950, the Amalgamated Society of Railway Servants lodged a claim for a wage increase, but when in mid-December they were offered only a fifth of what they had claimed the union threatened to strike. This would have disrupted not only exports of dairy and meat products but also Christmas mail and holiday travel. The strike took place on Christmas Eve, despite efforts to avert it over the days leading up to Christmas by Sullivan, the Minister of Labour. Holland left for England two days later and Holyoake took over as Acting Prime Minister. With the help of Walsh, he held a number of lengthy and complex meetings with the union and on 2 January 1951 was able to announce that the union would call off the strike. They would not receive a wage increase but would get an investigation into their allowances. Holyoake was praised by the press, by Walsh, and by the National Party’s Dominion Council for ‘his wise and resolute handling’ of the strike.25

In February, however, the shipowners refused to give watersiders a 15 per cent wage demand and the union banned overtime in retaliation. The
shipowners then refused to employ wharfies who rejected overtime. Holyoake was still Acting Prime Minister and tried unsuccessfully to persuade the union to accept arbitration of the dispute. He chaired meetings of the employers and the unions and offered an independent arbitrator instead of the Waterfront Industry Authority but to no avail. When he failed to get agreement, he consulted Cabinet and then, late on 15 February, wrote in firm but reasonable language to the watersiders setting out the Government’s position, which included arbitration. Emergency regulations were also prepared in the event the union refused to accept arbitration.26

Holland returned to New Zealand from London and Washington the same night and immediately the Government’s position hardened. Holland was much more belligerent than Holyoake in his approach to the crisis and stated that anyone who hindered the country’s preparations for defence ‘by limiting the handling of goods is a traitor, and should be treated accordingly’.27 The union defied the Government, and Cabinet on 19 February decided it needed to act. Two days later it proclaimed that a state of emergency existed. Emergency regulations were gazetted under the 1932 Public Safety Conservation Act the following day. They gave the Government the widest possible powers to deal with a strike.

Years later, reflecting on the strike and his role in it, Holyoake wrote:

. . . the original regulations were over my signature. The reason for this was that both the Prime Minister and Mr Sullivan were overseas. I was then leading Government as Acting Prime Minister. After two or three meetings with leaders of the Watersiders’ Union we decided we had to take action, hence the regulations. However, the Prime Minister and Mr Sullivan returned to New Zealand very soon afterwards and I faded out of the direct administrative picture. I, of course, attended the Cabinet meetings at which the activities of the strikers and others were discussed time and again.28

Sullivan was even more determined to defeat the watersiders than Holland and Holyoake. Martin Nestor, the National Party’s chief research officer, who was also Holland’s speechwriter, recorded that the Minister of Labour ‘made no secret of his intention to resign his seat in Parliament if the Government did not adhere to its announced attitude of non-capitulation . . . . Certainly, if Sullivan had carried out his threat to resign, Holland could not have survived as leader.’29 Sullivan summed up his and the Government’s perception of the dispute when he subsequently declared: ‘The present strike is an extension of the Cold War to New Zealand . . . . Can we tolerate law-breaking by an organisation dominated by Communist international instructions, or do we
stand firm in our belief in genuine difference of opinion under our democratic way of life?’ 30 Walsh and the FOL assisted Sullivan and the Government in the campaign against the wharfies and thereafter the two men developed what one National Party official recalled ‘was a peculiar relationship’ in which ‘most of the deals done . . . between the FOL and the Government was on a hand shake between Bill Sullivan and Paddy Walsh’. 31

On 27 February the leaders of the Waterside Workers’ Union and the TUC met Holland, Holyoake and Sullivan to object to the emergency regulations, which they described as ‘fascist in origin’ and which, they asserted, would ‘destroy, if put into practice by the Police Department, every freedom that the English-speaking people have won over many years of political and industrial activity’. Holland was attacked personally and the unionists threatened that, although his party might survive the next election, he would not as Prime Minister. Apart from a couple of general comments, none of the three ministers tried to argue with the union delegation. 32

Meanwhile, the Labour Opposition equivocated, with its leader, Nash, making an unfortunate comment in a speech in Auckland that he and the Labour Party ‘are not for the waterside workers, and we are not against them’. Nash also claimed that the emergency regulations prevented him from holding meetings, talking about the strike, or criticising the regulations. Holyoake ridiculed the Leader of the Opposition by pointing out that Nash was touring the country doing all three and repeatedly attacked Nash for his ‘neither for nor against’ ambivalence. When Barnes declared that even if defeated this time the waterside workers would return to take on the employers and the Government again, Holyoake observed publicly that: ‘Mr Barnes has served notice on the government and the people of New Zealand that the challenge is to be renewed. Where will Mr Nash be then, “Neither for nor against”? . . . . The need for a strong government is clear.’ 33 Both during and after the 1951 waterfront dispute, Holyoake defended the emergency regulations, arguing that they were necessary not only to ensure the essential export of foodstuffs but also the protection of persons and property from the illegal acts of the more militant strikers, whom he claimed ‘intimidated and threatened other men’, ‘bashed good honest people’, ‘damaged and disfigured homes’, ‘defied and provoked the police’, and ‘assisted world communism’. 34

The armed forces moved onto the wharves to load the ships and the union was deregistered and its funds seized. Miners and freezing workers struck in sympathy. Holland declared that the Government would govern and that law and order would be upheld. Walsh and the FOL wanted to see the rival TUC and the waterside union destroyed, and collaborated closely with Sullivan and the Government. After 151 days the strike was broken, leaving a legacy of
industrial disruption, social hardship, economic loss, and political hatred that was to last for a generation.

THE GOVERNMENT WAS relieved rather than ecstatic at the end of the dispute. More than one million working days were lost in 1951 – four times more than in any previous year – and the economic and social costs were huge. Nevertheless, the militant unions had been broken. Holland told the New Zealand Port Employers’ Association on 9 July: ‘... we have had a dreadful time; nobody knows just what we have gone through – Mr Sullivan especially ... We are not in any sense jubilant or boasting, but we have achieved success you never dreamed of and, frankly, we did not either. We made up our minds that no matter what it cost we would see it through ... we knew the showdown had to come sometime.’

Frustrated and annoyed by the National Government’s actions, Labour’s leaders became incautious and repeatedly challenged the Government to resign and fight an election on the issue. At the beginning of July 1951, Holland, after discussion with his senior ministers, held a secret meeting with the organisational leadership of the party and asked what their reaction would be if he called a snap single-issue election. Alex McKenzie, the Auckland Divisional Chairman and incoming Dominion President, supported it only if Holland could justify it to the electorate, but he agreed that National would be in a better position contesting an election then on its handling of the waterfront dispute than it would in a year’s time on the cost of living, which would favour the Opposition. Holland replied that he expected Labour to move a motion of no confidence when Parliament met the following week and he would accept the challenge and give Labour the election it said it wanted. As Holland predicted, Labour on 11 July did challenge the Government to let the people decide, and this gave him the opportunity and the justification to call an early election.

The bleak mid-winter campaign saw a reiteration of the arguments that had divided New Zealand throughout the first half of 1951. National’s election slogan was ‘Who is going to govern the country?’, and the implication was not just a choice between National and Labour but rather a choice between National and the militant unions. The National Party and the newspapers portrayed Holland as a relatively young, strong, New Zealand-born leader who had stood up to and defeated the communists and the ‘industrial wreckers’. Nash, by contrast, was presented as an old man, unable to choose between supporting or condemning the strikers. Holland was supported well in the campaign by Holyoake, Webb, Goosman, and, especially, Sullivan,
who some colleagues and observers thought had come out of the industrial dispute with his reputation so enhanced that he now posed a real alternative to Holyoake as Holland’s eventual successor as party leader. With 54 per cent of the votes cast – the last time any party in New Zealand has won more than half – National’s majority in Parliament was increased from 12 to 20 and Holland’s leadership reached its peak. He had welded National together into a reasonably united party, led it to its first election victory, defeated the militant unions, and now consolidated its hold on office.

After the end of the strike, or lockout, depending from which side one perceived the conflict, there was continued dispute over who would be employed on the wharves. Members of the deregistered union refused to work with the new workers, whom they regarded as ‘scabs’, and the shipowners and port employers tried to blacklist members of the old union. In a meeting with the Wellington Port Employers’ Association, which had dismissed 1000 Wellington watersiders after they had refused to work alongside workers employed during the strike, Holland said that he was not prepared to accept the employers’ actions, not only because it would not work in bringing peace to the industry but because: ‘Human beings could not be treated that way . . . . While he had something to do with the running of the country he was not going to have any group of employers causing all this trouble.’ In response to one employer, who said that the union officials being kept out ‘were bad men’, Holland responded that, ‘he could not be expected to believe that. Some of those officials were very good men.’ Furthermore, his government ‘would not tolerate’ the employers abusing rights the Government had given them to say who worked on the wharf and who did not and he insisted that the men be allowed back to work. Holyoake also did not regard the watersiders as ‘bad men’, and some years later, when the former union’s secretary, Toby Hill, was ill, Holyoake rang him regularly at home inquiring about his health and Hill became an admirer of his former political foe.

There were suggestions after the 1951 election that Holland intended sending Holyoake to London as New Zealand’s new High Commissioner. Holyoake quickly and firmly denied the rumour. He was more than happy to remain Minister of Agriculture and Deputy Prime Minister and Chairman of the permanent Cabinet Economic Committee which had been established in 1951.

IN 1952, AT A TIME of food shortages and high prices, Holyoake caused a minor public controversy by suggesting that people should grow their own vegetables. He always grew his own, and was well known for bringing trailer-
loads of sheep manure from Kia Ora and working it into the garden of his ministerial home. When he publicly told those complaining about the price of potatoes that he was largely self-sufficient, there was some scepticism, but Holyoake invited reporters to visit his home and see his garden, in which he was growing some thirty different vegetables.

There were much more important issues in agriculture, however, to be dealt with. In 1952, and again in 1953, Holyoake returned to London to negotiate price increases for New Zealand farm exports. In 1954 he was faced with an even more serious situation when the British decided to terminate the existing contracts for the purchase of dairy produce and New Zealand had to negotiate future access and not just the price. Meanwhile, at home he had the unpopular task of making the testing of dairy herds for tuberculosis and the destruction of infected animals, with compensation, compulsory. He removed the government marketing functions from the Ministry of Agriculture so that he was no longer responsible for buying agricultural imports such as tea, rice, or bananas. He continued also to speak at various agricultural functions and, when asked to give the prizes at a fruit-packing contest, was not above rolling up his sleeves and packing a case of 163 apples himself in just over three minutes.40

Farmers throughout New Zealand, including those in his own electorate, were often critical of the Government. Once he was resident in Wellington after 1949, Holyoake visited his electorate less frequently and was more reliant on his electorate organiser, W. B. Tripe, who provided him with detailed weekly reports. The weekly litany of less than favourable news in 1952 made somewhat depressing reading for the local MP.41 On 26 April, for example, Tripe reported that he had attended seven branch meetings around Eketahuna. Many of the dairy farmers round Nireaha ‘had, and may still have, Labour sympathies’. There was dissatisfaction at Mangamaire because Holyoake never attended a branch meeting. At Hukanui, ‘a leading local sheep farmer expressed great dissatisfaction with the Government’. On 2 May, Tripe reported that there were many complaints about the Government at the Alfredton branch meeting and that only twelve people had turned up to the Eketahuna meeting. Fortunately, there was a ‘splendid turnout’ at the Kumeroa meeting, summarised in the 10 May report. The organiser noted that it was ‘a very pleasant change to have a lull in the constant criticism levelled at Government by individual farmers viewing affairs almost exclusively in their own interests. Here is a branch very much more alive than most to the Country’s needs as a whole.’ A week later, however, at Umumataroa: ‘Sid Larsen stated that he was pulling out as Chairman and went on to say that it was about time that a Farmers’ Party was started. He was critical of the Meat
Policy, of Ministers going around in large cars, and of trips abroad, and he
ended up by saying that the Government’s statements on Communism were
largely unfounded.’ After discussions with Tripe, Larsen had agreed to carry
on. At the end of May, Tripe provided Holyoake with a long list of complaints
from farmers in the Weber district, particularly on the inadequate electric
power, telephone and postal services, concern about Crown leases, the need
for more finance to improve land fertility, and the need for closer settlement.
At Dannevirke, the branch had decided to defer fundraising until ‘the present
period of “grizzling” has been passed’. In June there were complaints that the
20 children in the infant class at Ballance School had had five changes of teacher
during the year, and a farmer at Kumeroa ‘denounced the Government all
round, especially on its handling of the waterfront strike . . . [saying] it would
have been cheaper, and certainly better for him, if Government had given way
to the strikers’. The most generous branch financially in the electorate at the
1951 election had been Tinui, which covered a very sparsely settled area with
several large stations in the process of being developed. One was the 11,000-
acre Te Mai estate, owned by H. J. Harris and an Auckland businessman, A. C.
McArthur, who wanted Holyoake to look into the survey of a new road into
the area. Another large station was Orui, largely funded by the Borthwick
Trust, whose resident partner opposed the Government’s current Land Bill
and refused to make further donations to the National Party. He wanted the
remission of duty on imported farm implements and machinery and tax
relief for new fencing. Other farmers at Akitio also opposed the Land Bill and
wanted Holyoake to try to get a main highway through to Akitio via Weber.

In mid-1953, Holyoake again took over for three months as Acting Prime
Minister while Holland was overseas. He chaired a national conference
on housing in May and oversaw the final preparation and public release of
proposed tax reductions. He also presided over a special ceremony in front
of Parliament Buildings on 25 June to celebrate the coronation of Queen
Elizabeth II. Shortly before the ceremony commenced, two Press Gallery
journalists received the news that Edmund Hillary had conquered Mt Everest.
They rushed off and told Holyoake, who replied, ‘Right, don’t say anything to
anybody’. Holyoake then announced Hillary’s achievement to the assembled
crowd and dedicated it to the new Queen as an auspicious start to her reign.42
The following year, and probably quite coincidentally, he was appointed to the
Privy Council during the Queen’s visit to New Zealand.

The 1954 Election campaign was a relatively dull affair compared to
that of 1951. Recognising widespread concern about the cost of living, the
Government was a little nervous, and the emergence of the Social Credit Political League for the first time on the electoral scene, and its potential appeal to farmers and voters in small provincial towns, increased uncertainty about the election’s outcome.

During the campaign, Holyoake made a speech in which he reflected on his three basic beliefs about politics. He began by stating, ‘I have always mistrusted the placing of too much power in the hands of politicians’, who had no right to assume that they knew more than those who voted them into power. Throughout history, people ‘have fought and died to wrest authority from the hands of dictators’ and he did not think it healthy for any community, just because it now voted for its leaders, simply to ‘surrender authority to elected representatives’. For that reason he had ‘relinquished as many as I could of the dictatorial powers that had been conferred upon the Minister of Agriculture and Marketing during Labour’s term of office’.43 Secondly, he believed in tolerance of differences because, while ‘uniformity is inseparable from Socialism’, political and economic freedom involved ‘many diverse groups whose interests are in conflict with each other’. This was true not only of New Zealand society as a whole but also within the National Party itself, which ‘cannot and never will be able to establish uniformity’ among its membership. It was essential that antagonism among these different groups should be minimised through tolerance, not maximised through ‘burning antagonism’. Finally, while he believed ‘in everybody having the opportunity of success’, he did not believe that ‘success in one individual should be thwarted by efforts to prevent the failure of another’, which seemed to be the approach of communists, socialists, and bureaucrats.

Social Credit surprised everyone when it won 122,068 votes – 11.04 per cent of the total number cast, though not enough to win any seats. National’s 1951 vote dropped by nearly 100,000 and Labour, with 484,082 votes, only 6000 less than in 1951, won almost as many as National’s 485,630 in 1954. The presence of a third party, however, minimised the two-party swing against the Government. National lost five seats but still won 45 to Labour’s 35. Nevertheless, the spectre of an alternative conservative party splitting National’s vote in the rural seats and country towns, which had haunted National in earlier years, re-emerged.

After the election, Holland reconstructed his Cabinet, bringing in six new members, including Tom Shand, and transferring the Finance portfolio from himself to Jack Watts, making him a contender for deputy leadership of the party in the future. Between 1954 and 1957, Watts was to grapple with the ongoing problem of inflation by pursuing a firm and orthodox monetary policy: cutting government expenditure, reducing the supply of credit, raising
interest rates, and encouraging capital investment rather than consumption. A decision was made to change the system of collecting income tax from once a year in arrears to Pay As You Earn (PAYE).

One battle in Cabinet that Holyoake lost during this time was over the establishment of the Tourist Hotel Corporation. Holland and Eric Halstead, Minister of Tourism as well as Minister of Social Security and Minister assisting the Prime Minister, were the THC’s major proponents. Holyoake and other conservatives in cabinet and caucus opposed its creation not only because they believed it would compete with private enterprise but also because they were worried that tourist development would divert investment away from agriculture.44

Holland travelled to Britain again in February 1955, leaving Holyoake as Acting Prime Minister once again. Holyoake reported to Holland in weekly letters, starting one: ‘I have good news for you, that there is none.’45 But in the same letter he then informed Holland that the country was suffering a ‘severe drought condition . . . particularly the Manawatu, Rangitikei and Taranaki areas’; there was ‘no progress at all’ in setting up a Monetary Commission of Inquiry because ‘no-one is keen to serve’; and ‘Stan [Goosman] continues on his impetuous way’, though he was also ‘improving steadily in health’. He had earlier warned the Prime Minister that Goosman was ‘in trouble over his appointment to the Chair of the National Roads Board, practically every paper having a crack’ and that he had ‘also been in trouble over an announcement that the Braeburn (Nelson) power project may have to be abandoned’. Labour was also suggesting that there was a split in the Government’s ranks, with Sullivan ‘aspiring for leadership’ of the National Party and Government. This was not the type of news, even if unfounded, that a prime minister overseas likes to hear from his deputy.46

In October and November 1955, Holyoake, accompanied by Norma and the Director General of Agriculture, Fawcett, made a major overseas tour. He went first to the United States, where he visited the Departments of State and Agriculture for discussions.47 Then to Britain, where he again met Eden, who had become Prime Minister, and had discussions with Heathcoat Amory, the British Minister of Agriculture, his officials, and representatives of those selling New Zealand products in Britain. He also was the guest of Harold Macmillan in Sussex and the Duke and Duchess of Norfolk at Ascot.

He next visited the Soviet Union, which he reached via Stockholm and Helsinki. It was only ten years after the end of a war that had devastated the USSR, even though it was among the victors. Despite the ‘rather drab atmosphere of Russia’, Holyoake ‘was impressed with the quality of the crops which I saw’ and also enjoyed the warm sunny weather. He also thought that
'the cattle, sheep and pigs seemed to be in good condition' at the showcase state farm he visited near Kiev and a collective farm outside Moscow. He also visited an Agricultural Exhibition in Moscow.48

However, he was less impressed with other things. At Leningrad, he recorded: ‘We were met by a disorganised group representing agriculture, and, after wandering aimlessly from room to room, at last found a place where a meal was prepared for us.’ In Moscow: ‘We descended from the aeroplane . . . . A concourse of people advanced across the tarmac . . . . More flowers were given and hands shaken . . . . Lights and cameras of all kinds were clicking from all angles, and there was considerable noise and confusion everywhere.’ At the Hotel Sovietskaya they had a huge supper and then, after midnight, ‘to bed but not to sleep’. Unable to sleep, Holyoake spent much of what was left of the night looking out his bedroom window at the square below: ‘I saw the most drunken man I have seen for some considerable time picking his way, presumably, homeward. I saw three men relieve themselves openly in the square . . . . I saw a woman sweeping the street at 3am.’49

The following few days in Moscow were a busy round of meetings and social engagements, and Holyoake somewhat surprisingly recorded that, ‘apart from the language difficulty, one would feel completely at home’ there. He first went to the Kremlin and met Deputy Prime Minister Lobanov, whom he described as ‘a magnificent specimen of a man, friendly, and appeared to me able’, and also Deputy Minister of Agriculture Matskevich. Lunch was ‘a lengthy affair with plenty of vodka, wine and oodles to eat. A number of toasts – everybody very friendly, jovial and helpful.’ In the evening the party went to the Bolshoi for a performance of *Prince Igor*, which Holyoake noted lasted for four hours and ten minutes.

The next day he met Deputy Minister of Foreign Trade Borisov before sightseeing around the city. Holyoake’s ‘deepest impression’ was that Russia ‘was a country of clashing contrasts’:

The main streets and buildings of Moscow were quite impressive but as soon as we left the main streets it was another story. In the older area of the city the whole place looked desolate, untidy and dusky. The roofs appeared to be either malthoid or paper and seldom appeared to be straight, secure or level. The children around the houses were to match.

In the countryside, the houses were ‘much worse than can be seen in any Maori pah [sic]’. That night, he again went to the Bolshoi, to see *Sleeping Beauty*, which he observed was ‘simply magnificent’ and was ‘thoroughly enjoyed by every one of us’.
Throughout his visit to the Soviet Union, Holyoake found that the ‘personal generosity’ of the Russian people ‘kept obtruding’. On one occasion he admired some porcelain animals and was pressed to accept them as a gift. On another occasion he complimented a Russian photographer on his tie. The cameraman took it off and insisted on Holyoake taking it. Holyoake later gave him another tie in return.

After leaving Moscow, Holyoake travelled to Kiev for talks with Ukrainian ministers, but the highlight of his trip was a meeting with the Communist Party First Secretary, Nikita Khrushchev, at Yalta in the Crimea. Khrushchev’s predecessor, Joseph Stalin, had only been dead for two years, and it was not until 1957 that Khrushchev was to establish his dominance for a time over other senior members of the party’s governing Politburo. Khrushchev, however, was already well on his way to becoming the most important figure of the Soviet’s collective leadership.

On Monday 17 October, Holyoake enjoyed a breakfast consisting of ‘the usual cognac, wines (three or four), fish, meats, eggs, salads, etc. etc.’ before his three-hour meeting with Khrushchev from 10.15 a.m. until 1 p.m. Holyoake recorded that Khrushchev ‘came to meet me and greeted me in the most cordial fashion, then piloted me upstairs to a verandah overlooking the sea and with a lovely vista between . . . . The table on the balcony was spread as usual with several kinds of liquor and of foods. We tried them all. Drank the usual toasts.’ Khrushchev ‘was most affable and friendly, laughing quite frequently at all of my poor sallies’. The two men discussed agriculture, especially corn-maize cultivation and the expansion of farming eastwards into Kazakhstan, both aspects of the ‘Virgin Lands’ agricultural revolution for which Khrushchev was to become internationally known in later years. Holyoake hoped that his visit had ‘perhaps established a small bridgehead between our two countries and a contact which may help our mutual trade’, mentioned his talks in Moscow on the possibility of the Soviet Union purchasing New Zealand meat and butter, and invited a group of Soviet agriculturalists and politicians to visit New Zealand. He suggested to Khrushchev that the USSR should join the Food and Agricultural Organisation (FAO). They also discussed the international situation and their mutual wish for world peace, with Khrushchev observing and Holyoake agreeing that ‘the money spent on bombs and aircraft could . . . be better spent on agricultural machinery’.

The international situation was the major subject of Holyoake’s meeting in Moscow the following day, his last in the USSR, with Stalin’s veteran Foreign Minister Vyacheslav Molotov. Molotov also took the opportunity to ask that New Zealand should reopen its embassy in Moscow, which had been closed
in 1950. Holyoake agreed to raise the matter on his return to Wellington, but it was not until 1973 that a New Zealand ambassador returned. Holyoake then lunched at the British Embassy, visited the tombs of Lenin and Stalin and the Kremlin, and was guest of honour at a farewell dinner in the evening.

He returned to London on 19 October. Norma was unwell with a persistent cold, from which ‘she has suffered quite considerably’, and Holyoake also had ‘a light dose of ’flu myself’. He was well enough, however, to lunch with British MPs at Westminster and then with Lord Freyberg at Windsor Castle, and also to attend a reception in his honour hosted by New Zealand’s High Commissioner, Clifton Webb.

Crossing the Channel, he visited Denmark, where he ‘spent three quite profitable days seeing the countryside. We felt that there the way of life was closer to ours than in any country we had seen on this trip. This applies more particularly to their dairy farms.’ Then to Bonn, where ‘we were put on a real fuss by the German Government . . . we had six motor cyclists preceding us wherever we went scattering traffic right and left to give us right of way’. From Germany he travelled to Paris for a weekend of ‘recuperation’. He found that ‘Paris is as beautiful as ever . . . a gorgeous well-planned city with so many of the wide boulevards tree-lined’.

From Paris he travelled to Rome to attend the tenth annual conference of the FAO in Rome. There were representatives from 71 states. Just prior to the conference, Holyoake told Holland: ‘At long last I will really have seen an international conference in action.’ He not only saw it but also chaired it, writing to friends in New Zealand that it was ‘my first experience of an international conference and the prospect of being its chairman really did worry me, but I think I can say that things in that respect have gone reasonably well’. He also recalled in retrospect that it was ‘a rewarding experience . . . but it left me with a greater appreciation of the magnitude of the world food problem and, equally important, with the efforts that are being made to cope with it’. The Director General of the FAO praised Holyoake, writing: ‘Never before have we had so good a chairman or one in whom every delegation had such complete confidence.’ It was ‘not an easy conference’, but Holyoake remained unperturbed and ‘conducted all our proceedings in a most admirable manner’. By the time he left Rome, Holyoake was ‘feeling somewhat homesick’ after having ‘dashed around seeing historic places and old ruins of Rome, the Vatican City, St Peter’s, Coliseum, Pantheon, Hadrian’s Wall, etc, etc’.

Another reason Keith and Norma wanted to return home was that their daughter Lynley, who had just turned thirteen, had suffered an eye injury. A letter to her from Rome demonstrated her father’s concern, and also his
homesickness, his relationship with his children and his willingness to reveal his emotions to them. Ignoring completely what he had been doing in Britain, Europe, and Russia, he concentrated entirely on his thoughts about his daughter:

To our new teenager, Greetings. Lynley my Love, “What ho”. All of you at home are in our thoughts so much of the time, and you have been especially in the last few days.

Mother has already written to you and told you how we learned about the trouble with your eye. As we got the news from Aunty Muriel first and didn’t get the report from the Doctor until a few days later we were terribly worried.

Darling we love you so that our very soul cases were worried. Believe me, it is many years since I was so upset.

Indeed the last time I was so affected was when you fell out of our car at Woodville years ago.

But the Doctor’s report shows that it is only part of the sight of your right eye that has been affected and that the side sight will always be normal and indeed perhaps it will become stronger than that of other people. He also says that the sight of your left eye is especially good. So my pet keep your heart strong as so many worse things could have happened to you or to any of us.

It is when accidents happen to our loved ones that we realise just how much we really do love them. Darling I am very very fond of you. I am also very proud of you for the way in which you are building your character. I’ll speak to you more about this when we get home. Am I looking forward to going up to Kia Ora and Whangamata with you during the Christmas holidays? I’ll say I am. I do treasure the memories of the trips just you and I have done together and look forward to many more with my farm lady my lovely Lynley.

I am so terribly busy just now but how I long to be with you and the others. How I long to feel all your arms around me again and a kiss from each of you.

My goodness I don’t think I will ever go away from you all again.

Until we get home my darling I send all my love. Yours ever, Dad

Holyoake returned to New Zealand through Pakistan, Ceylon, India, and Singapore. In Pakistan, where he stayed with the Governor-General, Scanda Myrza, he met Prime Minister Mohammed Ali at his home and various other ministers. He then went by train from Karachi to Hyderabad. On arrival at Hyderabad Station, he recorded:

To our amazement, when we emerged we found the square filled with people and a number of soldiers drawn up as a guard of honour. There was a large carpet right in
He was told later that this had been ‘a mark of respect and appreciation of the contribution that New Zealand has made through the Colombo Plan to the development of Pakistan’.

In India, he met President Rajendra Prasad, Prime Minister Jawaharlal Nehru and his daughter Indira Ghandi, who was also later to lead her country, and a number of ministers, and laid a wreath at the tomb of Mahatma Ghandi in New Delhi. He was very impressed by the Taj Mahal and the Red Fort but returned after a long day’s sightseeing ‘rather dulled in our reactions to forts, mosques, churches and monuments’.

After further sightseeing in Bombay he travelled to Ceylon and observed that the people of that country had ‘more spirit’ than the Indians. Indeed, he was enchanted by Ceylon, recording that the reception with 400 guests hosted in Holyoake’s honour by the Prime Minister Sir John Kotelawala, was ‘a fairyland’ and that Ceylon itself was ‘a very lovely country’ and the drive from Colombo to Kandy ‘stands out in our memories as being equal in beauty to the one we enjoyed up the Rhine Valley in Germany’. Again the Colombo Plan played a significant part in his itinerary and he visited a farm research station, a teacher training school, and a dental nurses’ training school, all aided by New Zealand.

ADDRESSING THE ANNUAL Conference of Federated Farmers in 1956, Holyoake referred to the ending of the bulk purchase agreements and the return to the free markets that had existed when the primary industries were being built up and when producers had to accept what the market offered. New Zealand offered three main products on the world markets: wool, dairy, and meat. Despite some lower overall returns currently, the price for wool had been relatively stable since 1951 and abrupt change was unlikely. The price of butterfat would be lower because of increased competition from other producers and from synthetics such as margarine. Meat prices, especially for beef, would fall because of increased competition also. The need was to find markets beyond Britain but they were not obvious, and growth in them, such as in the Soviet Union, was painfully slow. Thus, prospects for the future needed to be ‘couched in rather sober terms’, and ‘if there is not some improvement in the demand for one or more of our principal exports, a decline in overseas earnings and ultimately a decline in over-all economic
welfare appears inevitable’. He hoped that in the longer term there would be increased demand for New Zealand’s primary products as the world’s population grew and living standards improved.60

Holyoake’s somewhat pessimistic outlook about the immediate future for the New Zealand economy and especially its agricultural exports led him to confide to another audience that, as Minister of Agriculture, he ‘at times finds the feeling inescapable that he is a very small half-back facing a rush of mountainous forwards and that whatever he does will not please the team behind him’.61

In 1956, Holyoake introduced into Parliament a Dairy Products Marketing Commission Bill, which the House took urgency to pass. It was bitterly opposed by the Federation of Labour, especially its President, Fintan Patrick Walsh. Walsh was not only a trade union leader but also owned a very substantial and productive dairy farm at Featherston and had been since 1947 a government-appointed member of the New Zealand Dairy Products Marketing Commission. Holyoake intended to make the Commission more independent of government control by making six of its nine members representatives of the producers, not government-appointees. Accompanied by three other senior representatives of the FOL, Walsh met Holland, Holyoake, Sullivan, and Fawcett on 10 October. Walsh argued that it was ‘the most important Bill ever to be placed before the House of Representatives as far as the economy of the country was concerned’ because, if passed, ‘it would destroy the economy’. The Dairy Board would control the Commission and producer control would force prices up, damage the living standards of the consumers, and undermine ‘the general economic stability of the country’.62 Walsh then observed that the Bill’s architect was present, but when Holyoake interjected and said Walsh himself had asked him to attend, Walsh replied that he meant Fawcett, ‘the chief of the Department not the Minister’. Holyoake clearly took exception and the rest of the meeting degenerated into a heated debate between Holyoake and Walsh. After a while, the ‘Prime Minister said he was under a great strain and could not concentrate properly’. Walsh then suggested delaying the Bill for further discussion with interested parties but Holyoake continued to wrangle. Finally, the ailing Holland suggested that Holyoake take his place and Walsh again proposed an adjournment. Holyoake wanted to keep going, but Sullivan, who had taken no previous part in the discussion, then intervened to say that the Prime Minister had said he would meet Walsh and his delegation again and the meeting ended. Holyoake eventually had his way and the Bill was subsequently passed through Parliament.

From 1954, the British had reopened their market for agricultural products to competition, and when European producers, notably Poland and
Finland, started to dump dairy products, the prices New Zealand received for dairy exports fell sharply. The situation in New Zealand was worsened by a sharp rise in imports generated partly by the fear of a Labour victory at the forthcoming 1957 election and the likely post-election tightening of import controls. The net overseas assets of the New Zealand banking system fell from £113 million in June 1957 to £45.5 million in December, but with uncertainty during this time as to whether Holland or Holyoake was leading the Government, and with the Government reluctant anyway to act decisively before the election, little was done to deal with the situation.

As the terms of trade started to move against New Zealand, Holyoake, accompanied by a large bevy of officials and representatives of farmers and producer boards, travelled to Britain in April and May 1957 for further trade negotiations, in which he sought protection for New Zealand’s exports. He maintained close cooperation with Federated Farmers and the producer boards, not only out of political necessity or because they had both a vested interest and considerable expertise but also because it suited his own personal preference for governing by consultation and consensus and keeping public opinion in New Zealand informed. One official who was present also believed that by shrewdly exposing ‘them directly to the difficulties of reaching any agreement with the British in a time of profound and far-reaching change from which there was no escape for New Zealand’ Holyoake ‘ensured that they would share some of the responsibility for it’.

In London, he avoided any suggestion that the talks involved a ‘renegotiation’ of New Zealand’s basic trading relations, and indeed, ‘renegotiation’ was not a word that was to be uttered. Instead, New Zealand simply stated that it wanted and expected guarantees that the status quo would continue. New Zealand’s production of meat had been expanding tremendously after the 1952 agreement between Britain and New Zealand in which the British Government undertook ‘that for 15 years from October 1, 1952, it shall itself buy or permit the exportable surplus of beef and veal, lamb and mutton and the edible offals thereof from New Zealand to be sold in the United Kingdom market without restriction of quantity’. As a result, New Zealand lamb exports increased by 44 per cent between the 1953–54 and 1959–60 seasons, mutton by 41 per cent, and beef and veal by 84 per cent. Although again undertaking to continue to admit New Zealand dairy products and sheep and pig meats for ten years until 1967 without restrictions on quantity and without annual consultation, the British would only give vague long-term assurances. On his return to New Zealand, Holyoake warned in his report that the long-term prospects for New Zealand exports to the United Kingdom after 1967 were very uncertain because of Britain’s own increased agricultural
production and considerable competition from countries in Europe.\textsuperscript{67} This was particularly serious for dairying, faced with growing European production, and for mutton and lamb, which had also been geared to the British market and for which there appeared to be no obvious alternative source of demand.

On the way home from Britain, Holyoake received considerable press coverage when he stopped a deranged New Zealander from hurling himself off a fourth-storey balcony at a Honolulu hotel. Although there had been concern that the man, who had suffered a mental breakdown while in the United States, might be dangerous, Holyoake had insisted on taking him on the plane trip back from San Francisco to New Zealand. When they got to Hawaii, Holyoake accompanied him to his room, and when he tried to jump not only dragged him off the balcony but also held him down until help arrived. Holyoake subsequently brought the man back to New Zealand.\textsuperscript{68}

By 1957, Holyoake had been Minister of Agriculture for a longer term than any of his eighteen predecessors except John McKenzie, who held the portfolio for one year longer during the Ballance and Seddon ministries of 1891–1900. He was also, in his spare time, helping to develop a farm block of which he was part owner at Kinloch, on the western shores of Lake Taupo.
CHAPTER FIVE

Kinloch

THE WHANGAMATA BLOCK, a large valley of scrub-covered land on the northwestern shore of Lake Taupo, was acquired through the Maori Land Court from its original Maori owners in 1884 and, after several changes of ownership, was purchased in 1917 by the Taupo Totara Timber Company. That company in turn sold 5380 acres, of the original 6830, to NZ Perpetual Forests Ltd in 1931, the land being transferred to that company’s successor, NZ Forest Products, in 1939. In July 1952, Forest Products decided to sell the property. Ian Gibbs, at the time an assistant to David Henry, the Managing Director of Forest Products at Tokoroa, while sailing his yacht in the Western Bay of Lake Taupo, decided to look at the block, saw the potential for development, and in June 1953 asked for and received a 14 days’ option to purchase.1

Gibbs, who was to become the driving force behind the project, and was to be described by Holyoake 20 years later as ‘very much the Managing partner in our organisation’, 2 was only 25 with limited personal capital and sought the assistance of his father. Theo Gibbs was a successful accountant and businessman who, as Chairman of the Canterbury-Westland Division of the National Party from 1940–46, had become very friendly with Holland and Watts. He also knew Holyoake and decided to ask the Minister of Agriculture as a friend and practical farmer to advise on the suitability of the property for farming and development. Holyoake, the following weekend, accompanied Gibbs and his son to Taupo, where they were joined by Gavin Brown from the Head Office of the Lands Department at Rotorua. They borrowed horses from Alan Mossman, the manager of the nearby Ben Lomond Station, on Whangamata’s northern boundary, and, on a cold, windy and rainy day, inspected the property, riding through tall scrub and fern or along ‘lightly marked tracks of cattle, wild horses and pigs’.3 They lunched at a hut at the mouth of one of the three streams on the property that flowed into Lake
Taupo and then rode along the northeast-facing beach fronting the lake. As Holyoake later recalled: ‘It was a strenuous day, and we were all pretty tired, saddle worn and pleased to be back home. I advised the purchase of the block.’

Ian and Theo Gibbs subsequently completed the purchase, which was approved by a Land Sales Committee at Napier subject to a number of conditions, including one that required one of the partners to live on the block as soon as vehicle access was established. The cost of the block was NZ£3,000. Holyoake continued to be consulted by Theo Gibbs and telephoned the Director General of Agriculture, requesting information about the cost of developing Taupo pumice land as a sheep-farming proposition. Fawcett responded to his Minister in a detailed letter in September, pointing out that because the Taupo pumice was cobalt deficient it would require cobaltised superphosphate, but that once developed it could carry about one dairy cow per two acres or four ewes per acre. He also provided details about methods of clearing the land, developing the soil and pasture, fencing the property, constructing buildings, and what equipment should be obtained. Fawcett estimated that the cost of developing Whangamata would be £49 per acre and recommended that Holyoake obtain further advice from the Department’s Fields Instructor at Rotorua. Subsequently, not only cobalt and phosphate but also potassium and cerium were spread to improve the soil, but much of it leached out through the very porous pumice, requiring repeated treatment.

In the years that followed, Holyoake received ‘plenty of advice from Gavin Brown, Officer in charge of all land development by the Lands Department in the Rotorua-Taupo area, and his offsider, Frank Baker’. This advice was not only about improving the soil. For example, on one occasion Holyoake records that he ‘arranged that Gavin Brown and his surveyor, a State Advances Corporation man and two Agriculture Department wool men should be on the block to give advice on a number of things, i.e. the siting of the wool shed, grassing, stocking, etc. – very helpful’.

Holyoake was invited to join the Gibbs family in a partnership, and a few weeks later, in October 1953, took a 50 per cent share in what was now called Whangamata Station. Ian and Theo Gibbs each held a quarter share while Holyoake, who formed a Seven Oakes Company and a Whangamata Family Trust, took a three-sixteenths share himself and a one-sixteenth share for each of his children. The partnership agreement excluded from the station an area of some 30 acres on the lake’s frontage – approximately half the frontage – which was to be exclusively owned by Ian Gibbs. The intention of the partnership was ‘to carry out development of the scrub area into a farming unit’ and to subdivide and sell for holiday homes the entire area on the
lakefront, including that owned by Ian Gibbs. He would receive half the net proceeds from that subdivision and the partnership would keep the remainder as capital for the farming project.

Including the £3,000 the station had initially cost, it was estimated that the total outlay over the next six years would be £111,350, less tax savings of £18,600 and estimated income from the sale of beach sections of £28,600. Of the £82,750 outlay remaining, £60,000 would be borrowed and the remainder contributed by the partners. By 1959 it was planned that the station would have 2500 acres in grass, and another 2500 roughly developed, two homesteads, 8000 sheep, 1000 cattle, and unsold beach sections worth about £5,000, for total assets of £167,000, or twice the total net outlay.9

The Crown owned a vast area of land to the east and west, with its Ormond Block bordering the privately owned Whangamata and Ben Lomond stations. It was clear that eventually land development and subdivision would require roads around the western side of Lake Taupo and across these stations, and Holyoake and his partners immediately asked that ‘the line of the road through their property should be defined and surveyed so their subdivision fences can be laid out in relation to such road lines’.10 In the meantime, just before Christmas 1953, a nine-mile road track was bulldozed into the property from the Putaruru Road to the lake, and this remained the only road access until 1957, although in 1954 a road-grader was also used to level out a small airstrip.

Holyoake took his three daughters up to Taupo for Christmas 1953, staying for a few days at Ben Lomond and later at a holiday home at Mission Bay owned by Blair Tennent, the MP for Palmerston North. While there, he visited Whangamata several times. The fishing was good in the lake and where the three streams on the property entered it. Wild pigs and pheasants were plentiful, and deer and wild horses were also seen. He tramped over the block and along the beach and recorded that the manuka was ‘up to 30 to 35 feet high and as thick as it could be packed. We practically got bushed and were absolutely exhausted when we battled our way back to the lake.’ He even had some misgivings about the venture, noting: ‘The wind was strong, the lake rough, and it did not look such an attractive holiday proposition.’11

Early in 1954, Ian Gibbs, who at first spent most of his weekends on the block, organised the building of several workers’ huts and then two cabins. The cabins were extended over the next few years and a ramp cut down to the beach in front of them from which a boat could be launched. Some 300 acres of scrub was crushed in the spring and another 200 the following autumn, and two young English brothers were employed to cultivate the cleared land and sow the grass.
Unfortunately, a dry spring saw only patchy growth before Holyoake took delivery of the first stock, 300 wether hoggets, in November, just after the 1954 election. For the first time in months it rained, very hard. Holyoake waited all day for the sheep to arrive. As night approached and with no access to a phone, he got in his car to drive to Taupo to find out where they were. Four miles up the track in the dark he ran into a small lake, got water in the engine and was unable to start the car again. Wet through and footsore after tramping over the development all day I trudged back to the cabin and an uncomfortable bed. I had a touch of flu on me also. At 11pm I was awakened and on looking out realised that the trucks had arrived and men were unloading. Only one field then had sheep proof fences and the sheep were being unloaded into another part.

Half the sheep had been unloaded before Holyoake got to the trucks and directed them to the proper field. After an anxious night, Holyoake was out early the next morning, where fortunately he found that the stock ‘had not strayed and, even without a dog, I was able to muster and drive all the sheep into the fully fenced field’. Shortly after, 900 ewes arrived.12

Of more concern was the clearing of the second 300 acres. In burning it off, Ian lost control and the fire spread to some 2000 acres. He and Holyoake agreed to capitalise on the burn by aerial sowing with a bush burn mixture but this proved a complete waste of money because of the dry conditions, and even subsequent cultivation and sowing of the second 300 acres by the Callister brothers was unproductive when the 1954–55 summer proved to be the driest in 50 years. In contrast, and to the partners’ relief, the 1955–56 season was perfect for growth and the grasses established well. Each sowing involved heavy use of cobaltised superphosphate and Holyoake admitted: ‘I was fortunate enough to be able to arrange that the fertiliser – which was in rather short supply throughout the country – would be delivered over a short period.’13

In August 1955, with the manager’s house completed, the partners employed their first manager, Bernie Thompson. Although a credit squeeze made money tight and forced them to reduce their plans for development, a hay barn was still built, sheep yards and a sheep dip constructed, gravel put on the road, hay made for the first time, the telephone connected, and an ex-army four-wheel-drive truck purchased. They also in 1955 increased their stock and by Easter 1956 had 1200 two-tooth ewes, 500 wethers, 300 fat lambs, 35 rams, and 50 steers, the cattle being ‘in miserable condition. One died on arrival, another from tutu poisoning soon after.’14 Many of the first mob of cattle imported were lost through bloat caused by eating two-foot-high clover,
despite the farm manager riding about all night with a sharp knife to puncture the bloated bellies of the stricken stock. Later that year, 108 in-calf heifers and cows were purchased, with 87 calves subsequently produced. However, cattle bloat was not the only problem the stock faced. There was sheep fly-strike and the lambing result was unsatisfactory, only 40 per cent. Holyoake arranged for Dr McMeekan, the Director of the Ruakura Animal Research Station, to visit Whangamata and advise on the problem. Ian Gibbs was not impressed with the advice received and told his father, ‘we need a thorough study not a casual inspection’. He thought that the losses in calving and lambing were the result of copper deficiency on the farm and wanted to inject cattle with copper and drench lambs with it and also place copper licks around the pasture.\(^5\) In late November 1955 some 20,000 pounds of wool was shorn.

**HOLYOAKE VISITED THE** block as frequently as possible and enjoyed wandering over the property. Norma found the environment difficult in the early days and did not go with him. Sometimes he went on his own, sometimes with the girls, and sometimes with Conrad, the brother to whom he was closest. Ian Gibbs and Holyoake stayed in the two small cabins near the lakeshore. The Holyoakes’ cabin had three little rooms with a toilet and basin and a shower in a shed. Fresh water dribbled down a polythene pipe from the cliff above, light came from kerosene lamps, and heat from a potbellied stove on which most cooking was done.

To use his own term, Holyoake almost got ‘bushed’ at Kinloch on one occasion in September 1955, when he was on his own there. As he recalled:

I went up a spur about a half a mile north of the lake quite easily as the vegetation, manuka and fern, was reasonably spaced apart. When I reached the top I decided to cross the valleys southward and circle around and down to the valley near the lake. It was the toughest going I had experienced for many years. Heavy tutu and manuka and fern. The fern was the most vigorous I have encountered, 10 to 12 feet high. Growing to such a height, much of it had fallen over and not all one way. To make any progress at all I had to step very high. I was soon so tired that I had to lift my feet with my hands. I tried climbing to the small spurs, crawling through the pig tracks, and then rolling down the inclines when I reached the end of the spurs. I became so exhausted and the day so late that I feared I would not get out in daylight. I really was a bit worried. I did not dare rest for fear of not having the strength and resolution enough to begin again. By sheer desperate will power I kept going and when at the point of complete exhaustion I came to the last valley and saw the grassed country. I crawled and rolled and stepped high and at last emerged. My car
was near the hills, or else I don’t know how I would have got to the cabins. I hope never to have such an exhausting and harrowing experience again.16

On another occasion, when visiting with his youngest daughter Keitha, he left the door open when they were out on the block. Sheep, filthy from brushing their way through the manuka scrub, got in to the cabin and completely fouled it, leaving Holyoake and his daughter the unenviable task of cleaning it out at the end of the day.17

Tree planting and fencing the property also proved difficult at first, but although the first planting of trees died because of the dry season thousands of others that were subsequently planted grew well. Holyoake did much of the planting of willows along the beachfront and poplars down the roadside himself and enrolled his daughters to help. He would sometimes stop on the verge between Wellington and Taupo and dig up small self-sown poplars to take for replanting at Kinloch. Fencers were hard to find and most of those who were initially employed were sacked because of slow progress. One of the two Holyoake trusted and who did much of the work was Ted Mihinui, ‘a very good fencer’ from Rotorua.18 At Christmas 1956, Mihinui, a young man at the time, decided to work through the holiday period to finish a fence rather than return home. Late on Christmas morning he was working on the job when Holyoake wandered over with several bottles of beer, offered him a drink and asked where he was having lunch. When Mihinui replied that he was working through and had some sandwiches with him, Holyoake insisted that he come back to the cabin, sat him down, and told him that ‘today you’re one of our family’ for Christmas lunch. After that, Mihinui, who was a Labour supporter, would never hear a bad word said against his employer.19

ADJOINING WHANGAMATA was the Tihoi 3B Block, which was still in Maori ownership. The 51 owners were Ngati Tuwharetoa, led by Hepi Te Heu Heu. At the time, two other prominent members of Tuwharetoa, and friends of Holyoake, were John Te Herekeke Grace, the Private Secretary to the Minister of Maori Affairs, who was later to be Vice-President of the National Party from 1959–63 and 1965–67, and John Asher, who acted for Holyoake in lodging the application in Roger Holyoake’s name to buy the Tihoi Block.20 Roger was described in the application as ‘a young man serving his cadetship on a farm at Taumarunui . . . . He has no farm land’, although his father ‘is interested in the Company which is breaking in the adjoining land’.21

The Maori land laws prohibited the sale of Maori land to persons who owned adjoining land, but Holyoake attended a meeting of owners of the
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Tihoi Block on 19 March 1956 and was welcomed by Te Heu Heu, who said: ‘We are very pleased and proud to think that your visit today will commence a long association with Tuwharetoa. I might say that our decision is unique, as in most cases L.S.D. is the main factor, but in this case we have taken you as a man into consideration, and we have decided to approve the resolution [to sell].’ Only eleven of the 51 registered owners voted to sell, although they owned a majority of the shares, and Rore Rangihuea, who owned the largest single number of shares, protested to the Land Board against the sale. Nevertheless, with funds provided by the Whangamata partnership, Roger purchased the block at the government valuation, on 31 March 1955, of £1080. The 769 acres of ‘open fern land’, which included the shoreline between the Whangamata and Te Mapu streams and extended the length of the station’s beachfront to one mile, was later transferred by Roger to the partnership, with the Holyoake family receiving other sections of the Whangamata Block and credits for subdivided holiday sections comparable to the arrangement made for Ian Gibbs three years before. The incorporation of the Tihoi Block was not, however, completed without some friction between Holyoake and Ian and Theo Gibbs over the financial arrangements – friction that festered on and erupted again in 1962 when the parties disagreed over the funding of the marina development.

Meanwhile, the Lands Department was continuing with its developments, including the Oruanui Block, which adjoined Whangamata. Shortly after the purchase of the Tihoi Block, and to the great delight of Holyoake and his partners, the Department announced that it intended ‘to construct good roads out to and also a spur road to [their] boundary’. As Holyoake recorded:

We could scarcely believe our good fortune in this . . . instead of struggling along ten miles of track of our own making – some of it steep and much of it rough – we will have very good roads up to our boundary and then less than four miles of fairly good and even going down to the lake. We felt that marvels would never cease. When we commenced operations less than three years before we could not have dreamed that civilisation would come so close so quickly. Wonderful, and again wonderful, is all we could say.

These comments seem to be somewhat disingenuous. It has been suggested that Holyoake may well have used his influence to speed up the building of the road and also to get it moved closer to Whangamata. Gray Nelson, the Secretary to the Minister of Lands at the time, claimed that Holyoake applied considerable pressure on officials to get the road started; and another senior official, who later became Director General
of Agriculture, recalled Holyoake phoning him one night and suggesting that the Lands Department, for which he then worked, should shift the road a mile south so that it provided easier access to Whangamata. It did start earlier than anticipated and it was shifted.  

Harry Lapwood, who in 1960 became the local National MP for Rotorua, which at the time included Taupo, was sufficiently concerned at ongoing rumours that Holyoake had used his influence to expedite the road that, even four years later, he decided to have a ‘showdown with Keith’ on the issue and also Holyoake’s relationship with Ian and Theo Gibbs. He discussed the matter with the Prime Minister ‘on several occasions’ and was assured that there had been no impropriety. Although Lapwood decided that he ‘had no reason to think otherwise’, he nevertheless recognised that there were people ‘who had different thoughts’ and who did believe Holyoake and his business partners ‘were exploiting the system’. 

The purchase of the Tihoi Block, desirable and ultimately very profitable though it undoubtedly was to Holyoake and his partners, added to the escalating costs of developing Whangamata in the short term. By Christmas 1956, £70,000 had been spent on the venture and Holyoake recorded that this was ‘a huge sum and much greater than we had contemplated. Our bankers and Wright Stephensons constantly remind us of this, and we have cause for sleepless nights. We will be praying hard for good seasons and good prices for the next few seasons to see us out of the woods.’ 

By the end of 1956, contractors were working on the new road across Crown land to the boundary of the Whangamata Station. Both the Gibbs and Holyoake families spent the Christmas and New Year holidays there, helping with the haymaking and the dipping, earmarking and branding of the sheep. They also enjoyed two launch trips around the Western Bay of Lake Taupo, although the second could have ended in tragedy when late-afternoon winds chopped up the lake and prevented the launch landing its nineteen occupants, including young children. As darkness fell and waves threatened to swamp the launch’s dinghy, Holyoake and Gavin Brown, with ropes rigged to each end of the dinghy, repeatedly hauled it loaded with three or four people each time through the surf to shore.

The completion of the new road in 1957 made much more feasible the planned subdivision and sale of the beachfront at Whangamata. In 1959 the first 57 freehold holiday sections in what was named the Kinloch subdivision were put up for sale by private negotiation, with the prices ranging from £550 to £1500. Thirty-five were sold in a short time. A store was soon built and in 1962 early section owners formed the Kinloch Fishing and Boating Association. A clubhouse was built almost immediately and in 1963 the Association also
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took over control of a marina, which Holyoake and Gibbs had built at a cost of £35,000 in 1961. The marina, which had berths for 90 boats up to 35 feet in length, made Kinloch the only reasonably safe all-weather anchorage in Lake Taupo’s large and relatively isolated Western Bay, with its scenic cruising and excellent fishing. By 1963, fifty holiday homes had been built at Kinloch and new sections were on the market.29

IT IS INTERESTING TO note that Holyoake, like his father and grandfather before him, had some disagreements with his sons over the family farm. Roger and Peter might well have preferred to pursue occupations other than farming. Roger certainly claimed to be much happier as the owner of a Wellington bookshop later in his life than he had been as a farmer; and Peter, who had wanted to be a Presbyterian minister, and who later became a lay preacher and church organist, also was initially reluctant to go farming.30 Their father, however, was determined that they would become farmers. He encouraged them to gain experience first by working for other experienced farmers: Roger with Rex Street at Taumarunui and then in Southland; and Peter with David Tennent in Pahiatua. He also started to make early arrangements to provide each of them with a farm. Although, even after they took over their own farms, in which Holyoake retained a financial interest, he found it difficult to let go and was in touch with his sons weekly, checking on what they were doing and offering not always welcome advice and instructions.

In 1955, Holyoake sold Roger a third partnership in Kia Ora.31 In 1957 he extended the partnership in the Dannevirke farm by selling another third share to Peter. Peter subsequently left New Zealand in 1961 and travelled to South Africa; and Roger, who had paid off his share, acquired Peter’s, giving him two-thirds ownership. The intention was that Roger would own the Dannevirke farm and that Peter would get a second farm carved out of the Whangamata property and equal in value to Kia Ora when he returned to New Zealand. Holyoake told his sons that this had been his primary reason for joining the Gibbs family in purchasing and developing the block.32 The three girls would also benefit from their one-sixteenth share each of the Kinloch development.

By 1968, the remainder of Whangamata Station was ready for subdivision, with the Gibbeses and Holyoakes each receiving title to a separate farm. The new Holyoake farm was called the Seven Oakes Station and the Gibbeses’ land became the Kinloch Station. The beachfront land remained in a third company, Kinloch Services, jointly owned by the Gibbeses and the Holyoakes, although Ian Gibbs was the major shareholder.
Holyoake asked Roger, who was a more experienced farmer than his brother, ‘to go to Taupo to manage “Peter’s farm” until it was in full running order’. In the meantime, Peter would look after the established Dannevirke farm. Theo and Ian Gibbs also wanted Roger, not Peter, at Taupo. Roger later recalled that he and his wife ‘were very happy at Dannevirke and did not want to give up our own property to go back working for the family’. His father insisted, however, that he had to go to Taupo ‘for the family’ but promised Roger and his wife that they ‘would not lose out if [they] helped him in this matter’. Roger finally agreed to go to Taupo for two years after getting assurances from his father that he would then return to Dannevirke and Peter would move from Kia Ora to Seven Oakes.33

When the two years were completed, however, Holyoake kept extending the period and, when he finally transferred his third share in Kia Ora to Peter, it became obvious to a disappointed Roger that he would be left at Taupo and Peter would get Dannevirke. Roger also began to question just who would own Seven Oakes when it was developed – him or the family as a whole? His wife wrote to her father-in-law in July 1973 complaining that for eleven years, first at Dannevirke and then at Taupo, she and her husband had worked at low wages, finding it difficult to make ends meet, because they thought they were building up a farm for themselves. That did not appear to be the case.34

In 1977, Roger sold his two thirds and Keith sold his remaining one third of the Dannevirke property and its stock and plant to Peter’s trust, with much of the price paid being owed to the vendors. In return, Roger’s trust purchased the shares in Seven Oakes owned by Keith, Roger and his three sisters, again with most of the purchase price owed by the trust to the vendors. Keith later gifted to his sons much of what was owed to him but, as lawyers subsequently observed: ‘It is clear . . . that many of the transactions [regarding Kia Ora and Seven Oakes] were undertaken in a relatively complex manner – presumably for taxation saving purposes. Unfortunately, when these types of transaction occur there is always the danger that the interests of the people are overlooked in the aim of taxation advantages.’ Holyoake did create problems for his two sons with his arrangements regarding the two farms, with Roger certainly appearing to have been disadvantaged by them.35 When Holyoake died in 1983, he still owned a three-eighths share, valued at $240,250, in Seven Oakes and $64,959 of shares in the Whangamata Station, as well as his bach on the corner of Marina Terrace and Kinloch Esplanade.36

THROUGHOUT THE 1950s and the 1960s, Holyoake insisted on being notified of everything that was happening at Kinloch, and whenever he could
he visited it to plant trees, help with fencing, look after stock, and excavate for the marina. Frequently he would drive up from Wellington on a Friday night, stopping only to buy a pie to eat in the car on the journey. Because of the state of the vehicles when he returned them after being at Kinloch, the Public Service Garage would lend him the oldest and most dilapidated one they could find. As the lakefront sections were sold and baches built, he became very friendly with the other early residents of Kinloch. However, although he went out of his way to greet newcomers and people who visited Kinloch, he did not always introduce himself. On one occasion, dressed in his usual old clothes, a straw hat, a singlet, baggy pants – rotted at the cuffs and held up by a length of binder twine – worn, muddy, comfortable boots, and with three days’ growth of beard, he was planting trees when some people asked if he could direct them to the person in charge. Holyoake sent them down to the station manager. They mentioned that they had been given directions by the old farm worker and were astounded when told that he was also the Prime Minister.

Each New Year’s Eve, Holyoake, after haymaking during the day, would have a shower and change into shorts and shirt. He would then go round and make sure that everyone in their tents or baches was coming to the New Year’s Eve party in a little building the locals had set up as a community hall, where he relaxed and partied throughout the night, on occasions entertaining those gathered with a song or two. After midnight, by which time he had probably consumed a bottle of whisky, he would insist on first-footing with a bagpiper around Kinloch, inviting everyone to what became a traditional breakfast at his bach the next morning. There, at about 6.30 a.m., he prepared and served up bacon, eggs and sausages, which he cooked in mutton fat, and a large pot of boiled potatoes, over which he would spread a pound of butter. Later on New Year’s Day, many of the holidaymakers would go out on their boats for a picnic together. Often there was some ambivalence and dispute over which bay to head into for the picnic, with Holyoake being asked how he could run a country when he couldn’t even make up his mind which bay to hold a picnic in. However, in 30 years at Kinloch, Holyoake never discussed politics with his friends there, and they respected his desire to have a complete break away from his political life.37

Holyoake bought a boat and taught his grandchildren to water-ski, and enjoyed going out fishing or for picnics around the lake. His son-in-law Ken Comber recalled that on one occasion when Keith decided to take the boat out, a number of anglers were casting their lines round the estuary:

Keith went in at a great rate of knots to within 10 yards of the unsuspecting anglers. “What ho, lads”, he waved cheerily, as the wash lapped under their chins. We
swept majestically by to shouts of abuse and shaking of fists. “They don’t seem too friendly”, said Keith. “No, and I guess it might have something to do with a regulation that says no speeding within 400 metres of a stream and 200 metres of the shore”, I said. 

Holyoake was very generous in letting friends and acquaintances use his bach at Kinloch when he was not using it, and often ended a letter with the suggestion that the recipient might enjoy a few days there, especially if he knew they were recuperating after an illness, operation, or bereavement. He also retained a friendly relationship with the Gibbs family, and in late 1967 and throughout 1968 spent a considerable amount of time interceding on behalf of Ian Gibbs and his brother Alan with Shelton, the Minister of Customs, and Marshall, as Minister of Industries and Commerce, in regard to their New Zealand-made Nova car proposal. Holyoake talked with and wrote numerous letters to his two colleagues supporting the import of components, pushing them for an early reply, asking Marshall to let Holyoake see the draft of correspondence to Gibbs before it was sent, and requesting that he be kept informed of developments.

In 1973, however, there was a dispute among the partners over the sale of the store and some remaining sections. As Holyoake recorded at the time, Theo Gibbs had told him that there was ‘trouble with my boys’: ‘His sons are at loggerheads. May be a bitter stand of [sic] fight.’ Ian, who by then was involved in the development of an Iranian–New Zealand joint enterprise for the supply of sheep meat to Iran, wanted to sell the Kinloch store for $34,000 and also three vacant lots. His father and Roger Holyoake agreed. Because all the partners would be made taxable, and Alan Gibbs believed that tax could be avoided or reduced by selling first to companies or leasing, he wanted a freeze on all further sales of Kinloch assets.

Despite the early worries about the escalating costs of development and the occasional wrangle of this kind, with his own sons as well as the Gibbs clan, Holyoake continued to love Kinloch for the rest of his life. In 1975, after returning from a holiday there, he wrote to a friend, the prominent businessman Jack Butland, saying how proud he was of it. Over $10,000 had been spent on tree planting the previous spring in preparation for a new golf course in years to come, and: ‘They will look beautiful in three or four years.’ He enjoyed working on the development but admitted: ‘I am still not a fisherman. I guess I am still a bit too young.’ As he lay dying in 1983, some of his former cabinet colleagues visited him in hospital and asked him what achievement in his life he had been most proud of. He replied, ‘Kinloch’.
AT THE START OF 1957, Holland expressed concern that there was debate within the National Party over who should lead it at the election later that year, when the party would suffer ‘the disadvantage of having been in office for eight years’.¹ He also said that there was division over the policies on which the party should campaign that year. He observed that ‘Mr Holyoake has been an outstanding success with the farmers’ but went on to say that there was a ‘strong difference of opinion’ in caucus and the wider party between ‘those who want to see a bold, progressive and imaginative policy for the future – cutting taxes here and increasing state spending there’ and more cautious members who asked ‘where the money is coming from’.²

Despite 20 years before having been seen as a rival, Holyoake was a very loyal deputy to Holland during National’s first seven years in office. One of the ministers who served under both men observed: ‘I’ll give Keith full marks. I never heard him say an unkind word [about Holland] and yet he had every reason to, I think.’³ Indeed, another observer, in a somewhat back-handed compliment, commented some years after Holyoake replaced Holland as leader:

Those who recall his long years as a seemingly loyal second-in-command to the late Sir Sidney Holland still find it hard to credit that Mr Holyoake could so effectively have hidden his light. Never the suggestion of ambition or enormous political gifts coloured his name. About the most that was said about him in those days was that he had done much better than most at surviving in the difficult seat of Minister of Agriculture.⁴
Holyoake had come to regard Holland as ‘a man of boundless energy and enthusiasm and a good brain’ who had ‘built the National Party from the sadly depleted and defeated Party, and a Party of old men in Parliament at the time, to a new vigour, a new outlook, not new philosophies but refurbished philosophies’, and considered that ‘very much as a result of his energy, his leadership, we came to office in 1949’. Holland had continued to lead the party and the Government well after that, but by 1957 Holyoake was not alone in concluding that ‘physically and mentally he was spent . . . an ill man for quite some time before he retired’.5

In October 1956, Holland had suffered a seizure while in his office in Parliament. It appeared to be a mild heart attack or stroke. His chief private secretary and a senior official of the National Party were with him at the time.6 They got him onto a couch, removed his tie and called a doctor, who decided that it was not serious but would necessitate a fortnight’s complete rest at home. As Holland prepared to go home the phone went. It was a call from London, the first news of the Suez Crisis, in which Britain, France, and Israel colluded in the invasion of Egypt. Holland remained in his office for the next 48 hours and, in the opinion of the National Party official concerned, never fully recovered. He lost much of the drive, enthusiasm and blunt eloquence that had made him such a formidable politician. His memory started to fail and he lost track of issues and decisions. Sometimes he would discuss at Cabinet a matter he had dealt with the week before.7 He seemed unable to think logically or act decisively and became upset suddenly and easily about relatively minor things. He also started to suffer from chronic back pain and experience trouble with his eyes.8 By the beginning of 1957 his progressive illness was becoming more obvious both to his colleagues and to other observers. He was unable to attend the Commonwealth Prime Ministers’ Conference or the opening of Parliament.9 The Head of the Prime Minister’s Department told one of his lieutenants that Holland was ‘really quite a sick man’: ‘He is alright sometimes but at others his mental state is most bewildering and obscure. Added to this, he is affected by a most extraordinary emotionalism, and he suffers the most violent upsets at the drop of a hat.’10

Even though there was considerable press speculation about his health and possible retirement, Holland was reluctant to accept that he was no longer capable of being Prime Minister or of leading the National Party into the 1957 election. At 64 years of age, Holland was eleven years younger than Labour’s leader, Nash. He did not relish the thought of Holyoake replacing him, and one cabinet colleague recalled that Holland’s attitude towards Holyoake was: ‘Like Macbeth, peculiar outlook, he thought the crown was going to be stolen,
I think.’ The Governor-General’s aide-de-camp recalled that, in his opinion, Holland was ‘by the late fifties . . . showing every sign of paranoia – even megalomania’. From 1954 until 1957 there had been a somewhat strained relationship between Holland and his deputy. Sometimes weeks would go by without the two men speaking to each other, and another minister, Eric Halstead, often found himself acting as a messenger between his senior colleagues. It was generally believed that Holland resented the fact that it was only a matter of time before Holyoake succeeded him and he would have preferred Sullivan, whom many other ministers also trusted and liked. Sullivan, however, realised that his failure to win the deputy leadership in 1947 had cost him any real chance of challenging Holyoake for the succession and, in February 1957, following the death of his son, who had been running the family business, resigned from Parliament.

Holland’s ill health and sometimes irrational behaviour continued to concern those with whom he came in contact. The British High Commissioner at the time was Sir George Mallaby, described by one of the Governor-General’s aides-de-camp as a British ‘Foreign Office Mandarin’ with a ‘brilliant brain’, who ‘undoubtedly looked upon New Zealanders as a rather inferior form of sheep’. In his memoirs, Mallaby recalled that he ‘did not relish [his] frequent attendances upon him’ because Holland was so obsessed with his position that it ‘was not possible for [the Governor-General] to discuss a subject of urgent importance with him or even hand him a message from Mr Macmillan without being first subjected to a twenty-minute monologue on his outstanding contribution to the revival of the National Party and his achievement as Prime Minister’. One of those who had worked closest to Holland later recalled:

In the last year or so of his term of office as Prime Minister . . . he became a different man. He should have quit political life at the time, but he could not bring himself to the point of doing so, and indeed did everything possible to hide from others the extent of his disability . . . . On the strength of his behaviour during those sad months, when in effect he was a shadow of his former self, he could be described as selfish, forgetful, incompetent and, in some ways, detestable. His last days as Prime Minister are best forgotten.

Finally, Holland’s senior colleagues, Holyoake, Marshall, and Watts, at Marshall’s suggestion, went to his home and suggested that he should retire. They were concerned not only about his continuing ability to perform the tasks of Prime Minister as effectively as he had in the past and that he would not be able to campaign vigorously in the forthcoming election but they were
also worried that even to try to do so could put his life at risk. The Prime Minister was hurt and refused at first to admit that his health was so bad that it necessitated his stepping down, but McKenzie, the party’s president, and other senior organisational figures added their weight to the retirement advice. After considering the matter for some time, Holland informed them that he would announce his retirement at the National Party Conference, which began in Wellington on 12 August.

At the start of the conference, Holland told the delegates that he had been privileged to have led the party for 17 of its 21 years in existence, including eight as Prime Minister. He had enjoyed doing so but the time had come to stand down. His health had not been good and he suggested that ‘New Zealand cannot afford a part-time Prime Minister’. Physically, he needed a rest, and he was going to retire and nominate the ‘capable, efficient and experienced’ Holyoake as his successor. This description of Holyoake was somewhat less fulsome in the final typed version of the speech Holland gave to the conference than an earlier handwritten version, in which his successor was described as ‘an outstanding man I have prepared for this event. Keith Jacka Holyoake. Capable, True. Colleague. 10 years deputy.’

There was even some doubt that Holland would be able to make or finish his speech to conference, so ill was he by that time. Officials arranged for an ambulance to be parked at the back door of the Town Hall with a stretcher and blankets put just offstage. Holland’s water jug was laced with brandy, and Ken Slight, his private secretary, had a pocketful of pills. As soon as he finished he was assisted back to his hotel and a doctor was again called. The next day, August 13, Holyoake was unanimously elected unopposed as National’s new leader; at 53, the youngest prime minister since his mentor Coates, who had been 47 when he became Prime Minister 32 years earlier. Holland, however, delayed resigning formally as Prime Minister for another five weeks.

Immediately after Holland made his announcement, with the conference in uproar, Laurie Cleal, the Wellington Divisional Secretary of the National Party, noticed Norma Holyoake standing quietly to one side. He pointed out that her husband had just effectively become Prime Minister and invited her to celebrate by having lunch with him and a group of Wellington delegates. She declined, saying that she had to go home because Monday was her washing day. Cleal drove her home.

There was considerable public uncertainty about what was actually going on. Mallaby, for example, reported back to London that the party’s president, McKenzie, had announced that, even though Holyoake was the new leader of the National Party, Holland would carry on as Prime Minister until the end
of the session on 25 October. He would then advise the Governor-General to ask Holyoake to form a government and make him the Prime Minister for the election campaign. Mallaby thought Holland ‘very unwise’ to hold on, though he assured the Commonwealth Office in London that ‘this is clearly not a matter on which my advice would be sought by the New Zealand Government, nor would I have the temerity to offer any’. The recipient, Sir Henry Lintott, scrawled alongside Mallaby’s comment: ‘I would rather hope not!’ Holland was ‘not allowed to see people and not allowed to transact business’, but as he was ‘still there in the background, Mr Holyoake cannot assume complete charge of affairs’. Some years later, Mallaby recorded in retrospect that Holland’s ‘last few months as Prime Minister were rather trying for everyone’ as, despite ‘physical disability and a great deal of pain’, he ‘clung to office and . . . devised a foolish and unworkable system by which he and Mr Holyoake were to be, as it were, joint Prime Ministers . . . Poor Mr Holyoake! His frustration must have been very great and his temper sorely tried.’

Holland’s intention to continue ‘in rather uneasy double harness’ with Holyoake until just before the election, however, was thwarted by further illness. Mallaby reported on 17 September that the Head of the Prime Minister’s Department, McIntosh, had told him that Holland was now ‘afflicted with an inflammation in his eyes caused by the bursting of a blood vessel’: ‘He is being attended by two doctors who have advised that although he is not really ill in himself, he must have complete rest and quiet in bed so that he is not even subjected to the normal distractions of the household. I think it is pretty certain that what the doctors fear is that any further strain of any kind on Mr Holland at the present time will cause him to have a stroke.’ McIntosh did not believe that Holland would return to work at all, and hoped that ‘he may be induced to hand in his resignation at an early date so that Mr Holyoake can really get into his stride as Prime Minister’. Three days after this letter, Holland did finally resign, and on 20 September Holyoake became Prime Minister and was able to form his own Cabinet. Holland was knighted and remained in Parliament as a Minister without portfolio until the election on 30 November, by which time he was unable to use his right arm or speak coherently. After his retirement his health improved somewhat and he resumed a reasonably active life until his death aged 68 in 1961.

Marshall replaced Holyoake as deputy leader. There were two candidates for the position, the other being the Minister of Finance, Watts. When the vote was taken in caucus, Holyoake collected the ballot papers and went into the telephone booth and counted them. He came out and announced that the result was so close that no decision could be made that day but that he would
contact two MPs who were absent and would announce the result after they had voted. Six days later he declared Marshall the winner. When Halstead, who was Secretary of Caucus, suggested that the ballot papers for deputy leader should be destroyed, Holyoake replied that he had already flushed them down the toilet. Watts was very upset and a number of MPs speculated that Watts might in fact have got more votes than Marshall. There was a view, especially among former Holland supporters, that Holyoake envied Watts’ reputation as the ‘brains man’ in the caucus, who came up with most of the best policy ideas, and also because he was close to urban businessmen, who at the time were not great admirers of Holyoake and did not see him as a long-term National leader. However, Watts’ health – he had high blood pressure and had suffered a heart attack in 1954 – may well have been the reason for tilting the vote in Marshall’s favour. The first Holyoake Cabinet, which was installed only two months before the election, was largely unchanged from Holland’s, with Watts now ranked number three after Holyoake and Marshall.

THE STAFF OF THE Prime Minister’s office found Holyoake to be ‘gracious’ but a little unsure of himself. He asked all Holland’s staff to stay on and told them: ‘You know more about running a Prime Minister’s office than I do.’ The Head of the Department, however, was not an unqualified admirer of the new Prime Minister and recorded at the time that Holyoake does not like Public Servants, any more than does Sid Holland. Nothing pleases him more than to refer to them as “slaves”. On the other hand, he is easier to deal with, in that one can talk to him and be more sure of having one’s points understood. But he does not like advice, he does not need advice, and he won’t take advice, because he either knows, or it doesn’t matter. He is not energetic, and he has very little background of knowledge. His approach to External Affairs is via Federated Farmers.

Foss Shanahan, who had been Secretary to Cabinet but was at that time New Zealand’s High Commissioner in Southeast Asia, disagreed with McIntosh’s assessment, responding: ‘I had a good deal to do with Mr Holyoake . . . and I must say that I enjoyed our association. He did listen to what I had to say and was always willing to hear my views as to what should be done – though, naturally, it did not follow that my views prevailed.’

If the British High Commissioner had reservations about the outgoing prime minister, he was also not particularly impressed by the incoming one. He found it amazing that Holyoake boasted publicly that ‘he was no
intellectual, he was not well educated; he had left school when he was fourteen and had never been near a university. The inference was that he, therefore, was peculiarly well qualified to be Prime Minister of New Zealand.’ Mallaby saw Holyoake as a capable Minister of Agriculture who had not been given enough time to come to terms with the role of Prime Minister before being thrust into an election campaign. Although he found Holyoake at first to be ‘friendly enough’ but ‘a trifle frigid and remote’, a private dinner that Mallaby hosted in order to get to know Keith and Norma Holyoake better turned into a disaster because of the drunkenness of another guest invited to act as an intermediary.34 The formal English diplomat also found that ‘Holyoake’s attitude to his duties as Prime Minister seemed casual, almost lazy’. On one occasion, the High Commissioner received on a Sunday morning an urgent private message for Holyoake from the British Prime Minister. With considerable difficulty, Mallaby obtained a meeting with Holyoake at his home at 2.30 in the afternoon, and when he arrived found the front door open but nobody about or answering the doorbell. Finally someone wandered down the stairs, ‘whistling lazily as they came’:

Mr Holyoake came into view, large, relaxed in shirtsleeves. He noticed me with some surprise – a tiresome Sunday intruder – and enquired in rich golden tones if he could do anything for me. I explained that I had an appointment to see him to deliver a message from Mr Macmillan. Disarmingly he said, “To tell you the truth I had quite forgotten, but come in.”35

In his memoirs, Mallaby compared Holyoake with Nash, very much to the Labour leader’s advantage, particularly when it came to their attitude to Britain. Nash, who alone among New Zealand politicians at that time ‘had a profound interest in international problems’ and ‘some pretensions to being a world figure’ to whom ‘other world statesmen were ready to listen’, was very devoted and loyal to Britain, ‘the old country’ in which he had been born and had grown to adulthood. Holyoake, in stark contrast, ‘came of a family which had been settled in New Zealand for more than a hundred years and his attitude to Britain . . . was naturally less tender, less compassionate . . . Holyoake . . . could quickly take offence at what seemed to him – and sometimes rightly so – patronising affronts from cocksure Englishmen.’36 Another British diplomat, D. M. Cleary, who erroneously thought that Holyoake lacked ‘Holland’s flair for catching and expressing the mood of the country’, more accurately warned the Foreign and Commonwealth Office in London that the new Prime Minister would not ‘have come out so openly and forthrightly in favour of the United Kingdom action during the
Suez crisis’ had he, and not Holland, been New Zealand Prime Minister at that time.37

Mallaby and Cleary were on the mark in their assessment that, unlike Nash and Fraser, who had been born in Britain, or Holland, who had been born in New Zealand but was with some justification seen as an Anglophile, Holyoake would be much less deferential to the British. Holyoake was a fourth-generation New Zealander with no great affection for Britain and, indeed, it can be argued that he was New Zealand’s first self-consciously nationalist prime minister. Some years later, in reply to his being granted the freedom of the City of London, he explained to an audience of 1100 guests, in a quite remarkable speech, that he did not think of himself as British. A great-great-uncle, George Jacob Holyoake, had been ‘a professional agitator’ and a ‘trouble-maker’, who caused ‘discomfort’ to the British politicians of his time. His ancestor was also a friend of the Italian nationalists Giuseppe Mazzini and Giuseppe Garibaldi. As they had sought to develop Italian nationalism, so also Keith Holyoake wanted to talk about the development of New Zealand nationalism, which could be found reflected in the young country’s exploits in war and sport. The relationship with Britain was ‘still a deep reality’ and England and London continued to have ‘a special place in New Zealand hearts’, but New Zealand had ‘to learn there are some problems we have to face alone’. Defence had brought New Zealand closer to the United States and Australia, and trade ties were increasing with Japan, Malaysia, Singapore and the other countries of the Asian region. New Zealand’s ‘values were sometimes a little different from those of the Homeland’. British history was ‘an old land’s glory’ but he and other New Zealanders had the ‘challenge and privilege’ to make history and create a distinct nationalism in a new land. It had been easy and comfortable for New Zealanders in the past to answer the question, ‘What am I?’ by saying they were British. That was an answer Holyoake said he could not give. He concluded that ‘we can now say, ‘I’m a New Zealander’” and declared: ‘[I]t is as a New Zealander that today I receive and acknowledge the honour you have done my country and me.’38

Some years earlier, in a lengthy and revealing newspaper interview, Holyoake had even gone as far as to suggest that in the future New Zealanders would not only be different from the British but would also become ethnically unique and be ‘physically ... quite distinct from, say, Australians’. He believed that ‘[t]he admixture of Polynesian blood, from our own Maori and from our new people from the Pacific Islands, will cause many more New Zealanders of a century hence to be more brown-complexion’.39 As two other journalists subsequently commented, Holyoake looked forward to a New Zealand with a population of some thirty million and which would not be ‘an appendage
of any other’, including Australia, because ‘he believes firmly in New Zealand as a nation in its own right, fully capable of standing on its own feet’, though relying ‘on alliances for its defence and security’.\(^{40}\)

FOR MANY YEARS, Holyoake had dwelt in Holland’s formidable shadow, and it was obviously going to be difficult for him to stamp his own personality on the government, the party, and the public. Holland’s belated retirement left Holyoake, who was better known among farmers than urban voters, with only ten weeks to establish himself as National’s new leader and broaden his personal appeal before the 1957 election. It was not long enough. The late change of leadership was compounded by the departure not only of Holland but also of Sullivan and Macdonald, the inevitable erosion of any government’s support after eight years in office, the inroads of Social Credit into National’s rural strongholds, and the demographic reality that New Zealand was becoming more urbanised and industrialised. Nor did National’s organisation, though still better than Labour’s, enjoy the marked superiority over its opponent that it had in the previous three elections. By 1957, Labour had a record number of branches and a membership only marginally less than its peak in 1938. National’s membership, by comparison, although still much larger than Labour’s, had eroded and was rent by considerable dissension in the ranks.

Holyoake opened his 1957 election campaign in Christchurch on Monday 4 November and gave his closing address at Dannevirke on Friday the 29th, the night before polling day. By then he had addressed 20 major evening meetings and numerous smaller functions during the day. His post-election report, written by an official who had accompanied him throughout the campaign, recorded: ‘A typical day would see the Prime Minister leaving his hotel at 9.30 by car, having lunch with a dozen or so Party officials, followed by a meeting at 2 o’clock, after which he would travel to a town where he was to spend the night, finding more party supporters waiting to greet him at the hotel, followed frequently by a dinner with some dozen or so present; [then] a meeting at 8 o’clock followed by supper.’\(^{41}\) Holyoake became very tired during the campaign and had persistent trouble with his voice because ‘the programme for each day was so full that, in addition to being a considerable strain on the Prime Minister physically, there was little opportunity for him to give continuous thought to his speeches’.\(^{42}\)

These speeches stressed a generalised choice between a ‘property-owning democracy’ under National and ‘state dictatorship’ under Labour. More specifically, the National Government was also changing the collection of income
tax from once a year to a pay-as-you-earn (PAYE) system. Tax had previously been collected in a single payment a year in arrears and Holyoake offered the remission of one year’s tax to avoid taxpayers having to pay two years’ worth in one year, plus a 25 per cent tax rebate up to a maximum of NZ£75 to make the changeover more acceptable to taxpayers. However, Labour stunned the electorate, and its opponents, by offering the one year’s remission plus a more generous flat rebate of NZ£100. It also promised housing loans at 3 per cent interest and the capitalisation of family benefits to provide housing deposits – policies probably as attractive to voters as the £100 rebate. National’s President, McKenzie, was very worried about Labour’s NZ£100 tax rebate. In National’s caucus, Goosman suggested matching it. Holyoake was not sure National could win the election but thought that ‘Nash was making the most reckless promises in a generation. The problem was whether to stand firm and not try to outbid him’; and that was Holyoake’s intention. A majority of his caucus colleagues agreed that National should not engage in what they saw as blatant bribery, and the National Party’s policy committee also decided not to engage in an auction for votes. Both knew, but certainly could not publicly acknowledge during an election campaign, that, because of inflation and over-importing, New Zealand was facing a serious balance of payments crisis. Instead, National relied on a mammoth but boring 73-page manifesto, which recorded its achievements over the previous eight years.

As a speaker, Holyoake’s voice made him sound pompous or supercilious. One journalist, who admitted he did not like the man, saw him as an actor, who ‘performed with enormous relish, placing precise weight and fruity emphasis on every word, allowing his rich *basso profundo* to ebb and flow through the phrases like Rostropovitch’s cello bow’. Ralph Wilson, the General Director of the National Party, was constantly asked by others in the party: “‘For God’s sake Ralph, can’t you . . . take the plum out of his mouth?’ [Holyoake] tried hard and had certain training to speak with authority . . . to make sure that in his utterances he did something above the mob.’ Wilson believed that Holyoake was ‘very conscious of his humble beginning’ and that his style of speech was an attempt to overcome his ‘very considerable sense of this inferiority complex’. A business confidant of Holyoake’s also told him that when he spoke ‘some people thought he was haughty and putting on airs’: ‘Nothing was further from his mind, and he stated that try as hard as he could he could not change his voice delivery which, he said, had been learned at his mother’s knee.’ Holyoake’s son-in-law also believed that Holyoake’s mother was largely responsible for the way all her sons spoke and recorded that ‘Conrad, his elder brother, had the same speech and bearing as did the other brothers to a greater or lesser degree’. 
Laurie Cleal, a senior party official, who was personally closer to Holyoake than was Wilson, and who accompanied Holyoake throughout the 1957 campaign, thought that the plummy voice was at least partly the result of Holyoake having to use his tongue to keep his dentures in place. He observed that ‘Holyoake suffered what to me must have been the world’s worst physical disability that a politician could have. No dentist in the world could build him an upper denture. That’s why he used his handkerchief so much when he was speaking and everywhere I went with Keith Holyoake I had a file of denture powder in my pocket and the last thing before he went on the platform he loaded the upper plate’, and periodically had to push the plate up with his tongue while speaking.48 Holyoake’s youngest daughter also recalled the trouble her father had with his false teeth, including a number of occasions when they fell out of his mouth onto the ground, and how, when working or relaxing at home, he often left them out of his mouth.49 Quite apart from that problem, Holyoake found the many public meetings during the 1957 campaign extremely stressful and often finished them saturated with perspiration, not only through his shirt but also the back of his suit coat, as if someone had poured a four-gallon bucket of water down his neck.50

Holyoake’s Assistant Private Secretary, Taylor, also accompanied him and handled the Prime Minister’s daily correspondence and communications with Wellington. He paid all the bills, including hotel bills. The Prime Minister was allowed an official travel allowance of 4 guineas per day, but this did not cover all his or Norma’s expenses. At the end of the campaign, when Taylor went to see him with the bills, Holyoake signed a blank cheque to be drawn on his personal account to cover the difference. Taylor said he wanted the Prime Minister, who had a reputation for being very parsimonious when it came to government expenditure, to discuss the accounts and to fill in the amount. Holyoake dismissed his secretary with the comment: ‘I can trust you in all sorts of other things. Can’t I trust you with a bloody cheque?’51

Labour polled 4 per cent more of the vote than National and won 41 seats to National’s 39. In Auckland the Government lost the marginal seats of Roskill and Tamaki, though narrowly retaining Eden and North Shore. In the South Island it lost St Kilda, St Albans, Nelson, and Lyttelton, where an impressive new Labour candidate, Norman Kirk, beat Harry Lake. Holyoake spent election night at Dannevirke with his local National Party organisation. It was usual in most electorates for a defeated local candidate to visit the winning opponent’s headquarters to concede and offer congratulations. When it became likely that Labour had won the 1957 election, Holyoake did not wait for the local Labour candidate to come to the National Party function to concede Pahiatua but instead went to the Labour Party venue,
shaking hands with most of the Labour activists present and congratulating them on their overall victory.\textsuperscript{32}

Immediately after the election, Holyoake contacted Nash and said that if he wanted anything during the ten days it would take before the changeover of government he only had to ask. A car would be made available from the Public Service Garage and Taylor was sent to help Nash clear nine boxes of letters he had not been able to respond to during the campaign. Shortly afterwards, Nash promoted Taylor to Principal Private Secretary. Taylor had heard dismal stories about the late hours Nash worked and also how indecisive and inconsiderate he was, but found ‘the reality much worse than the conjecture’, and also disliked Nash’s belief that he ‘knew how the world should be run’, as well as the fact that, in contrast to Holyoake, he ‘had no hesitation at all in telling everyone what they should do’.\textsuperscript{53}

Holyoake was undoubtedly a gracious loser but he was also exhausted by the campaign and spent a week in hospital recovering at the end of it.\textsuperscript{54} He moved out of the Prime Minister’s office in Parliament and also from his ministerial house. The National Party bought a house at 102 Bolton Street, some doors up from his previous ministerial residence, so that its leader could continue to live in Wellington close to Parliament.

In reflecting on the election, Holyoake told the National Party that although the £100 tax rebate was a major factor in National’s defeat, he believed that ‘even without it Labour would have won the election’.\textsuperscript{55} He called for ‘realism’ in assessing what had happened and predicted that National could win the 1960 election if it started campaigning immediately. This was a message he continued to deliver over the succeeding months, stressing that there had to be ‘loyalty to party principles and infectious enthusiasm and fighting spirit’ because not just the 1960 election but the government of New Zealand for the next twenty years would be at stake.\textsuperscript{56} Not all his parliamentary colleagues appeared willing to make that wholehearted commitment now that they were back in Opposition.

THE NOW LEADER of the Opposition was certainly annoyed that his new deputy, Marshall, had decided to go back part-time into his Wellington law practice. Holyoake had been very supportive of Holland in Opposition and was upset that Marshall was not willing to make the full-time commitment to the job that he had done and was not pulling his weight in getting National re-elected. Holyoake complained to Jack Scott: ‘Bloody Jack Marshall. I’m slogging my guts out and what is he doing?’ Scott believed that this was the start of an underlying rift between the two men that was to last for the rest of
Watts, the number three in the parliamentary party and its Finance spokesman, was also not prepared to commit himself fully to politics while in Opposition. He had moved from the marginal St Albans seat to Holland’s safe Fendalton electorate, also in Christchurch, on the former leader’s retirement from Parliament in 1957. Watts, however, had been very disappointed by his defeat for the deputy leadership. He bought a house in Wellington and shifted there to join a law firm after the election. Not a well man, in late 1959 he suffered a thrombosis that temporarily blinded him. After taking medical advice, and at his wife’s insistence, he decided to retire at the 1960 election.

Throughout 1958 and 1959, Holyoake was under constant pressure from an organisation known as the Constitutional Society. In 1950, Holland had turned New Zealand’s Parliament from a bicameral to a unicameral legislature by abolishing the appointed upper house, the Legislative Council. The Council had been dominated by elderly Labour supporters and Holland not only despaired of reforming it but also did not believe that the elected MPs in the lower House of Representatives should be potentially thwarted by a chamber that was not directly elected by voters. Holland had set up a constitutional reform committee to consider alternatives to the Legislative Council, such as an elected senate, but, although the committee had recommended this in 1952, Holland resolutely ignored its recommendations, even though the issue regularly surfaced at National Party conferences throughout the 1950s.

In 1957 a number of prominent business and professional men formed ‘The Constitutional Society for the Preservation of Economic Freedom and Justice in New Zealand’. Most of its leading figures, including its major funder, Henry Kelliher, the founder and managing director of Dominion Breweries, were from Auckland. The Constitutional Society’s platform was much more than the re-creation of an upper house, though that was prominent in its agenda. It was very concerned at what it saw as the socialist threat to democracy, the freedom of the individual, private ownership, unregulated competition, and the family as the chief unit of society. It was worried that the government bureaucracy was assuming too much power over the business sector and wanted many more checks on state power. Specifically, it wanted an elected upper house; a written constitution; the public service brought under an independent commission; Ministry of Works projects to be carried out by private contractors; social security to be managed by private insurance companies; the repeal of all emergency legislation; the abolition of death duties; and the immediate freeing-up of the exchange rate. In many ways it was comparable to a later business lobby group, the Business Roundtable, which was also established largely by Auckland businessmen a quarter of a century later.
At the National Party’s 1957 Conference, at which Holland announced his retirement, a remit on a second chamber was referred to the party’s Dominion Council to prepare a report on what would be the best form of upper house, after 110 delegates had voted in favour of and 119 had voted against a partly elected, partly nominated chamber. It took more than a year for the Council to appoint a special committee to consider the issue, and when it met, Holyoake was not present. Marshall, a supporter of an upper house, was in the chair and the discussion was largely about the form and function of a second chamber rather than whether or not there should be one.

Holyoake had always declared himself to be ‘in principle’ in favour of an elected upper house but became increasingly irritated by both the Constitutional Society’s personal lobbying of him and its public statements. Consequently, he went from friendly, if non-committal, responses to rebuttal of its allegations and then to open defiance. One frequent correspondent was J. B. Donald, the Chairman of the Auckland Branch of the Constitutional Society, who told Holyoake in early 1959 that he was not impressing National supporters in Auckland and that: ‘I am sure you fully realise that Auckland holds the key to the result of [the] next election because if we do not win here, you are not likely to win in other parts of New Zealand.’ Holyoake underlined this assertion and scribbled alongside it: ‘Untrue!’ Five months later, Donald again annoyed Holyoake by writing: ‘There is a very strong undercurrent against the Party at the moment, and it will probably grow in force unless a strong line of action is taken by you as Leader.’

In fact, the Constitutional Society saw little difference between Labour and National on many issues, and in April 1959 declared that it deplored the ‘weakness’ of the National Government from 1949–57 in not reversing the socialist system created between 1935 and 1949. The Society would ‘welcome the formation of a new political party should that become necessary to achieve the objective of the society’ and stop ‘the drift towards socialism in recent years’. Holyoake immediately wrote to the Society’s National Secretary, A. F. Manning, also from Auckland, criticising the organisation’s negative comments about the National Party and concluding: ‘I would like you to let me know whether it is your Society’s intention to form another political party?’ Manning in reply expressed ‘keen disappointment at the apparent rapid movement of your party to the left during its last few years of office’ and warned Holyoake that while ‘[t]he Society does not wish to form a new party . . . it had to consider its attitude to the existing parties’ and did not exclude the formation of a new one. He suggested Holyoake meet with the leaders of the Constitutional Society.

A week later, Holyoake addressed a public meeting of 400 people at
Whangarei. He rebutted the Constitutional Society’s criticism of the National Party, stating: ‘That makes me angry . . . very angry.’ But he also tried to blunt those criticisms. His and his party’s aim was ‘to restore a greater degree of personal liberty than New Zealand has known in the last 25 years . . . . We are fighting for . . . preservation of individual freedom and the right of choice for our children . . . we will reduce taxes to give the people incentive to earn more . . . . Taxation is just too heavy.’

Shortly before Christmas 1959, Holyoake, accompanied by several other National Party MPs and officials, met the Constitutional Society’s Standing Committee, which presented him with a prepared submission that covered many of the issues they had raised with him over the previous two years.

Holyoake always argued, when talking about politics in general and constitutions in particular, that the essential problem was one ‘of relating and balancing the claims of the individual and the claims of organised society’. He insisted that ‘[o]nly the people through Parliament could say what was right and what was wrong’, and as a result, the ‘Courts must be given instructions by Parliament’. He was happy to establish controls over the public service, including appointing an ombudsman to remedy grievances against it, and would establish a Royal Commission to inquire into it. While he conceded that the 1949–57 National Government ‘had moved too timidly’ to roll back the legacy of fourteen years of socialist legislation, he cautioned that it could not move too quickly or openly on matters such as death duties ‘because of the danger of being labelled a rich man’s party’. He would seek deregulation of industry. He was ‘in favour of the principle of the Welfare State’ and, therefore, ‘would not guarantee to cut the scale of benefits, but would promise to hold them until the cost became manageable in proportion to the national income’. New Zealand was not a federal system, so he personally did not think a written constitution and an upper house were essential, though a committee of his party was looking at them. He thought New Zealand ‘could certainly have a bill of rights’. At that stage, one of the Society’s representatives, Kelliher, interjected that ‘there had been too much expediency and not enough adherence to principle’, to which Holyoake responded that ‘he had repeatedly given an assurance that his party would give more freedom than for a quarter of a century’. He would set up a committee of himself, Marshall, Watts, and the party’s president, McKenzie, to study the Society’s proposals further. The party subsequently dropped Watts from the committee and added R. M. Algie, D. O. Whyte, F. G. Massey, E. P. Wills, J. S. Meadowcroft, and D. J. Riddiford.

The party’s committee unanimously recommended to the 1960 Conference that a second chamber would be valuable if a suitable method of
selecting its membership could be devised. The National Party’s conference that year, however, rejected the proposal in favour of a promise that, on becoming government, National would investigate a bill of rights and a written constitution. This largely defused the issue until after the election. Once National was back in power a parliamentary committee did examine a number of constitutional suggestions, including an upper house and a written constitution, but by 1962, Marshall, who had always supported an upper house, was forced to admit that ‘there is no widespread public support for an Upper House in New Zealand today’ and that the Government would not, therefore, legislate for what was ‘the view of a very small minority of the country’.69 Holyoake had won the battle with the Constitutional Society but had made enemies in the process, including a number of right-wing businessmen.

In truth, Holyoake was never completely comfortable with the business community, especially in Auckland, even though most supported his party. Initially, when he became Prime Minister, according to the official historian of the Northern Employers’ and Manufacturers’ Associations, ‘the manufacturers got – or felt they got – a more sympathetic ear’ at the first meeting they had with Holyoake than they had from Holland. But they soon concluded that ‘Holyoake . . . was already developing his legendary gift of making nearly everybody believe he agreed with them’ and little changed and the manufacturers got neither greater protection from imports nor a larger allocation of scarce foreign currency to import materials than they had before.70 In November 1958, George Gair wrote to Holyoake congratulating him on another meeting that the Prime Minister, Marshall and Watts had held with Auckland businessmen at the Peter Pan cabaret. Gair thought it had gone very well. Holyoake responded that, on the contrary, he thought the meeting had been quite poor and ‘we never really established close contact with the businessmen present’.71 This was not an isolated experience for Holyoake. There were clearly a number in the National Party and among the urban businessmen who supported it, particularly in Auckland, who were unimpressed with Holyoake as leader and who sought throughout 1958, 1959 and early 1960 to belittle and replace him. In 1958, the leader, addressing the South Auckland Division, ‘appealed to members not to speak against their own people’: ‘If criticism is felt to be necessary, keep it within our own walls and do not spread it abroad, but rather encourage and praise members of [our] own party and criticise the actions of the Labour Party.’72 In fact, criticism of Holyoake personally had, by mid-1959, become such a concern to the party’s president, McKenzie, that he felt it necessary to tell the Auckland Division that the dissatisfaction, especially amongst Auckland businessmen,
was ‘unwarranted’. Holyoake had a good grasp of fundamental economic issues and above all was a good team man who had the complete confidence of the party’s MPs.73

From time to time during the 1957–60 period, there was not only criticism but also speculation that Holyoake might not remain National’s leader. There appeared, however, to be no clear alternative. Although there was a suggestion that Sullivan should be brought back, that was never a realistic possibility.74 The British High Commission in Wellington, in a confidential document for ‘UK Eyes Only’, described Holyoake as being criticised by his own supporters ‘for lacking toughness’ and for his ‘rather pompous manner’. Marshall was seen as ‘in many ways a sounder man but lacks strong electoral appeal’. Shand was a man whose ‘ambitions have not been satisfied’ and who was ‘not above attempting to outflank his party Leader in order to improve his own chances of replacing him’. An outside possible candidate was Sir Leslie Munro, New Zealand’s Ambassador to the United States and Permanent Representative at the United Nations from 1952–58, who was still out of New Zealand ‘but of whom the existing hierarchy are showing distinct signs of wariness’.75 On the day Holyoake had replaced Holland as leader, the Head of the Prime Minister’s Department had speculated that Holyoake would need to keep Munro in a post outside New Zealand ‘because he is the only potential rival for the Prime Ministership. In fact, his danger in that respect may very well give him a virtual life tenure of Washington.’76 Several Press Gallery journalists also later recorded that Shand had been willing to replace Holyoake before the 1960 election.77

Holyoake had reason to be wary of Munro. Previously a lawyer, university law lecturer, and for nine years editor of the New Zealand Herald, Munro was intelligent, forceful, very ambitious, and inordinately arrogant. He was also an incisive, erudite and frequently witty debater, whose appointment for six years to Washington and New York by the Holland Government was his reward for long and active support of the National Party and especially of the Holland faction. As a member of the National Party’s Dominion Executive from 1940–42, Munro had, in his own words, been ‘a party to Mr Holland becoming the Leader of the Party’ and marginalising the Coates and Hamilton-led former Reform Party rural faction, to which Holyoake had belonged.78 Munro had been fortunate as New Zealand’s Representative to serve on the Security Council and become President of the General Assembly during its 12th session in 1957–58. After being removed by the Labour Government – a move criticised by National – he had been the UN’s Special Representative investigating the Soviet Union’s invasion of Hungary several years earlier in 1956. He had two knighthoods, the KCMG and the KCVO.
In 1958, Dame Hilda Ross, the National MP for Hamilton, announced her intention to retire at the next election and her electorate chairman wrote to Munro asking if he would consider replacing her. Munro had discussed the possibility of returning to New Zealand and becoming an MP with Marshall, when National’s deputy leader had been in Washington DC a few months earlier, but because, as Marshall recorded, Munro ‘in his own mind saw himself as a Prime Minister’ he was somewhat reluctant to contest what was seen as a possibly marginal seat but let it be known that he would be prepared to accept a safer seat.

The preferred constituency was Remuera, of which Munro had been Chairman from 1948–51. Algie, the incumbent National MP and former Education Minister, had initially won the Remuera nomination by displacing his predecessor as MP in a challenge prior to the 1943 election. A group of local party members, backed by some leading Auckland businessmen, now sought to replace Algie with Munro. Their ultimate target was not Algie but Holyoake, whom they believed was ‘terribly unpopular in that he is considered quite ineffective by the man in the street, laughed at by Labour, and reluctantly defended by most National members’.

In March 1959, Sir James Fletcher wrote a hard-hitting letter to Holyoake expressing his ‘fears for the future of the National Party’ because he had ‘seen the worsening attitude of many of the most loyal supporters of the Party’. He believed that: ‘From published statements by the Leader of the National Party and by many of its members it is impossible for any man or woman to get the slightest idea of the National Party’s plans to bring about stability and good government in the country.’ There was a need for a ‘party with some of the old liberal principles’, and Fletcher suggested Holyoake should make six clear-cut public statements that National, on becoming the Government again, would immediately apply for membership of the World Bank and the International Monetary Fund; bring in a minimum of 10,000 married immigrant couples a year, coupled with a housing scheme of slum clearance and satellite towns; completely overhaul all departments of state; overhaul import controls and eventually replace them with tariffs; set up a Royal Commission on taxation, and gift and death duties; and completely review the liquor licensing laws.

Holyoake’s reply was cautious. He was working on World Bank and IMF membership and did ‘not yet despair of success’. Immigration policy would be decided nearer the election, depending on the economic circumstances. He agreed on the overhaul of state departments. The policy on moving from import controls to tariffs would be close to what Fletcher suggested. He had already announced proposals for reduced rates of tax and personally believed in an inquiry after the election. He also had already pledged to review the
licensing laws. He concluded that Fletcher would be pleased with some of his reply but dissatisfied with other parts of it but that he would ‘not at this time, or any other time, give any promise that I am not sure is capable of fulfilment’. Fletcher could be assured, however, that Holyoake would use ‘whatever influence I have in the next National Government ... to ensure that there will be greater scope for private enterprise and personal freedom’.

In June 1959, Sir Charles Norwood wrote to Holyoake asking him to use his influence to persuade Munro to return to New Zealand to enter Parliament and a future National Cabinet. Two days later, a group of Auckland businessmen met and recorded in the notes of their meeting that there was ‘much lack of confidence in important circles in Wellington’ in Holyoake. As a result:

We in Auckland should quickly but carefully study the possibility of securing the services of Sir Leslie Munro to organise and lead the parliamentary section of the National Party members of the Auckland Province. A safe seat should be found for Sir Leslie, and Remuera would be ideal.... We must organise to see that our choice is selected by the National Party electorate committee in Remuera.

The meeting was told that ‘Holyoake, Marshall and Watts are not receptive’ to the plan to ‘get him into Parliament as leader of the National Party’. It was important that ‘any finance needed to secure his future for this purpose should be found on a basis that places and keeps him in the same high category of financial freedom from obligation to anyone as a Supreme Court Judge. The fund could be a permanent one always available for the Auckland Provincial National Party Leader.’

A few months later, Munro received a number of letters from Fletcher and two other prominent Auckland businessmen – Kerridge, who was pressuring both the Labour Government and the National Opposition to allow private enterprise the opportunity to develop television in New Zealand, and Ernest Davis, a very wealthy brewer, who had supported both major political parties financially for many years. Fletcher told Munro:

It has taken some time to get a fairly clear picture of those for and those against your coming into the political arena. The first approach was on the question of trying to get a definite commitment that, if returned as a National member, you would be given a portfolio. Unfortunately, I have been no more successful than you have, and as a matter of fact was left with a distinct impression that you would have to serve at least one term before such an office would be granted to you.

On the question of the Remuera seat, there again opinion was divided as it would appear that a definite undertaking had been given to Ron that he would
have another three years. On the other hand, there are quite a number would be prepared to make up his pension to his present remuneration (not as a Minister) if he resigned now.

There would also be no ‘great difficulty’ in arranging financial support for Munro himself. Fletcher concluded by informing Munro that his supporters were prepared to make financial commitments to him and force the issue in Remuera but could not guarantee him immediate cabinet rank if National won the 1960 election. He also observed: ‘I must honestly make it clear that there will be a definite fight on our hands when we set out to relieve Ron of his safe seat at Remuera, and I must also say there is going to be deep resentment as far as the Leader of the Party is concerned if such an attempt is made.’

Kerridge was likewise very supportive of Munro, telling him: ‘Your reticence to accept the repeated invitations to enter New Zealand politics is understandable; but the Dominion is desperately in need of leadership and while personal considerations must necessarily be paramount, it would be wonderful for this Dominion if you could see your way clear to assume the responsibilities of political life.’ Davis told Munro that he would be ‘proclaimed’ if he announced he wanted to stand for Parliament and that he (Davis) would provide him with a number of directorships, one paying £1,000 a year, but personally did not advise the move at that time. Nevertheless, Davis added: ‘The one cry in New Zealand amongst the National Party is they are looking for someone to lead them. Mr Holyoake is a nice man, a good man, but they seem to think he has not sufficient determinating [sic] strength. He may have, I don’t know but that is what I hear from men who know him.’

Munro personally approached Holyoake and asked him to use his influence to get him the nomination for a safe seat at the election later that year, following which Munro hoped he would join the Cabinet, probably as Minister of External Affairs. Holyoake was unwilling to help or make any assurances and Munro complained to a somewhat more sympathetic Shand, who responded reasonably and at length, pointing out that the National Party was not like the old Reform Party, in which the leader and a small group in Wellington chose candidates. A National candidate had to gain the support of a majority of party members living in an electorate, and the open endorsement of the leader, if done before an aspirant had sought local endorsement, ‘would almost inevitably ensure the rejection of the candidate’. Shand added: ‘I can appreciate how easily Keith Holyoake’s attitude could have appeared to be one of lack of interest or at least lack of appreciation of what you might do for the Party. On the other hand, I do not see how he could have acted otherwise than he did.’ Holyoake had also not given any indication to existing
MPs as to who would be in his Cabinet if National won the 1960 election and, therefore: 'Keith would have put himself in an impossible position if he had given you any indication of his future intention.'

Thwarted in Remuera and unable to persuade Holyoake to use his influence to obtain him the nomination for some other safe seat, Munro, in July 1960, considered standing for the marginal but clearly winnable seat of Tamaki. However, he had left his move too late and was also not helped by declaring that he would only accept the nomination if he was selected unopposed. There were already eight nominations for the seat but McKenzie asked them if they would stand aside in Munro’s favour. One, Robert Muldoon, said Munro was welcome to contest the candidacy but that he would not stand down, and when others agreed with Muldoon the selection went ahead without him.

Holyoake was not the only party leader to be under pressure. Nash was reluctant to hand over the leadership of the Labour Party to Nordmeyer or anyone else prior to the 1960 election. He told the British High Commissioner that ‘Nordmeyer is intellectually the best qualified but he feels that he lacks the necessary human qualities. He wishes he had a man who combined the intellect of Nordmeyer and the humanity of Skinner.’ Nash also felt that he could not give up the External Affairs portfolio ‘because he cannot for the life of him see to whom he could suitably give it’, and he also had to retain Maori Affairs because Tirikatene, the only Maori in Cabinet, ‘is not a very strong Maori and would find it much harder to stand up to exaggerated demands by the Maori people than the Prime Minister does’.

All parties are vulnerable in office because their supporters expect them to fulfil a diversity of expectations arising from both specific election manifesto promises and the traditional values and objectives of the party. Within months of the 1957 election, the new Labour Government found it even more difficult to do so when it had to deal with a collapse of export prices for wool. This worsened the balance of payments crisis already caused by the much lower butter prices, which had been weakening for months prior to the election and which fell precipitously in early 1958. As a result, it became very hard for Labour to fulfil its election promises. Holyoake realised several months before Labour had to bring down its 1958 Budget that problems were piling up and that no matter ‘how reluctant they may be a Government must do so at Budget time’, and he believed as a result National would have something ‘to bite into then’. In the Budget, Nordmeyer responded to the expectations of Labour voters by increasing social security benefits and providing state loans at
3 per cent interest for married couples on low incomes who wished to build a home. But he also increased direct taxation, imposed quantitative controls on almost all private imports, and raised indirect taxation on cigarettes, tobacco, alcoholic drinks, cars and petrol. As a result, his political appeal was seriously damaged by the ‘Black Budget’ of 26 June 1958, of which Holyoake repeatedly proclaimed: ‘People won’t forget and they won’t forgive.’ Holyoake told his caucus immediately after the Budget was delivered that the 1960 election was as good as won.

Meeting the day following the Budget, Holyoake informed the National Party’s Dominion Executive that he and his parliamentary colleagues would ‘emphasise the effect of the budget on the working man and woman. It would be their aim to say in the House what people outside were saying about the budget.’ He believed that people would get ‘really angry’ at the rise in the cost of living and the substantially reduced amount in their PAYE wage envelopes. The Labour Government was, in his view, ‘gambling on a recovery taking place in 12 to 18 months in overseas prices of New Zealand primary produce’. He agreed with the party president’s view that the ‘budget would be a great impetus to the National Party organisation’ but was clearly not prepared to concede publicly another of McKenzie’s observations that ‘the tax on cigarettes, tobacco and liquor might be justified under the present circumstances’.

Even though Nordmeyer’s ‘Black Budget’ worked in dampening inflation, and export prices for butter also recovered in 1958 and 1960, turning New Zealand’s balance of trade and payments into a healthy surplus by 1960, Holyoake simply ignored these facts. For the next two and a half years the Leader of the Opposition energetically stumped the country criticising in his booming voice Labour’s economic mismanagement. He claimed that the Government’s problems in 1958 had been caused not simply by a drop in overseas prices outside its control but also by its reckless, unrealistic, and unprincipled 1957 election bribes. He delivered a sustained attack on the ‘Black Budget’ and on its author Nordmeyer, a ‘(t)axman’ who had used a ‘smash and grab’ budget to take away people’s hard-earned wages and levy their simple pleasures. In contrast, he asserted, the National Government, of which he had been the Deputy Leader between 1949–57, had reduced the rate of taxation in seven of the eight years it had been in office.

In preparation for the 1960 election, Holyoake set up seventeen caucus committees to develop policy on a wide range of issues. An overall caucus policy committee, chaired by Holyoake, and the only one on which he served, brought all the policy proposals together. Its other members were Marshall, Watts, Shand, Hanan, Leon Gotz, and Bill Gillespie. The caucus policy
proposals were then conveyed to the party’s Policy Committee consisting of Holyoake, Marshall, Watts, the president, treasurer and one divisional chairman, who produced National’s 1960 election manifesto.98

In seeking to emphasise the differences over taxation between Labour and National, Holyoake went somewhat further than perhaps intended by promising publicly at a National Party garden party in the then Labour-held marginal seat of Tamaki that: ‘The National Party will definitely reduce the rate of taxation immediately it becomes the Government.’99 He added: ‘Our first objective when we become the government will be to get the rate of taxation down to the level when we left office in 1957 [and] then progressively reduce taxes as we did before.’ When the following year Holyoake was criticised for not doing what he had promised, he asked his staff to ‘check reports of my address to the Tamaki Garden Party last year – did I say a Nat Govt would reduce taxes immediately?’ His staff reported back that he had.100

HOLYOAKE CAMPAIGNED throughout New Zealand during 1960 but did not neglect his own electorate. At the end of March, for example, he held meetings in Pahiatua on Monday night, Eketahuna on Tuesday, Flemington on Wednesday, and Woodville on Thursday. He met with his electorate committee on Friday and visited local schools on Tuesday and Saturday.101 During the election campaign itself he held numerous large and enthusiastic meetings, including attendances of 2000 at Wellington and 1100 in Christchurch.

While he castigated Labour, Holyoake’s speeches during the 1960 election campaign also stressed that the National Party stood for democracy, private ownership, personal responsibility, freedom of choice, and ‘moral purpose’, which involved ‘love of country’ and a desire to do one’s best. The 1940s had been a ‘decade of survival’, the 1950s a ‘decade of recovery’, and the 1960s would be a ‘decade of change and progress’, during which New Zealand would also take its place and play its part in the ‘council of nations’ – for example, through the Colombo Plan and the United Nations.102

The National Party organisation in 1960 was the strongest in its history. It had 246,000 members in 1300 branches, a membership never matched before or since. On election day numerous party workers with fleets of cars scoured the marginal electorates, in particular looking for National-leaning voters. They had been identified by weeks of intensive door-to-door canvassing and recorded on a ‘blue dot’ electoral roll system so that party scrutineers throughout polling day could check whether or not they had voted.

Despite the dramatic improvement in the country’s balance of payments, Labour’s vote collapsed at the 1960 election, not because it shifted to another
party but because it went, as Holyoake correctly observed, into ‘cold storage’. Marshall was more positive about why National had won and claimed that two promises had been decisive: tax cuts and voluntary unionism. National ended the election with a majority of 4 per cent of the vote and 12 seats more than Labour in Parliament. Seventeen of the 46 National MPs were members of Federated Farmers, including the Prime Minister, a founder and life member of that organisation. It is not surprising that, to some observers, Federated Farmers appeared to be the National Party in gumboots, although such a perception was not totally accurate in the light of the number of businessmen, accountants and lawyers the caucus also contained and the continued influence urban business still enjoyed behind the scenes. Certainly, however, the new National Government enjoyed considerable support from the rural community. In his own seat of Pahiatua, Holyoake, with over 64 per cent of the total vote, had a majority of 4934 over his Labour opponent. His margin, although still substantial, was smaller in the larger centres of Dannevirke, Pahiatua, Woodville, and Eketahuna, but overwhelming in the many smaller rural polling places such as Awariki (34 out of 37 votes), Hamua (61 from 67), Kohinui (80 from 89), Mangapakeha (37 from 39), and Waione (46 from 48).

The election victory silenced for a time criticism of Holyoake’s leadership. However, as he repeatedly pointed out over the next few years, seven of the seats National had won had majorities of less than 400 and only 200 people in each of those seats needed to change their vote for National to lose its majority in 1963. National would need to be united and tough and target those seats in 1963 if it was to retain office. He told his former critics in the party and the business community that the election results had proved their pessimism in 1959 wrong. They should remember that next time they decided to criticise his leadership and those who had won in 1960, because ‘our own people could destroy that good team if they set their minds to it’.

When Holyoake moved back into the Prime Minister’s office after the election, he found most of the staff members who had been there when he handed over to Nash three years before. He appeared to be delighted to see them all and jovially greeted them: ‘Ah, the old team back again.’ He loved talking about his ‘team’: ‘My team in my office’; ‘My cabinet team’; ‘My caucus team’; ‘My party team’. Holyoake had a ‘happy knack of getting people to work for him and being happy about it’. He was polite but friendly with his staff and not above teasing them on occasions. He gave them loyalty, friendship, and trust and expected it back. He was happy to delegate and joked to his staff that if they were getting the ulcers that meant they were doing the worrying and not him.
Holyoake, unlike Nash, was assiduous in dealing promptly with paperwork. He was also much more decisive than Nash and good at making decisions. He had Taylor divide his mail into two piles: one that he didn’t need to look at and which others could handle, and one that he took home every night to read. The second pile had to include all letters from his electorate and they were read very carefully. Holyoake never acquired the art of dictation, so would tell Taylor briefly what to say in reply and would then read and sign the drafted responses between 5 and 6 p.m. most evenings, when he would also discuss with Taylor what to do with various invitations and go over the next day’s appointments. The following twelve years as Prime Minister and Minister of Foreign Affairs were to be the busiest in Holyoake’s life.
HOLYOAKE WON A comfortable working majority over Labour not only in 1960 but also in 1963, 1966 and 1969, before deciding to stand down in 1972 rather than risk leading his party to defeat in the election later that year. Only one New Zealand prime minister has won more elections than Holyoake. The Liberal Party’s Richard John (‘King Dick’) Seddon won five in a row (1893, 1896, 1899, 1902 and 1905). The Reform Party leader William Ferguson (‘Kaiser Bill’) Massey was elected Prime Minister after four successive elections (1911, 1914, 1919 and 1922), in two of which, 1911 and 1922, because of the three-way split vote among Reform, Liberal and Labour, his party did not win either a majority of the votes cast or of the seats in Parliament. Both men, unlike the much more modestly nicknamed ‘Kiwi Keith’, died in office; Seddon in 1906 and Massey in 1925.

In a rare insight into his thinking, Holyoake in 1962 gave an address at Victoria University of Wellington entitled ‘The Task of the Prime Minister’.¹ In this speech he described his role as acknowledged leader ‘not just of the parliamentary group, but of the Party as a whole’, and outlined what he looked for in those he chose for Cabinet. A prospective minister must be able to debate, enjoy some public popularity, be respected within the party, not be too involved in factions, have some ability and experience, and preferably show original initiative and sound judgement. Geographical considerations also played a part: ‘I say quite frankly that my selection of Ministers resulted from a long study of my colleagues. I looked at each colleague and his capacity and how he would fit into the team.’² Even so, he conceded in an interview, ‘[c]hoosing my cabinet’ was his toughest job as Prime Minister: ‘Nothing has worried me as much as that – having to choose between worthy people . . . knowing some had to be left out.’³ Interestingly, he did not mention formal education, but, as the Director General of the National Party observed,
Holyoake was always 'very very self-conscious of the fact that his Cabinet included a good many university graduates' and also very conscious that he had no such education.  

After the 1960 election, despite the retirement of Sullivan and Macdonald in 1957 and Watts in 1960, Holyoake still had a wealth of talent from which to choose his ministry, the core of which was Jack Marshall, Ralph Hanan, Jack McAlpine, Tom Shand, Stan Goosman, and Harry Lake. All except Lake, an accountant and one of Holyoake’s most trusted political friends, to whom the Prime Minister gave the Finance portfolio, had also served as ministers in Holland’s Cabinet. The average age of Cabinet was 55, close to Holyoake’s own age of 56, and five ministers were under 50 years of age. Nine came from the North Island and seven from the South. All were men, and indeed, with only one woman MP in his caucus in 1960 and two in 1963, Holyoake was never to appoint a woman to Cabinet. All the ministers were asked to provide the Prime Minister with a signed but undated letter of resignation from Cabinet, a practice Holland had introduced.

The senior lieutenant was Marshall, who became Deputy Prime Minister and Minister of Industries and Commerce, Customs, and Overseas Trade. Throughout the following twelve years Holyoake heavily burdened Marshall with major administrative portfolios and he was undoubtedly one of the ‘workhorses’ of the administration. At first, Holyoake and Marshall worked well together, but less so as time went on and Holyoake proved reluctant to stand aside and let his deputy succeed him as leader. The two men were a contrast but also complemented each other in personality, background, and political appeal. ‘Kiwi Keith’ Holyoake was robust and extrovert, somewhat sceptical of intellectuals and bureaucrats, most comfortable with the farming community, and a master in the hurly-burly of elections or parliamentary debates. ‘Gentleman Jack’ Marshall was a scholarly and courteous lawyer, highly regarded in business and professional circles and by senior civil servants, shrewd and tough as a negotiator and administrator, but not at ease in the cut and thrust of partisan politics. Being a deputy is also very difficult, and while Marshall had to be loyal to Holyoake he also had to tell him what worried cabinet or caucus colleagues and this could be seen as criticism of or disloyalty to the leader when the message was negative. The relationship between the Prime Minister and his deputy was also not helped by the sometimes bitter rivalry between their officials, especially between those in External Affairs and the Department of Industries and Commerce, led by Dr W. B. Sutch (1958–65) and later M. J. Moriarty (1965–73) and which had its own overseas trade commissioners. Treasury also tried to exercise financial control over External Affairs and wanted to influence overseas trade matters.
Holyoake was closer personally to Hanan, the charming, clever, liberal, hard-working and sometimes tactically devious Attorney-General, and Minister of Justice and Maori Affairs, whom Holyoake later recalled was ‘a born crusader’ and ‘[t]o me . . . sometimes a torment, but always a joy’.7 Hanan was not above leaking information to the press in order to signal what he intended to do and generate public support, and on one such occasion an exasperated Holyoake accosted his colleague in the parliamentary dining room and inquired loudly, ‘Ralph, do you lift your leg every time you leak?’ 8

The relationship between Holyoake and Shand, the fourth major member of the Cabinet throughout the 1960s, was not as close. Shand, a Kaikoura farmer with a BCom from Canterbury University, had been a bomber pilot in World War II. He was intelligent, hard-working, ambitious, opinionated, very determined, and could be quite theatrical. He was less tactful and more direct in pursuing his policy agenda than the subtle Hanan, and another minister described him as ‘one of the worst kind of interferers in other people’s portfolios’.9 That brought him into conflict with a number of his colleagues, including senior ones such as Marshall, over the effective retention of compulsory unionism, and Lake, over his handling of the economy. Jack Scott, the Chief Whip from 1960–63 and later Minister of Marine from 1963–69, disliked Shand intensely, as did a number of other MPs including Rob Muldoon, Peter Gordon, Geoff Sim, and Alan McCready, whose views in caucus Shand tended to dismiss with imperious contempt. As Gordon recalled, Shand ‘tried to ride roughshod over others’, and the caucus debate on voluntary unionism was so heated that at one point McCready got Shand in a headlock while Sim ‘belted him with a stick’.10

Holyoake observed that, although Shand ‘had a splendid brain and an acute, probing, questioning mind’ and was a ‘tireless worker’, he was also ‘volatile’: ‘We have all seen from time to time an outburst of hot temper . . . . He was outspoken, fearless, courageous . . . . He was certainly not a “yes” man . . . . Would it surprise members, and particularly members of the Opposition, to know that we had our differences?’11 On several occasions, Holyoake had to intervene when Shand threatened to walk out of a cabinet or caucus meeting, including during the debate on voluntary unionism. Shand angrily declared that ‘he would not be dictated to by caucus’, but Holyoake responded from the chair that ‘caucus is the machine which gives us consensus’ and that if Shand left it ‘we’ll never see you back again’.12 Holyoake threatened Shand with a similar fate when he again went to walk out of a meeting over a new power station at New Plymouth after the Prime Minister had refused to back him in a dispute with Scott.13 To Holyoake, caucus was an open forum in which everyone was equal and where, after a no-holds-barred debate, a united
position could be reached by consensus on major matters. He made it plain to ministers that they had to sell their policies to caucus, not dictate to it. On the other hand, worried that some of the new backbenchers, including the ‘Young Turks’ – Muldoon, MacIntyre, and Gordon – were asking embarrassing questions of their own ministers in the House, he suggested that they should take the matter up first with the minister concerned before questioning them publicly.¹⁴

Shand strained Holyoake’s incredible patience on other occasions and the Prime Minister rhetorically asked colleagues such as Alf Allen and Lance Adams-Schneider: ‘Why is it I’ve got to suffer Shand?’¹⁵ The clear answer was that Shand could not be overlooked. He was certainly regarded by many civil servants as a very able man and an excellent minister to work for.¹⁶ And Holyoake had no doubt that Shand would also have been more difficult to control outside the Cabinet than in it. The Prime Minister, however, was not prepared to appoint Shand Minister of Finance in 1960, or later in 1967 when Lake died, even though Shand wanted the post on both occasions, certainly had the ability and experience, and had a clearer view of what needed to be done to strengthen the New Zealand economy than probably any other senior National MP at that time.

Among the other portfolios allocated was Agriculture, which Holyoake had held himself from 1949–57. He gave that to Bill Gillespie, but five months later Gillespie died. His successor, Tom Hayman, also died early in 1962. The third Minister of Agriculture appointed within fifteen months was Brian Talboys. Holyoake was to leave Talboys in that post until he unexpectedly switched him to Education following the 1969 election, by which time Talboys had served as Minister of Agriculture for a longer period than had Holyoake himself. Talboys recalled that, when he took over in February 1962: ‘The Ministry of Agriculture and Keith were almost synonymous in my appreciation. One was very much aware that the maestro was there.’¹⁷ But Holyoake rarely interfered at Cabinet on any matter to do with agriculture and usually supported Talboys when he needed support. On one occasion, however, the Prime Minister, who feared a revolt of farmers on the issue, did try to stop Talboys giving a speech in favour of the Wool Board acquiring and marketing all wool. The Minister of Agriculture intended to deliver the speech at Massey University but Holyoake prevented him from speaking by insisting he attend another appointment. Talboys continued to support acquisition, despite the formation of a new anti-acquisition Sheep and Cattlemen’s Association. Although Holyoake was displeased, Talboys recalled, ‘I wasn’t sacked’.¹⁸

However, the MP who was probably Holyoake’s closest friend and confidant in the House was not a minister but a backbench MP, Geoff Sim, who
represented successively Rotorua, Waikato, and finally Piako from 1943–66. A former shearer, fencer, and stock agent, Sim had been severely wounded early in World War II, losing an arm and an eye and having a leg badly shattered. Sim met Holyoake at a candidates’ conference in Wellington shortly before the 1943 election and was immediately impressed by the ‘confident, forceful, sound but not boastful’ candidate for Pahiatua, who was ambitious but mixed well with people and was very popular. Sim later recalled that he saw Holyoake clearly, even at that time, as the future leader of the National Party.19 For the following 23 years, Holyoake and Sim, when in Parliament, would often meet for a cup of tea and a chat together. Both loved horse racing and, with Percy Allen, formed a syndicate that made bets, keeping their funds in a special Post Office account. The three would meet in Holyoake’s office regularly on Friday mornings and over a cup of tea select horses from Best Bets. Sim would then place the bets at the TAB at the top of Molesworth Street and keep a record of their losses and winnings. When Sim retired in 1966 he gave the savings book, still with 30 shillings in it, to Holyoake as a keepsake.20

Sim and Holyoake’s son-in-law Ken Comber both saw Holyoake as ‘a very private man’, who had colleagues, confidants, and a large array of acquaintances but few really close friends.21 His deputy, Marshall, also believed that, although ‘a humane man, sensitive to the personal concerns and feelings of others’, Holyoake ‘did not find it easy to show his own deeper feelings’.22 Holyoake liked chatting about football, was a good billiards player, and enjoyed a ‘few drinks and a game of cards’. He was a sparing drinker, who enjoyed one or two glasses of beer or Scotch but then, except on rare occasions such as New Year’s Eve at Kinloch, usually refused to have any more.23 Once a year, the National Party MPs put on a party for the press and Holyoake would play cards with them afterwards. At one such party in 1962, some new journalists challenged the Prime Minister to a game of poker. By 3 a.m., Holyoake had ‘cleaned the Press out of all the cash in their pockets and . . . they were writing him I.O.U.s’. The Chief Whip, Scott, was tired and decided to slip away home after filling everyone’s glasses. As he crept down the stairs, ‘a bucket of water came flying down’ and ‘as some of it hit me K. J. H. was calling at the top of his voice for me to come and continue to serve the drinks. I silently fled into the darkness.’24

Although not as avuncular as Holland, who as Prime Minister usually had a few MPs in for drinks every Thursday night after the House recessed at 10.30, Holyoake was particularly good at counselling new, young MPs. He was always willing to discuss both political and family matters with them, advising them to make their first priority looking after their electorate. He stressed the importance of honesty and loyalty and suggested that new MPs should
‘breathe through their noses’ and take some time to learn about Parliament and caucus, and become knowledgeable in some specific policy areas, before asserting themselves. He pointed out to the ten new MPs elected in 1960, for example, that they didn’t become the Prime Minister just because they had been elected to a seat in the House.  

Addressing the first caucus after the 1966 elections, Holyoake told his MPs that all were free to have their say and that each member of caucus was equal. He then added, with a little smile, that in practice a prime minister did have perhaps a little, or even a lot, more power than the average backbencher. He was sparing in praise but would move around the House and say ‘You done well’, when he thought someone deserved commendation.

As Prime Minister, Holyoake was a superb manager of people. He was an astute chairman, realistic tactician, and a pragmatic and effective manager of both cabinet and caucus, where he was always regarded somewhat more highly than he was by many of the general public. His government was generally and correctly perceived as a capable one that was reluctant to intervene unnecessarily in the economy or the affairs of individual New Zealanders and that believed in and practised cautious but liberal government by consensus. Although he could be tough and decisive when he thought necessary, he usually moved slowly and moderately when forced to act, minimising any adverse electoral reaction. His 1963 election slogan ‘Steady does it’ aptly summed up his whole approach to politics and government. He had an uncanny perception, which foresaw problems and allowed him adroitly to neutralise them. Only the corrosive controversy of the country’s very limited involvement in the Vietnam War – an involvement over which he had little control but which he managed to delay and minimise – was allowed to divide the electorate seriously during the time he was Prime Minister.

THE 1961 SESSION OF Parliament was a very busy one as Holyoake and the new Government set out to legislate its substantial election policy as quickly as possible. Parliament sat for 91 days and passed 156 bills, a third more than usual. These implemented 37 major election undertakings and partially affected some 20 others. Holyoake claimed that this was the largest amount of legislation passed in a session since he had become a Member of Parliament nearly thirty years before and that the number of sitting days had been the most since 1950. Nash commented that Holyoake was wrong; it had been the longest session in 25 not 10 years.

On some controversial matters, rather than act decisively and radically, Holyoake and his government preferred to set up committees or commissions.
There was, for example, a Royal Commission chaired by a Supreme Court Judge, Thaddeus McCarthy, which in 1961 and 1962 reviewed the ‘organisation, staffing, and methods of control and operation of Departments of State’ and recommended changes to ‘promote efficiency, economy and improved service’. The McCarthy Commission made a number of major suggestions with which Holyoake was concerned. The resulting State Services Act of 1962 created a new cabinet portfolio of Minister of State Services and Holyoake took the position himself, while indicating that Shand, who chaired the Cabinet Committee on Government Administration as well as being Minister of Labour, would act for him on a day-to-day basis. A State Services Commission was set up to oversee the public service and to recommend to the Prime Minister for approval all appointments to permanent head positions. Holyoake’s role in the creation of the State Services Commission is one reason why his commemorative statue stands today outside the Commission’s offices in Wellington, looking back across the road at Parliament, in the grounds of which logic suggests it should stand.

Holyoake was more enthusiastic about the McCarthy Commission’s report than were the Labour Opposition, the Public Service Association, or even some in his own party. He put a great deal of time into consultation with interested parties and, even though Shand was officially responsible for the State Services Bill of 1962, the enactment of the Bill was ‘notable for its illustration of what most people would recognise as “the Holyoake style”’. For example, Holyoake, usually accompanied by Shand and Marshall, held eight meetings with the PSA and the Combined State Services Organisation in October, November and December 1962. The meetings were long, repetitive, and sometimes acrimonious but Holyoake told the state union representatives that he would ignore what he regarded as their intemperate language and the aggressive tone in statements and was prepared to continue consulting on the Bill and consider submissions on it in order to be fair to government employees. He observed in a speech in Parliament on the Bill that he had some sympathy for the public service because three of his brothers and his sister had been or were still public servants.

Subsequently, use was made of Royal Commissions to set salaries and wages in the state sector, that one also chaired by McCarthy, and another to review taxation. The latter Commission, chaired by the accountant and businessman Lewis Ross, proposed in 1967 that a higher proportion of total taxation should be indirect – a recommendation that Holyoake and Muldoon, who was by then Minister of Finance, did not welcome or significantly implement.

Holyoake was not a politician who believed in ‘divide and rule’. On the contrary, he abhorred division and did all he could to minimise it. He
saw politics as an art, not a science, and, as one journalist observed, it was ‘the art of compromise, which was a finely honed Holyoake technique in accommodating conflicting interests. He was a consensus politician, not in the sense that he surrendered issues to the will or whim of his caucus, Cabinet or party, but by involving – or seeming to involve – others in the decision-making process.’

He sought consensus in Cabinet, caucus, among the diverse powerful groups and individuals that made up the National Party coalition, and in the country as a whole. When asked by a political scientist if he offered ‘leadership by consultation and leadership by consent’, Holyoake responded, ‘I agree with that entirely’.

However, being a consensus politician did not mean that Holyoake had no views of his own. He could speak with authority when he wished, but often preferred to pretend to be a simple soul prepared to listen patiently and impartially to advice and to the views of others before making up his mind. When charged by his son-in-law with being a ‘consensus politician’, Holyoake replied that, ‘up to a point that is true, but by God if I could give consensus a kick in the direction I wanted it to go in, that wasn’t beyond me’. It was part of his skill that when a consensus was achieved it almost invariably gave him what he wanted personally. One of his chief whips believed that on occasions the consensus that all MPs had to stick with was the ‘consensus of one man’, Holyoake. A Secretary to the Treasury observed that Holyoake did not dictate but ‘imposed his views in a more subtle way and kept people on side’.

Consensus, of course, usually involves compromise. At one caucus meeting a National MP pointed out that the consensus just summed up by Holyoake was ‘a compromise but not the correct solution’. Holyoake then spent about ten minutes explaining to caucus that politics was all about the art of compromise. MPs had to meet a middle ground on many issues. Caucus decisions were usually made not by voting but by the chairman assessing the overall feeling of the discussion. He hoped that two thirds to three quarters of the caucus would be behind the decision arrived at on any issue. If any MP felt so strongly against that consensus that they could not support it, they should make that known at the time. It was usually impossible to get unanimous agreement but Holyoake hoped that any minority would show loyalty and go out and sell the decision, because ‘outlandish statements’ disagreeing with the consensus could cost the party marginal seats. When Holyoake did not get his own way, he was prepared to accept the decision gracefully so that there was no perception of his being seriously defeated. One senior colleague could not recall an occasion when Holyoake did not appear to get his own way, partly he believed because, when ‘he was turned over, he gave ground’.

Holyoake observed that he was prepared to go along with the 20 per cent of things he
did not particularly like in the National Party’s policy in order to achieve the 80 per cent of which he did approve. To him, the essence of democracy was a willingness to listen, to treat the views of others with respect, and to accept consensus decisions. Once a decision was made, however, Holyoake usually demanded from his cabinet and caucus colleagues ‘loyalty’, and he frequently stated that an ‘ounce’ of that was better than a ‘ton of cleverness’. Loyalty to the party was essential above all else. As one senior colleague observed: ‘He was tough, he drove himself, he talked about loyalty but the important thing was that he inspired it. He was a leader. He didn’t want to be alone. He wanted to carry the team with him. And in fact he did . . . . Keith was in my view head and shoulders above everyone else.’

On some occasions, however, he did tolerate MPs voting against the caucus consensus. His friend Sim, for example, on one occasion in 1961 recalled going with McCready to see the Prime Minister. They complained about a decision to support legislation, resulting from an agreement between Shand and the FOL leader Walsh, effectively retaining compulsory unionism, in spite of the election promise to introduce voluntary membership. Holyoake said to the two men, ‘Do you want to vote against it? Then do so’, and there were no repercussions subsequently when Sim and McCready crossed the floor of the House and did just that.43 On another occasion, Scott, a persistent critic of the much more liberal Hanan, decided to vote against a bill creating the position of Ombudsman. Holyoake tried for a week to persuade Scott to vote for the legislation, but when Scott proved intransigent and offered to resign as Chief Whip, Holyoake declined the offer and let Scott vote as he wished.44

Holyoake displayed leadership skills of sensitivity to other people, shrewd judgement, uncanny timing, sound common sense, a pragmatic flexibility, and an intuitive rather than intellectual grasp of conservative political philosophy. He was a man of his times, not a dreamer or an innovator, and came up with few original or visionary ideas. When he retired as Prime Minister he remarked: ‘I can’t say that I had at any time a great cause in my mind that should be carried through . . . a great crusade that should have been brought to fruition.’45 In fact, sometimes he was too cautious in picking up and implementing ideas. One of his ministers later lamented what he regarded as Holyoake’s timidity, commenting: ‘Old Keith wouldn’t move until he had to – until he smelt the political air outside. And that was very fine from the Party’s point of view but from a progress point of view I think somewhere along the line we stagnated.’

Many of Holyoake’s speeches and policies appear in retrospect to be too cautious, vague, and even platitudinous. But he kept an open mind and knew a good idea when he heard it and, as Marshall concluded, he possessed an ‘acute
perception of the political viability of policy proposals originated by others’. He ‘had a political instinct which enabled him so often to be in the right place at the right time with the right people to back him. He had an acute sense of political timing, of knowing when to act and when to wait.’ It was not just a coincidence that Holyoake presided over a period of New Zealand’s history during which there was considerable economic growth, material prosperity, cultural liberalisation, expansion of educational opportunity, upward social mobility, and when, perhaps arguably, it came of age in foreign affairs. It was a time of energy and resource development, increased productivity, full employment, rising expectations, and considerable social and technological change. Because of the essentially reactive type of leadership that Holyoake offered, however, the country only vaguely and hesitantly started to recognise that it had to become, and indeed was becoming, economically and diplomatically more self-reliant and that the seeds of future conflicts among New Zealanders over foreign affairs, defence, and race relations were also being sown.

HOLYOAKE WAS A very hard worker, physically, mentally and emotionally strong, and able to work 12- to 14-hour days and to shift an immense amount of paperwork. On one typical day, for example, he checked and signed 66 letters as Prime Minister and 6 as Minister of External Affairs, and marked as ‘Seen’ or ‘Approved’ 72 papers as Prime Minister and 15 as Minister of External Affairs. As Prime Minister, Holyoake also had an ‘open-door’ policy, with some 20 engagements in a tightly ordered day not unusual as deputations and individuals met him in his office on the top floor of Parliament Buildings. And then there was attendance in the House when it was sitting and numerous functions outside Parliament. For example, on 12 May 1961 he worked in his office all day answering correspondence and receiving deputations. At 4 p.m. he was driven from Wellington to Palmerston North, where at 6 p.m. he had dinner at the home of the local National MP, Blair Tennent. At 7.30 he visited the Palmerston North Industries Fair before returning to Tennent’s house to change into formal evening dress and then attend the local National Party Ball. At midnight he was driven back to Wellington, arriving home at 2 a.m. In one speech he was quoted as claiming to be ‘New Zealand’s busiest man’ and said that, in a normal day, ‘I sign scores of letters, read dozens of documents and make 100 per cent of the Government’s decisions’. That last may have been a Freudian slip, but Holyoake claimed later that he had been misquoted and that he had probably said, ‘I make one hundred – or one hundred and one – Government decisions’ each day.
Holyoake did not make all the Government’s decisions, because another of his great strengths as a leader was his ability to select strong and efficient ministers and weld them into a team. Although he was undeniably ‘the boss’ in the eyes of many National MPs, his cabinet and caucus were certainly not one-man bands. He could, and did, delegate, and rarely interfered or countermanded.\textsuperscript{51} Talboys recalled, ‘he gave you the satisfaction of listening to you, and had time to listen’.\textsuperscript{52} He was a tolerant man and encouraged his colleagues to participate fully in collective decision-making, and yet at the same time to be responsible for their individual actions. He supported those to whom he gave jobs, and gave credit when it was due, but he was also not above ringing a minister, after he had commented on radio or television, to ask him to explain something about which the Prime Minister had not been happy. He did not rebuke the offender directly but, after being given the explanation, asked why the colleague had not expressed himself somewhat differently. One of his chief whips recalled that ‘a minor indiscretion wasn’t worried much about but if you made a proper blue . . . Holyoake would tell you off and when Holyoake told you off you knew you had been told off. But . . . if he went overboard about something, went mad about something, he would never refer to it again. He never held a grudge.’\textsuperscript{53} He naturally did like some colleagues more than others, but avoided the impression of favouritism or being influenced when judging arguments by what he thought personally about the person advancing the point of view. Holyoake took his position as leader seriously and was not above intervening decisively in disputes among ministers, especially those between the Minister of Finance and spending ministers.

Holyoake was an essentially conservative man who saw little value in radical policies or actions that upset or confused people. One daughter observed that he ‘wasn’t over-confident . . . wasn’t really an optimist, he so often was a pessimist’ but that ‘he was able to hide . . . that insecurity, private insecurity, sometimes’.\textsuperscript{54} He believed in gradual, incremental improvement and was not a risk-taker. As a result, he may well have had less impact on the public than more decisive and radical politicians. His attitude to the welfare state, for instance, reflects this cautious approach. Asked about his views on a Royal Commission of Inquiry into Social Security that his government had set up in 1969, Holyoake replied that ‘successive governments’ had ‘added bits on here and there over the years’ and parts may have become ‘atrophied’, so a review was certainly necessary. But, he added, ‘I would have no preconceived ideas as to any fundamental changes or whether it should even be nudged in this direction or that’. He would listen to all opinions, both within New Zealand and overseas, and then ‘recommend something suitable for New Zealand in 1970–71’.\textsuperscript{55}
An extremely adroit chairman, Holyoake presided over cabinet and caucus in a way that gave members a feeling that their views had been taken into account. Although the Cabinet worked through a set agenda, Holyoake rarely used a formal agenda in caucus meetings, which meant that no one was certain what was coming up or in what order. He encouraged backbench MPs to speak up in caucus, and when ministers spoke would advise them to keep their contributions simple and concentrate on the principles rather than the detail of legislation. He rarely declared his own position early in a debate and would sometimes go right round cabinet or caucus asking others what they thought before stating his own views on the matter. Even then it was sometimes hard to tell whether he had got his way or not because no one knew where he had stood on an issue until after a consensus had emerged in the meeting. Some of his colleagues suspected that he also tended to close a debate and make a decision at a point where he sensed a majority wanted what he did. He rarely made a hasty decision and, if in doubt, or if he thought that something was going to cost too much, or if he sensed a deep division among his colleagues in cabinet or caucus, the Prime Minister was quite prepared to procrastinate and would suggest deferring any decision for a week in order to think about it. He would also let the discussion roll on or even postpone a decision if he was in a minority. He avoided confrontation, and when someone raised a question or made a suggestion, Holyoake would usually say something like ‘That’s not a bad idea’ or ‘Yes, we should look at that’, whether he agreed or not. Added to that, he had an astute sense of timing of when to intervene personally. Then he would make a careful summation of the arguments presented, and, if he felt necessary, argue, refute, rebuke, and pressure without permanently offending opponents. He seldom lost his temper, but if annoyed simply looked grim and turned away. As one of his staff recalled, when the debate among colleagues became too heated, Holyoake would calmly say, ‘Let’s not get too excited. Let’s breathe through our noses’ for a bit. At the end of the cabinet agenda, Holyoake would go round the table and ask if anyone wanted to raise anything else, but was never particularly impressed when someone tried to bring up something that they had been too tardy in getting on the agenda. McKenzie, as a long-time party president, saw Holyoake make many difficult decisions at the top level of the party and concluded: ‘Keith had the ability to sit back and listen to you and me and the others debate and then just come in and say, “Well don’t you think we ought to do so and so?”’. He had an analytical mind, good common sense, and that was one of the secrets of Keith’s power.

On occasions, Holyoake was prepared to defend the collective wisdom of caucus over that of cabinet. In July 1967, for example, the Prime Minister was
absent from caucus and Marshall was in the chair. He ended a discussion on higher salaries for state servants by saying that Cabinet would make the final decision. A week later, Holyoake, once more in the chair, commenced the caucus meeting by disagreeing with Marshall’s comments as recorded in the minutes of the previous meeting, overruling his summation, and stating that such an important decision had to be one made by the whole caucus and not just the portion of it that sat in Cabinet.60

Throughout the 1960s, Holyoake was very effective in the House, where, with the help of his whips, he arranged the business of the House and directed the tactics and activities of National MPs during debates and question time. He was not infallible, however, and he could and did make mistakes in the House. The Government, for example, was only saved from an embarrassing defeat in the first division in the House after he took over the leadership in 1957 by the vote of the Chairman of Committees after some National MPs went home in the mistaken belief that no vote would be taken.61 Even more embarrassing personally for Holyoake fourteen years later was when he had to vote with the Labour Opposition in 1971. The custom was that an MP given a pair to be absent from the House, who later remained in it when a vote was taken, had to vote with the other party, because their MP, with whom the pair had been arranged, would not be present and voting. The Prime Minister inadvertently forgot and broke the rule and was horrified when his vote with Labour led to a tied vote that required the Speaker to save the Government’s legislation by using his vote, which was rarely cast in those days.62

In his speeches, Holyoake organised and presented arguments clearly and forcefully, and over the years built up an impressive expertise across a range of topics and a mastery of parliamentary procedures and tactics. One colleague believed that, although Holyoake could deliver a speech written for him by someone else very well, he was ‘a great speaker off the cuff when he was speaking from his heart instead of some notes that some department had given him . . . when Holyoake was roused . . . he was terrific’.63 Holyoake was present for most of the sitting hours in the debating chamber. While there, he would work through bundles of papers but seemed always to be aware of what was being said and what was going on around him. From time to time he would look up and interject or rise to a point of order. Other MPs, who found it difficult to pay attention while occupied with correspondence or reading papers, regarded this as ‘brilliant’.64 At the 1963 election, when he was broadcasting from the Civic Theatre in Christchurch, there was interference with the sound system. Holyoake was informed that it would have to be turned off. He was furious because he would have to project his voice and was worried about the effect on his throat. He got ‘warmed up’, however,
and his voice boomed around the auditorium. The meeting went very well and at the end Holyoake thanked the sound technician for having fixed the sound system so quickly. The Divisional Chairman, Colin McLachlan, and the Divisional Secretary, Graham Johnstone, were reluctant to inform him that he had in fact spoken for most of the meeting without its assistance.65

Considering that he admitted to ‘some natural revulsion against the goldfish bowl life’ that being Prime Minister entailed, Holyoake kept himself surprisingly accessible to the general public.66 And, while he was egocentric, he believed that everyone else was also and that a successful politician needed ‘to learn very early in life that not only he, but every other person that he knows, are each of them the centre of the world, that their whole world swings around them’.67 However, while his office staff protected him from the general public when he was in Parliament Buildings, they could not do so when he was home at 41 Pipitea Street, where he lived a few hundred yards from Parliament’s gates from 1961 to 1972. He insisted on his home phone number, 44-797, being listed in the phone book and he received many trivial calls at home. On one occasion someone rang to say that their luggage had been lost at the railway station and the Prime Minister walked the several hundred yards down there to help look for it. On another occasion a woman with a history of mental illness flew up from Christchurch to see the Prime Minister, who was away. She entered his home and went to sleep on Norma’s bed, where she was found by his daughters and reported to the police. They extracted her from the house and put her on a plane back to Christchurch.68 On yet other occasions, people, including drunks from the nearby hotels, simply walked in off the street and knocked on the front door to talk with him.69

Holyoake walked to work each day, calling in at the plant shop, the fruit shop, the second-hand shop and the fish shop and chatting with passers-by in the street on the way. One woman, who met him for the first time in the fish-and-chip shop across the road from Parliament, recalled that he asked her about her life and family and for thirteen years thereafter always stopped and said something to her when they met in the street.70 When he got to Parliament, he often started the working day by joking with staff. A Bellamy’s worker recalled that for many years he greeted her as ‘his Maori nightingale’ because he had once caught her singing in the lift. Another parliamentary worker recorded that whenever she worked late Holyoake would not let her walk home but insisted she ride in his government car. She later married the driver.71 Holyoake offered rides home to other workers in Parliament when it was raining and he came across them when he was leaving the House.72

Holyoake was also meticulous in answering correspondence from voters – even when they were political opponents, or pushing a particular hobbyhorse,
or incredibly persistent. S. Petrie of Morrinsville, for example, wrote at length several times a month between 1961 and 1967 on the subject of monetary reform. Holyoake always replied, though more briefly as the years went by. He also asked other ministers to reply to Petrie on specific matters and to send him a copy of their replies. The non-confrontational tenure of the Prime Minister’s responses to this indefatigable correspondent was indicated by his comment: ‘For many years I have been interested in monetary reform . . . . I agree entirely that there is no special magic in money itself. Basically it is a medium of exchange, but that is perhaps over-simplifying the problems and intricacies which are inherent in the many economic and monetary problems throughout the world today.’73 Even after his secretary suggested in 1962 and again in 1963 that Holyoake should try to end the repetitive correspondence with Petrie, the Prime Minister continued it for a further four years.74

ALTHOUGH KEITH AND Norma Holyoake attended many formal functions, they were quite private people and did not entertain socially at home all that much, restricting that environment to family and a few friends. Holyoake worked long hours and enjoyed relaxing in his vegetable garden or, when possible, getting away to the farms at Dannevirke and Taupo. Norma, besides accompanying her husband to numerous functions, enjoyed gardening and floral arrangements, including ikebana. She played the piano and painted, and relished the time spent with her family. But one social evening Keith and Norma did hold annually at their home in Pipitea Street was for MPs and their spouses. The house was not a very large one and the Prime Minister each year personally cleared some of the furniture out into the garage to make room for the 80 or so guests. Almost without exception, those who knew Norma Holyoake found her ‘a delightful . . . a very welcoming, warm person, which . . . made things easier for Keith’.75 With her even better memory for names and faces than her husband, she was able to prompt him when he could not remember someone.

Public service drivers, especially Bill Imlach and later John Hateley, usually chauffeured the Prime Minister, but sometimes Holyoake drove himself. He was by no means a perfect driver. There were stories of his speedy trips from the Dannevirke farm to Wellington towing a trailer loaded with sheep manure for his Wellington garden, and once Holyoake received a ticket. It was passed on to Gordon, the Minister of Transport, who took it to the Prime Minister’s office, tore it up in front of Holyoake and asked him not to do it again. On another occasion, well after midnight, he offered to drive two inebriated colleagues, Harry Lapwood and Logan Sloane, home from
Parliament in his car. The two passengers were sober enough to realise that Holyoake had turned the wrong way up Mulgrave Street, which was one-way. When they pointed it out, their driver responded, ‘That’s alright fellas, I’m only going one way’. When he then went through a red light, his colleagues remonstrated again but received the reply, ‘Holyoake doesn’t recognise red lights’. On another occasion, Holyoake told Talboys: ‘I saw Pat [Talboys’ wife] the other day. She was shaking her fist at me.’ When Talboys asked his wife about the incident, she replied, ‘Keith was going the wrong way up a one-way street’.77

When Holyoake was in a car driven by a chauffeur, he would usually sit in the front alongside the driver and chat about families, gardening, and other non-political topics. When journeying with Norma on longer distances he would put three cigarettes in his mouth, light them and pass one to his wife and another to the driver. Every half-hour he would light up another three. On one occasion a driver mentioned that he could not get a garden going in the puggy clay of his new home. Holyoake instructed the man to take him there. After telling the driver’s wife, whom he had never met before, to ‘Put on the kettle’, he inspected the garden. Then, over a cup of tea, he told the driver to get a trailer-load of seaweed from the beach and that he would bring him a trailer of old hay from his Dannevirke farm. Instructions were given on how to layer the seaweed, hay and earth and turn it all over. The result was a great garden. In return, Holyoake took some banana passionfruit plants from the driver’s property and planted them in his own garden, later bringing bags of the resulting fruit for his driver to sample. Another time, Norma had cause to gently chide a driver to watch what he said to her husband after the driver had mentioned when dropping Keith and Norma off at 1.30 a.m. that he was going home to enjoy a fresh bread and onion sandwich. Holyoake had got Norma to make him two when they got inside their home.80

Despite his general bonhomie, Holyoake could, however, be a little testy when staff presumed to speak on his behalf. On one occasion he was flying to Invercargill with Phil Barnes, his Private Secretary, and some party officials. The hostess asked if he wanted tea or coffee, to which Holyoake replied, ‘Decisions, decisions!’ He then said ‘Coffee’ and was asked, ‘Black or white?’. Barnes, trying to be helpful, interjected, ‘The Prime Minister will have white coffee’. Holyoake snapped, ‘How would you know? I’ll have black tea.’81

The Prime Minister had a deserved reputation for parsimony in the expenditure of public funds. He believed that both the number of overseas trips ministers took and the cost of them should be kept to a minimum. When one minister complained that he had not had an overseas trip since he was a backbencher, Holyoake dryly replied that could easily be remedied by the
He saw no reason why ministers should travel overseas except on essential public business, or should be accompanied by their wives at public expense, or why ministers, including himself, needed to take more than one or two officials at the most with them. If he could carry his own bags, so could they, and there were staff in the overseas diplomatic posts to help on arrival. His reluctance to approve new carpets or furnishings in ministers’ or Members’ offices became legendary and he repeatedly rejected plans put to him for a more impressive prime ministerial residence in which overseas visitors could be suitably entertained.

Holyoake did believe, however, that MPs were entitled to reasonable salaries, and in 1961 made a lengthy personal submission to a Royal Commission on Parliamentary Salaries chaired by Denis Blundell. He submitted that, while such salaries were ‘not strictly comparable with permanent career positions such as executives in the Civil Service, nor with any position in private employment’, he did ‘consider it invidious that a Minister should receive an honoraria lower than his Department Head’. He also suggested that MPs should receive a generous superannuation of ‘one-third of basic remuneration after eight years’ service rising to two-thirds of the basic remuneration at fifteen years’. An MP should also be reimbursed for ‘expenditure reasonably incurred in carrying out his official duties’. A few months later, the Commission raised MPs’ salaries and allowances; in Holyoake’s case the salary from £4,250 to £4,750 and the expense allowance from £1,500 to £1,600.

Those increases led to a deluge of letters, including many from National Party branches and individual members, critical of such perceived largesse when the New Zealand economy was in some difficulty. Following a meeting of the party’s Dominion Executive, at which Holyoake was present, the party’s General Secretary wrote to Holyoake saying that, in future, parliamentary salaries should be set not after an election but prior to it. The Executive also ‘was almost unanimous’ in saying that the National Party had been damaged by the increases because ‘the man in the street cannot swallow a request to curb his spending when the people making the request are at the same time receiving more’.

Holyoake was also prepared to spend on Parliament Buildings. For many years, New Zealand’s Parliament had been housed in old buildings of diverse architectural styles: Colonial, Edwardian Baroque, and Gothic Revival. Despite the cost, Holyoake was determined when re-elected in 1960 that the Parliament Buildings should be completed or replaced, and, in 1961, Ministry of Works architects were asked to make initial suggestions and a ministerial committee was set up to oversee the project. Holyoake chaired the project
committee, which included the Speaker, several cabinet ministers, the Leader of the Opposition, and officials from the Prime Minister’s Department, the Legislative Department and the Ministry of Works. McIntosh wanted to complete the Baroque building originally designed in 1911; Nordmeyer thought a completely different addition would look odd; and the Government Architect Fergus Sheppard also had reservations about a modern building. The architectural historian Robin Skinner has observed that, reading the committee’s minutes, one ‘can see that Holyoake guided discussion toward what he wanted, and when consensus was reached he summed up. When the decision that he wanted had not been reached, he would draw no conclusion.’ Although Sheppard continued to be opposed to a modern building, Holyoake insisted that he draw up two designs, one modern and one more traditional.

In 1964 the well-known British architect, Sir Basil Spence, who had designed Coventry Cathedral and who was visiting New Zealand, was asked for advice on whether the partly completed Baroque building should be finished, whether there should be a more modern addition, or whether a completely new building should be designed. Spence recommended retaining the existing buildings, which housed the debating chamber, the old Legislative Council chamber and the parliamentary library, and adding a quite different new building to house Bellamy’s, the parliamentary restaurant, bars and reception hall, and executive offices for ministers and their staffs. Spence prepared some preliminary rough sketches in a spiral notebook and then, during an informal discussion with Holyoake, made another sketch on the back of a table napkin and used matchboxes to illustrate the concept. The proposed building looked like, and soon became known as, ‘the Beehive’. The weight of the structure would be carried on concrete beams starting from a central core so that all the outside circular walls could be made largely from glass.

There was some public controversy about Spence’s concept and Holyoake was initially alone among the leading politicians and officials in favouring it. As often happened, the Prime Minister eventually got his way. Spence would have liked to develop the detailed drawings for the project but Holyoake was determined that it would be completed by New Zealand architects, partly for nationalistic reasons and partly because of the cost of continuing to use Spence as a consultant. Although Spence did some initial work on floor plans, elevations and interior sketches, after the Beehive concept was approved in 1965 the project, including the detailed design work, was handed over to Sheppard. Holyoake announced in June 1965 that there was no longer any reason for Spence to be involved and that the new building was ‘not a Spence building it is a Sheppard building’ and would be developed by New Zealand
architects with Spence having only a minor and honorary role. Later, when Holyoake was at the Commonwealth Heads of Government Meeting (CHOGM) in London in July 1965, Spence arrived with a large painting on cardboard of the proposed building, which Holyoake and his Private Secretary carried back to New Zealand as hand luggage. When completed in 1979, the Beehive proved to be very disorienting to work in, though it certainly had a unique appearance.

In 1963, Holyoake received one of a number of major honours he was to receive from the Queen over the next seventeen years. When it was announced publicly that he had been made a Companion of Honour, Roger asked his father, with whom he was haymaking at Kinloch, what the ‘C.H.’ actually meant. Holyoake, dressed in old morning trousers kept up with baling twine around the waist, replied laconically, ‘A Cutter of Hay’.

BETWEEN 1960 AND 1963, Holyoake consolidated his position as leader of the National Party, as did his party as the Government. The British, however, continued to be not particularly impressed by him. Francis Cumming-Bruce, the British High Commissioner in Wellington, was an astute if condescending observer of New Zealand politics who drew on private discussions with New Zealand officials such as McIntosh. He told his superiors in London that Holyoake ‘has an easy command of Parliament, always good-humoured and never ruffled – even by his own mistakes, which are sometimes glaring. But in his frequent public utterances he gives an unfortunate impression of slickness and superficiality.’ In external affairs he ‘shows a reluctance to take the trouble to master any but the simplest of briefs. His true interests remain party politics and farming . . . . Like all New Zealand Prime Ministers he spends an excessive amount of time at petty functions, and his officials find it very difficult to induce him to read or to listen.’

Nor was the High Commissioner overly impressed by Holyoake’s senior ministers. Marshall was ‘perhaps the most intelligent’ and a ‘competent negotiator, willing to apply himself to the details of his briefs and quite capable of assimilating complicated material’. But he was also ‘indecisive, liable to swing from one point of view to another, and unwilling to face criticism’. Shand, ‘although a strong character, able and energetic, is even less likely to stick to a brief than Mr Holyoake and liable to speak out of turn’. Lake was ‘a lightweight who has proved an exceptionally weak Minister of Finance: he has difficulty in seeing the wood from the trees and carries little weight with his colleagues, and since his main opponent in the House of Representatives is Mr Nordmeyer . . . he frequently suffers severely in debate’.
for Holyoake and National, the Labour Opposition had problems of its own because Nash ‘was becoming a spent force’; Nordmeyer, despite his undoubted ability, was ‘liked by few and has no popular appeal’; and Skinner, the former Deputy Prime Minister, was ‘a well-balanced man of good sense and good humour, but marked limitations’.96

Some months later, at the start of the 1963 election year, Cumming-Bruce predicted that, while ‘a small swing of opinion would result in a change of Government’, the ‘National Party can look forward with confidence to victory at the general election’. Holyoake had strengthened his position as leader because ‘his shrewdness and sound judgment have become more widely recognised’ and because ‘there is no rival in sight’, although ‘it is true that he has not displayed any outstanding qualities of vision or leadership, preferring not to be seen to be in advance of public opinion’.97

The National Government’s position was certainly enhanced by the Labour Party’s leadership problems. Nash, at 81, no longer had the full backing of his parliamentary colleagues or his party and announced that he would stand down following a Royal Visit in February 1963. His designated successor, Skinner, died in April 1962 and was replaced as deputy leader by Fred Hackett, an Auckland MP described by the British High Commissioner as ‘an undistinguished former Minister of Social Security, lacking in any resources for acquiring national popularity’.98 Hackett, moreover, was seriously ill and was not a contender to succeed Nash. He died early in 1963. That left Nordmeyer almost unchallenged, but there was concern that ‘his personality lacks popular magnetism; he is too much of a sea-green incorruptible for New Zealand taste. He has never slapped a back in his life, or attended a football match that he could avoid; and his responsibility for the so-called “Black budget” of 1958 is an electoral liability’.99 In the absence of other strong candidates, however, Nordmeyer won the leadership when Nash stood down at the end of February.

Holyoake was always concerned about the possible emergence of a Country Party, supported especially by smaller dairy farmers, that would challenge National’s hold on the rural electorates, and there was certainly throughout the 1960s the risk of a farmer backlash against the Government had it not been successful in defending access for butter and cheese to the British market during the drawn-out European Economic Community (EEC) negotiations. A new right-wing Liberal Party did emerge at the 1963 election and contested 20 mainly country and small-town seats, though gaining only 1 per cent of the vote. The Social Credit Party throughout the 1960s and 1970s proved to have a much greater potential to embarrass National in some of its safest rural electorates without, in Holyoake’s era, seriously threatening the
party’s hold on office. Indeed, in some elections Social Credit may well have helped National by providing a more acceptable repository than Labour for protest votes deserting the incumbent government.

Regular by-elections leading up to the 1963 poll suggested that there was little movement away from the Government. In April 1961, National’s H. E. L. Pickering held the seat of Hurunui after the death of Gillespie. When Hayman died in January 1962, the Government’s candidate, Allan Dick, also held Waitaki, although with a reduced majority. Labour’s Bill Rowling held Skinner’s seat of Buller in July 1962 and a fortnight later Labour also held the seat of Timaru. In 1963, Labour held Northern Maori, Otahuhu, and Grey Lynn in by-elections, although in Northern Maori National’s candidate Jim Henare secured the largest swing National had ever had in any by-election.

The results of the unusually large number of by-elections foreshadowed the outcome of the 1963 general election, labelled by one political scientist as ‘the no change election’. Holyoake, who started his campaign in Christchurch on Monday 4 November, stressed his government’s record in reducing taxation, compared to the ‘Black Budget’ of Labour’s new leader Nordmeyer, and campaigned on the slogan ‘Steady does it’. Despite the advent of television, the campaign was a dull affair and, as it ended, the assassination of the US President John F. Kennedy pushed the election off the front pages of the newspapers.

Holyoake concentrated his meetings during the final week of the campaign on the seven marginal seats National had taken from Labour in 1960. National substantially increased its majority in all of them and won 45 seats to Labour’s 35. Holyoake increased his own majority in Pahiatua to 5733, with almost 66 per cent of the total vote. The vote for his Labour and Social Credit opponents was virtually obliterated in the numerous smaller farming polling booths; Holyoake, for example, winning 64 out of 65 votes at Mangatoro and 57 out of 58 at Miki Miki. The only casualty among sitting National MPs was Gotz, beaten by boundary changes in a new seat, Manurewa, formed from part of his former electorate, which had been abolished. Holyoake’s old friend and ally Goosman retired and was replaced as Minister of Works after the election by Percy Allen. Leslie Munro finally entered Parliament as the MP for the safe Waikato seat of Waipa.

Holyoake nearly lost his deputy Marshall in April 1964. Shortly after arriving in Teheran for a conference, Marshall took ill. At first a gastric disorder was diagnosed, but Marshall’s wife and accompanying officials insisted that a cardiologist see him and he was admitted to hospital. The following day he suffered a serious relapse and, in his own words, ‘my heart almost gave up’. He spent ten days in intensive care and seven weeks in hospital before
he was well enough to make ‘a slow recuperative return to New Zealand’, from which he ended up being away for three months. The Deputy Prime Minister subsequently changed his lifestyle and work habits and made a full recovery.

By 1965, some observers were wondering whether Holyoake, ‘one of the most formidable politicians New Zealand has produced’, had established too much ‘unquestioned primacy in his party and in Parliament itself’, so that ‘his word alone prevails’ and he had become ‘far too powerful for the good both of New Zealand and for his own party’. It was clear that ‘if Mr Holyoake is backing a measure, or at least has committed himself to it, that it is as good as carried, however controversial’. Nevertheless, the anonymous journalist responsible for the preceding remarks admitted that Holyoake was ‘a pragmatist’: ‘Indeed pragmatism is possibly his basic political driving force. He has never been a visionary, striving to achieve a Utopian New Zealand. He has no Messiah complex. There are many occasions, and there will be more, when he has changed his mind as soon as it has become convenient to do so; as the political temper of the moment made it good sense to do so.’ Even so, Holyoake’s pragmatism was to be sorely tested by a worsening economic situation and the escalating war in Vietnam in the run-up to the 1966 election, and from growing criticism from interest groups and the press.

MANY THOUGHT THAT the 1966 election was going to be a much closer-fought campaign than the previous two for National, even though the Government did have a reasonable case to argue. It had encouraged economic growth and some diversification and sought to control inflation and maintain full employment. With considerable state assistance, a local iron and steel industry had been established in South Auckland, an aluminium mill was being built by Comalco in Southland, and major power schemes had been pressed on with at Tongariro and Waitaki. There was continued growth in forestry and farming. But there were signs that New Zealand’s economy, and particularly its external balances of trade and payments, was fragile. The voters were divided over the Government’s plans to extend hotel drinking hours from 6 p.m. closing to 10 p.m. From 1964 there had also been a growing division within New Zealand over the escalating war in Vietnam and the question of New Zealand’s involvement, although during the 1966 election campaign, Kirk and Labour tried to mute the Vietnam issue and concentrate on the economy. National had been in power for six years and Labour had a new, young leader in Norman Kirk, who some commentators thought could become more popular than Holyoake. As one business analyst remarked,
however: ‘There are many who do not like Mr Holyoake as a person, but even those people cannot fail to admire his political acumen . . . . His handling of his Party as an organisation has been masterly, and he has handled the internal contentious issues in a way which will win votes rather than lose them.’

At the pre-election campaign conference for National Party candidates, Holyoake told them to stress that National had reduced tax rates at every election except one since it became the Government. He was not impressed when one new candidate pointed out that the overall tax take and government expenditure had also increased every year. During the campaign, however, Holyoake was much more successful in minimising concern about the state of the economy and making Vietnam and New Zealand’s alliance with the United States and Australia the major issue, though he was not completely comfortable in doing so. Some of Holyoake’s colleagues were even more hawkish on Vietnam and prepared to campaign primarily and vehemently on it, and Marshall was in no doubt that the issue would win National the 1966 election. At one election meeting, Eyre, the Minister of Defence, who was retiring from Parliament in order to become High Commissioner to London (although the appointment had not yet been announced), made an injudicious comment about dropping ‘a basinful of bombs’ to end the war in Vietnam. His reported comments led to a number of lawsuits between Eyre and the press, and an angry Holyoake informed him that he would not be going to London but could have Ottawa instead.

On election day, both major parties’ support dropped, National by 4.59 per cent and Labour by 3.51 per cent, with Social Credit and non-voting both increasing. National lost Hobson to the Social Credit leader Vern Cracknell and New Plymouth to Labour but won the seat of Miramar from Labour. This meant that National had 44 seats, only one less than before the election, Labour was unchanged on 35, and Social Credit had its first seat, at National’s expense.

The newspapers had picked Muldoon and Adams-Schneider, who had been previously under-secretaries, as the most likely new ministers. Both were devastated when the Prime Minister, after consulting caucus members privately, ignored precedent and overlooked them for promotion and instead chose Gordon, MacIntyre, and Thomson. Holyoake was later to say that he looked for the qualities of a judge rather than an advocate when considering candidates for cabinet rank. He admired Muldoon’s intelligence, debating abilities, and willingness to work hard, but in 1965 had told several business confidants that ‘he had to speak sternly to the undersecretary to the minister of finance, Robert Muldoon, about arrogance and lack of humour’. Holyoake was concerned that Muldoon appeared to be unwilling to take
advice from anyone, seemed to think that he knew everything, and had in the past made trouble for his own ministers. This had earned him the enmity or suspicion not only of Shand but also of Marshall, Kinsella, McAlpine, Shelton, Percy Allen, and Alf Allen, although McAlpine had retired at the 1966 election. At the post-election caucus meeting, Muldoon had also criticised Talboys, as Minister of Agriculture, for having lost farmers’ votes to Social Credit, and Marshall, as Chair of the Campaign Publicity Committee, for the party’s poor campaign. He also said that National needed to use television more effectively, which did not impress Holyoake, who was very sensitive to his less than effective television persona. These post-election comments reinforced Holyoake’s concern that Muldoon was too tactless, abrasive and undisciplined to be promoted to Cabinet. Instead of a phone call from the Prime Minister inviting him to become a minister, Muldoon received a somewhat abrupt telegram: ‘Caucus preference suggests Peter, Duncan and David. Keith Holyoake.’

Gordon was surprised not only by Muldoon’s exclusion but also at a request, when Holyoake rang to tell him of his appointment as Minister of Transport and Railways, that Gordon should bring to his office an undated letter of resignation from Cabinet. He did so and was told to go away and type it up himself again, this time using official letterhead. MacIntyre, who was given the Land, Forests, and Maori Affairs portfolios, found that Holyoake would not consider him as Minister of Defence because the Prime Minister believed that his strong views, coupled with his expertise as a brigadier, would have made him a possible embarrassment in that role.

In February 1967, Holyoake added both Muldoon as Minister of Tourism and Adams-Schneider as Minister of Broadcasting to his Cabinet. Nevertheless, the suspicion remained that he had used the delay to discipline the two outspoken younger MPs by showing them that he was the boss and that there should be limits to their independence and willingness to challenge senior colleagues. Three weeks later, Lake died suddenly from a heart attack. Wool prices were collapsing, New Zealand’s external funds were declining, and the external debt was, of necessity, having to be increased. After Marshall had declined the post, and despite the protestations of Shand, who wanted it, Holyoake appointed Muldoon as the new Minister of Finance. The Prime Minister, however, kept Muldoon last on the cabinet status ranking and gave him only the eighth seat on the Government front bench. In terms of collective ability and experience, that front bench was very formidable: Holyoake, Marshall, Hanan, Shand, Shelton, Kinsella, Talboys, and Muldoon. One of the least prominent was Shelton, a quiet, firm, and scrupulously honest man whom a colleague described as ‘a terrific minister . . . the best minister I knew
in there and that would include Holyoake”. Kinsella’s high ranking reflected the priority Holyoake always gave his Minister of Education.

In July 1969, at a time of increasing speculation that Holyoake might be preparing to retire in Marshall’s favour, Hanan, one of Holyoake’s closest political friends and most able ministers, died unexpectedly at the age of 60. Holyoake was distraught and, according to one colleague, wore dark glasses all day to conceal his tears, so revealing to observers that he was ‘a very emotional individual’. Hanan’s death was a serious blow to him politically as well as personally, but the Prime Minister was still supported by a clear majority of his caucus and was determined to lead the party again at the election later that year.

NATIONAL TRIED TO fight the 1969 election on the success of a National Development Conference and the need for New Zealand, during the coming decade, to develop and diversify its productive industries. Holyoake also campaigned on a record of stability and steady progress and highlighted his tried and experienced team, notably himself, Marshall, and Muldoon. This experience would be especially important with renewed negotiations over New Zealand’s interests as Britain again sought to enter the EEC. In an interview shortly before the election, Holyoake was asked what he believed was really important politically. He responded, in the sexist language invariably used at that time, that he believed that it was ownership of private property based on equality of opportunity:

This is the greatest dynamism in the world, the greatest dynamic force in the world, a man feels he can make his way in life. We all believe in equality of opportunity and the opportunity for a man to make his way in life . . . accepting responsibility, building, and part of this is ownership when he feels that’s my little empire, even if it is his crib, his house, his little farm, his corner shop, his garage, whatever it might be. I think this is the main dynamic force in the world.

Labour’s election manifesto was well printed and readable, in contrast to National’s bulky and unattractive typed tome, and its publicity was also more sophisticated. Labour had more specific policies on heath, education, industry, and the cost of living, and promised to withdraw New Zealand troops from Vietnam by Christmas.

Opposition to and demonstrations against the war in Vietnam marked the campaign even more than in 1966. Emotions ran very high and Holyoake’s meetings were badly disrupted. In Auckland his meeting was totally wrecked
by chanting protesters who invaded the platform, brawled with police, and mobbed the Prime Minister and his wife outside the Town Hall.

While Holyoake and Marshall found the bitter campaign exhausting and television daunting, Muldoon, their younger and more junior colleague, revelled in both. As the campaign went on, both the National Party and the media gave him greater exposure as he counterattacked against Kirk and Labour. The polls revealed that Muldoon was seen as the most effective politician in the country ahead of Holyoake, Marshall, and Kirk. In the final week, Muldoon’s incisive assertions about the high cost of Labour promises requiring an increase in taxation, combined with a long drawn-out, unpopular and highly publicised seamen’s strike, that enabled National again to link Labour to militant, communist-led unions, started to swing the campaign back National’s way.

The number of parliamentary seats had been increased from 80 to 84 at the 1969 election. Although a close result was generally predicted and Holyoake’s own National Party membership in Pahiatua in 1969 rose to 3,905 compared to 3,806 in 1966 and 3,636 in 1963, many National and Labour politicians, along with most in the media, thought that Labour would win. But at the end of the campaign, Labour’s anticipated victory slipped away. Although the result was incredibly close, with National only 7000 votes ahead of Labour on election night, Holyoake and National won a fourth successive victory. After special votes were counted, the Government’s majority in Parliament was cut to six seats: 45 National to 39 Labour. That was further eroded to four when National lost Shand’s Marlborough seat to Labour in a by-election shortly afterwards. The farmers largely ignored the seventeen Country Party candidates, who had claimed that Holyoake and National no longer sufficiently represented their interests. The Country Party candidate in Pahiatua polled only 240 votes, or just 1.6 per cent of the total votes cast. The National margin in the new Parliament came from National winning Hobson back from Social Credit and, against the overall trend, surprisingly winning the seat of Wanganui, which had been held by Labour since 1935.

Bill Tolhurst, the new National MP for Wanganui, believed that Holyoake had played a major role in winning that critical seat. After being selected as candidate, Tolhurst wrote to Holyoake asking him how independent he could be in speaking and voting on matters affecting his local electorate or his own conscience. The Prime Minister replied:

I have made the comment on numerous occasions that our National Members speak and vote as their consciences dictate . . . in practice all of us support the same basic principles on which the Manifesto is formulated and it is only where local
Although the advice was given in personal correspondence, Holyoake later agreed to Tolhurst publishing the reply as the culmination of his campaign, and Tolhurst believed that this led to his unexpected victory.\textsuperscript{122}

Holyoake easily held his own seat with 62 per cent of the vote and a 4920 majority over his closest opponent, a Labour lawyer from Palmerston North, Trevor de Cleene. The Prime Minister was, however, more delighted and relieved by the overall result of the 1969 election, which he later admitted he personally had expected National to lose.\textsuperscript{123} The victory was made even sweeter by the fact that Holyoake had beaten Kirk, with whom he shared a hearty mutual political antagonism, for a second time. Holyoake was quite prepared to share the credit for the last-minute victory with his Minister of Finance, telling his cabinet colleagues at their first meeting after the election, ‘we can thank one fellow – Muldoon’ for the election win.\textsuperscript{124}

The election results were a bitter disappointment for Labour, which had thought that it was about to end its long period in Opposition. Nevertheless, both the Labour campaign and its impact had been much better than at any previous election in the 1960s. The Opposition came out of the campaign with Kirk firmly established as a credible future prime minister, with only a few votes (less than 1 per cent) below the percentage cast for National, and with six National seats now held with majorities under 750. It was certainly better placed for a potential victory in 1972.

Shand, who had entered hospital suffering from lung cancer shortly before the 1969 election campaign, took no part in it. He died a few days after polling day and National was shocked further when Labour subsequently won his seat of Marlborough in the resulting by-election. Shand’s death, coming so soon after Hanan’s, and the retirement of Kinsella, the Minister of Education, after a serious motor accident and with failing eyesight, made Holyoake’s task of reconstructing his Cabinet much more difficult. Surprisingly, the Prime Minister gave Shand’s onerous portfolio of Minister of Labour to the already heavily burdened Marshall, who retained the Overseas Trade post. Marshall was both ‘surprised and unenthusiastic’ and tried unsuccessfully to persuade Holyoake to give the Labour portfolio instead to either Gordon, MacIntyre, or Thomson but the Prime Minister was adamant.\textsuperscript{125} Sometimes in politics, a leader appoints a rival or a potential rival to a very difficult job, not merely in reflection of their ability but perhaps more importantly to burden them or even open them up to criticism, and Marshall in retrospect thought that was a
possibility in this case. Certainly, whether he intended it or not, Holyoake, by appointing first Shand and then Marshall to the Labour portfolio made both vulnerable to criticism from more conservative MPs who disliked their minister having to compromise on industrial issues with leaders of the FOL such as Walsh and Tom Skinner. Talboys was moved from Agriculture to Education and Muldoon leapt up the cabinet ranking to number five after Holyoake, Marshall, Shelton, and Talboys.

In the Queen’s Birthday Honours of June 1970, Holyoake was made a Knight of the Grand Cross of St Michael and St George. Just before it was announced publicly, he called his Press Secretary, Arthur Manning, into his office and said, ‘I’m getting a bloody knighthood tomorrow’. He then passed a letter to Manning, which had been dated five years before and signed by the then Governor-General Sir Bernard Fergusson, offering Holyoake a knighthood, which he had at that time declined. Manning asked, ‘Why now?’, to which the Prime Minister replied, ‘That one was from the Governor-General. This one is from the Queen and I can’t tell a nice little woman like that to go and get stuffed.’ Arrangements were made for a press conference at Pipitea Street the next morning after the public announcement. Norma met Manning at the door and when he told her that television and newspaper cameramen were coming, she, ‘in utter exasperation’, said: ‘That bloody man. He didn’t tell me until seven o’clock this morning, and where can I get my hair done at this hour on a Saturday.’ Holyoake was the first New Zealand prime minister to be knighted while still in office.
FEW OBSERVERS predicted at the time of the 1960 election that Holyoake and National would go on to govern New Zealand throughout the entire decade and into the early 1970s, but even fewer anticipated that his government would oversee and actively facilitate the transformation of New Zealand society during that period. As Prime Minister and Minister of Foreign Affairs from 1960 to 1972, advised by a small group of very able and informed officials, Holyoake largely dominated foreign policy-making. He also kept a very close watch on economic policy, to the extent it can be argued that his two Ministers of Finance during the 1960s functioned more as Associate Ministers to the Prime Minister. In the social policy areas, however, the major changes that took place have been seen as having little to do with Holyoake and, insofar as individuals were responsible, were the legacy of more liberal colleagues such as Hanan and Marshall, or of successive Ministers of Education (Blair Tennent, Arthur Kinsella, and Brian Talboys) and Broadcasting (Arthur Kinsella, Jack Scott, Lance Adams-Schneider, and Bert Walker).

Yet, as Hanan, Kinsella, Scott, and Talboys have all recorded, nothing they did could have been achieved without the essential support of Holyoake, often against others more conservative in cabinet and caucus.\textsuperscript{1} Holyoake might have disliked the insecurity that radical change caused but he was not averse to incremental and consensual social liberalisation. He also played a more active personal role in a number of those policy areas, such as the Ombudsman, broadcasting, and tertiary education, than has generally been recognised.

An essentially private man, Holyoake left little in the way of introspective written insight to his personal perspectives or motivation, or details of the type of New Zealand he aspired to. He did predict prior to the 1960 election that New Zealand under his government would become a much more diverse and tolerant society, with the individual and minorities having their freedoms more
protected from unnecessary state regulation and bureaucratic interference. And during the 1960s he articulated his belief that New Zealand would develop a separate and independent national identity and culture based on a distinctive ethnicity arising from the intermarriage of European and Polynesian.

Holyoake’s approach to social policy was at least partly motivated by his realisation that National needed not only to retain those who traditionally voted for it, notably farmers, businessmen and higher-paid professionals, but also needed to compete with Labour in attracting a significant proportion of others, such as teachers, self-employed tradesmen, lower-paid white-collar workers, and housewives. He stressed traditional values and policies but was prepared to recognise and respond to some new demands from the changing electorate.

Certainly, much of the social transformation that took place in New Zealand would have occurred irrespective of which party or which leader was in office during that era. It was part of a generational, technological, and attitudinal revolution that was happening throughout the affluent Western world at that time. It was to a large extent inevitable not optional, organic not mimetic, complex not simple, and spontaneous rather than planned and directed. It also accelerated during the later 1960s and into the 1970s.

Society is always changing, if only by the process of birth and death, and the New Zealanders who were coming of age in the 1960s, and perhaps even more so in the 1970s, were quite different from their parents and grandparents. They had not experienced personally the deprivations of economic depression and war. They had grown up in times of relative peace, growing affluence, and increasing aspirations. As a generation they were better educated, and occupationally and socially many were upwardly mobile. They were also geographically more mobile, with much wider access to private automobiles, motorbikes and scooters, and able to travel overseas more easily with the advent of international air travel. Air New Zealand’s first large jet DC8s arrived in 1964 and thereafter New Zealanders, especially young New Zealanders, started to travel overseas by air in increasing numbers. When the National Airways Corporation introduced its jet Boeing 737 aircraft in 1968, internal flights became faster and more accessible. Bulk movement of goods also became much easier when the first container ships arrived at the start of the seventies.

Television was introduced in 1960 and 1961, changing recreational habits and revealing the world daily in a much more graphic way than the print media had previously. By 1968, most New Zealanders could watch on TV the French student riots; the rise and the crushing by the Soviet Union of socialist humanism in Czechoslovakia; the growing concern about the environment
throughout the Western world; the civil rights campaign in the United States; and the explosion of the anti-Vietnam War movement, also largely in the United States. As New Zealand moved into the 1970s, with over three quarters of all homes by then enjoying television, colour TV was introduced, the first business computers started to arrive in the country, and the Post Office opened New Zealand's first satellite receiving station.

The contraceptive pill largely removed the fear of unwanted pregnancy and made extramarital sex more common and at a younger age, and families became much smaller. The feminist movement, which was to become more widespread and influential in the 1970s, started to challenge gender stereotypes and inequalities. The first radical feminist groups emerged in Auckland and Wellington in 1970 and the first women's liberation conference was held in 1972. Many families' real incomes increased not only because average wages for males rose much faster than inflation but also because of the double incomes through women remaining in or returning to work in the post-war years. That changing reality was finally recognised by the Holyoake Government establishing the National Advisory Council on the Employment of Women in 1967 and a Royal Commission of Inquiry into Equal Pay in 1971. This led to the Equal Pay Act of 1972, which removed gender discrimination in the private workplace, twelve years after legislation had banned it in the public service. Diversity within society, however, was not confined to gender. The interests and rights of minorities, notably Maori, Pacific Island, and homosexual, started to be addressed in the 1960s, although much more actively in the years that followed.

Many younger New Zealanders rejected the material, suburban, conformist values and lifestyles of their parents. A youth counterculture emerged, much influenced by contemporary developments elsewhere in the Western world. This was very visible and audible, with long hair for men as well as women, miniskirts, bikinis, flared trousers, experiments with marijuana, and exciting and loud popular music, such as that played by the Beatles, who visited New Zealand in 1964. And there were the protest songs of the American civil rights and anti-Vietnam War movements sung by Bob Dylan, Joan Baez, The Seekers, and the trio Peter, Paul and Mary. From 1967, hotels remained open until 10 p.m. instead of 6 p.m. and licensed restaurants arrived so that New Zealanders could dine and wine in places other than hotel dining rooms. In 1972 a jury found the rock musical *Hair*, which included nudity, to be not indecent, symbolising the considerable though certainly not total dismantling of censorship in New Zealand during the previous twelve years. There was more interest in New Zealand history, literature and art, and in 1962 the Arts Council was established to foster the arts, becoming the following year, when
the Queen visited New Zealand, the Queen Elizabeth II Arts Council. In 1965 an Act of Parliament set up a new National Library of New Zealand.

New Zealand’s first mass conservation movement emerged at the end of the 1960s with the Save Manapouri campaign to protect the Fiordland National Park lakes, the water levels of which the National Government wanted to raise to provide additional hydroelectric power for the Bluff aluminium smelter. The Royal NZ Forest and Bird Protection Society organised a petition signed by 250,000 people and the Government agreed not to raise Manapouri ‘in the meantime’. As the 1969 election came closer, Jack George, the MP for Otago Central, after attending his electorate branch AGMs, told Holyoake that he was ‘really worried for the good and welfare of the Party at the next election’, saying, ‘what with the Maniototo irrigation, the Central Otago Freezing Works, the closing of the Roxburgh railway and now the threat from the Electricity Department about the flooding of the upper Clutha Valley, I have never seen my people in such an ugly mood’. In 1970 the Government set up the Environmental Council to review the environmental impact of economic development proposals, but when the National Party refused to rule out raising the lakes in the future it cost them several Otago and Southland seats at the 1972 election.

Ralph Hanan was the source of many of the liberal ideas and actions of the National Government of the 1960s that freed up many things, from drinking laws to divorce. On one occasion, Hanan managed to thwart the National caucus when a majority of it forced him in 1961 to introduce into Parliament a bill that retained the death penalty, to which he was personally opposed. Not only did he vote against that clause but he persuaded sufficient other National MPs, though not Holyoake, to cross the floor and vote with him and the Labour Opposition to secure the abolition of the death penalty. He also reformed criminal and family law, making divorce easier and giving rights to illegitimate children. He created the post of Ombudsman to make the state bureaucracy more accountable. He extended the six o’clock closing of hotels to ten o’clock. He established an Indecent Publications Tribunal in 1963, following which book censorship was liberalised, Vladimir Nabokov’s 1955 novel *Lolita* being cleared for readers in 1965. Sunday newspapers became legal the same year. He initiated legislation on human rights and race relations. As a returned soldier badly wounded in World War II, Hanan was much more hawkish on foreign policy and defence matters, such as Vietnam, than his leader, but on legal and social matters he was generally regarded as more liberal. Yet he once confided to a senior member of the Press Gallery that ‘some of his greatest achievements in social and penal reform could not have been accomplished without the quiet encouragement of “the chief”’,
suggesting that perhaps Holyoake was not quite as conservative as many thought.  

As Minister of Maori Affairs, Hanan, sometimes referred to by colleagues as ‘Hori’ Hanan, adopted the Hunn Report, which was to become the basis for the Holyoake Government’s Maori policy throughout the following decade. Jack Hunn had prepared this report for the previous Labour Government, which had not had time to act on it. The National Government quickly passed a Maori Welfare Act in 1962. This set up a pan-tribal New Zealand Maori Council to provide a forum and a single voice for Maori at the national level. Holyoake himself also listened to a small group of Maori confidants, including James Carroll, John Grace, Pei Te Hurunui Jones, Hepi Te Heu Heu, John Asher, Henare Ngata, Mat Te Hau, James Henare, and later Graham Latimer.

The historian Jamie Belich has suggested that financially ‘the period 1945–75 was something of a golden age for Maori. The era of Maori protest and activism that began around 1970 did so at a time when Maori were economically better off than they had been for a century . . . . The trouble was that Maori workers were in sectors particularly vulnerable to the kinds of economic changes that occurred from 1973 . . . a shift in the labour market from unskilled to skilled.’ In the 1960s some 50 per cent of Maori were under 15 years of age. Holyoake’s Government did foresee the need for education and upskilling for Maori youth and tried hard to encourage this. The Government established a Maori Education Foundation in 1961 to improve educational opportunities and outcomes for Maori students, especially at secondary and tertiary levels and in trade training, and it also promoted pre-school education. Underlying all National’s initiatives in Maori Affairs was a desire to remove legal, social, and economic, but not necessarily cultural, differences between Maori and Pakeha, and integrate Maori fully into the economy and society. In 1970 there was substantial action to develop Maori language teaching in schools, and schools with high proportions of Maori students received extra staffing. In hindsight, however, not enough was done in the 1960s to minimise the later devastating effects on Maori unemployment of first the economic recession and then the radical economic reforms of the 1970s and 1980s. The Holyoake Government’s commitment in 1971 to make the celebration of the Treaty of Waitangi on 6 February the cornerstone of nationhood for New Zealand as a whole, as Ranginui Walker has pointed out, also presented younger Maori activists over succeeding years with ‘an irresistible target’ to highlight Maori grievances.

National’s Maori policy in the 1960s was effectively one of integration or assimilation, because both Hanan and Holyoake believed that a simple biracial and bicultural approach would lead to separatism and inferior outcomes for
Maori. Intermarriage would eventually create a blended New Zealand ethnicity anyway, and a growing awareness of New Zealand’s difference from the rest of the world, including Britain, Australia, and the United States, also suggested that New Zealand nationalism would be a blend of Maori and European cultural influences as well as genes. In many ways, Holyoake and National’s attitude was summed up by their 1971 Race Relations Act, which prohibited discrimination by reason of ‘colour, race or ethnicity or national origins’ and which also established the office of Race Relations Conciliator, with formal powers to investigate any complaint of racial discrimination. By that time, however, especially among young Maori, there was considerable opposition to what was correctly seen as in practice an assimilationist approach, and this antagonism was to become much greater in the following 40 years.

The Holyoake Government also unintentionally provided the catalyst for a reassertion of Maori activism in defence of land still owned tribally and over historic grievances about land confiscations. In 1967, following the recommendations of the Pritchard-Waetford Committee, the Government passed the Maori Affairs Amendment Act (1967) to facilitate the Crown purchase of undeveloped and uneconomic Maori land. Many Maori saw this move as an attempt to take away land still owned communally by them and as a further breach of the Treaty of Waitangi. It marked the start of a reaction among Maori that in the post-Holyoake years widened beyond defence of land to defence of Maori language and culture and a reassertion of Maori views on the Treaty of Waitangi. Many Maori rejected the integration strategy inherent in the Hunn Report and in the National Government’s attitude and actions, especially in regard to monolingual and monocultural education.

JACK MARSHALL, LIKE Hanan, and unlike his more pragmatic leader, was an intellectual liberal. He was motivated by and sought to articulate a combination of English liberalism and Presbyterian ethics. He wanted to go beyond Holland and Holyoake’s simple and intuitive conservatism and belief in the freedom of the individual, dislike of bureaucracy, wish to lower taxes, and desire to help farmers and businessmen, good though he believed those things were. The liberalism he propounded affirmed ‘the infinite worth of human personality and of each individual’, but he also recognised, paradoxically, that human potential was matched by human imperfections. Cooperation amongst ‘self-respecting, self-directing citizens accepting their mutual responsibilities’ should be encouraged but could not be imposed by the state because ‘[p]ersonal liberty is the freedom under the rule of law to think and act, and to speak and worship as we will’. To guarantee that,
people also needed ‘economic liberty’, because no one ‘is really free unless he possesses in a sufficient degree the material basis of liberty, so that he is free from the constant anxiety of how to support himself and his family’. Marshall also wanted citizens to be protected, as far as possible, from arbitrary and unfair actions by state bureaucrats.

Holyoake certainly agreed with Marshall on the need to protect citizens from such high-handed actions by the bureaucracy. He was a traditional conservative in that he believed ‘Big Government’ was more to be feared than encouraged and it certainly needed to be checked and controlled. He was not averse to spending large amounts of public funds on transport and energy infrastructure, economic development, education, health, or even direct social security payments to those in need, but he had a deep-seated aversion to funding the expansion of the public service generally, especially that section of it that he believed wanted to regulate and manage the lives of individual citizens. In 1959 he declared:

We believe in the maximum degree of personal freedom and the maximum degree of individual choice for our people. We believe in the least interference necessary with individual rights and the least possible degree of State interference. The next National Government . . . will establish greater personal freedom and opportunity than has existed in this country for at least a quarter of a century.13

At the National Party Conference the following year, Marshall suggested a Citizens’ Appeal Authority to investigate complaints against government departments and to make recommendations to correct any injustice. This was taken up and endorsed by Holyoake and the party’s Policy Committee, and at the 1960 election National promised that to

ensure that members of the public in dealing with Departments of State have the right and opportunity to obtain an independent review of administrative decisions, the National Party proposed to establish an appeal authority . . . an independent person or persons responsible not to the Government but to Parliament. The authority will have access to departmental files and the power to summon witnesses.14

Although some saw Holyoake’s support for this proposal as a sop to the Constitutional Society for his rejection of their major demands for a new upper house or a written constitution, there is no doubt that he was genuinely comfortable with the proposal to create a Parliamentary Commissioner or Ombudsman.
The position of Ombudsman had existed in Scandinavia since the early 1800s and had attracted during the late 1950s the attention of both Marshall and Hanan, and of the Secretary of Justice, Dr John Robson, who was exposed to the idea at a UN conference in Ceylon in 1959. Robson had for some years before this seen a need to protect individual citizens against unfair state decisions beyond legal scrutiny. Within weeks of National winning the 1960 election, Hanan instructed Robson to prepare a Parliamentary Commission for Investigations Bill based on the Danish model of an Ombudsman and this was introduced to Parliament in August 1961. The Public Service Association and the Labour Opposition were unimpressed and indeed saw the move as an attack on the public service. There was little public support or even interest in the measure, which lapsed but was reintroduced in June 1962. Although Labour was still sceptical, the Bill passed with little controversy, except over the name ‘Ombudsman’, which was adopted on a free vote. New Zealand was the first country in the Commonwealth to establish such an office, and as a result there was considerable interest throughout the English-speaking world. The British Parliamentary Commission for Administration, and similar positions established in Hawaii and the Canadian states of Alberta and New Brunswick, all in 1967, were modelled largely on the New Zealand legislation.

In October 1962, Sir Guy Powles was appointed the first Ombudsman, a post he was to hold for the next fourteen years. In the first full year of operation, 1963–64, Powles investigated 389 complaints and sustained 81, or 21 per cent, of them. In the last year Holyoake was Prime Minister, 1971–72, 525 complaints were investigated, with 113, or again 21 per cent, being upheld.

Between 1962 and 1968 the Labour Opposition continued to question the need for an Ombudsman, suggesting that complaints could be as effectively and much more cheaply investigated by the MPs themselves. Holyoake repeatedly and staunchly defended the Ombudsman as an independent and important authority and officer of the whole House and not just the Government. In 1968, however, when the National Government successfully moved a bill to extend the jurisdiction of the Ombudsman to Education and Hospital Boards, Labour finally accepted the worth of the position and indeed tried to include all local government. Holyoake declined to do so until there had been consultation with the local bodies concerned and until his government had a mandate through a specific election policy, as it had when it set up the office of Ombudsman originally after the 1960 election. The Ombudsman’s jurisdiction was not extended to all local authorities until 1975.

Holyoake told Powles that his door would always be open to him and that he would fix it if the Ombudsman had trouble with any recalcitrant minister.
or civil servant. Powles later praised Holyoake for his ‘unflagging support’ behind the scenes and recorded that when ministers were disgruntled with his findings, reports, and recommendations and tried to discuss them with the Prime Minister or at Cabinet, Holyoake would simply say to them: ‘Well go away and do it – don’t bother this Cabinet with recommendations from the Ombudsman.’ As Powles recorded elsewhere: ‘They knew that I had the Prime Minister’s support, but I don’t think anybody else did really.’

Robson was one who did know, and summarised several cases where he knew Holyoake had intervened to support Powles when the Ombudsman’s recommendations had been rejected. In 1968, for example, the Social Security Department refused to comply with Powles’ recommendation that it waive legal action against a 72-year-old widow for a relatively small amount overpaid to her by the Department four years before. Holyoake told Powles to talk to the Minister of Social Security and to come back to him if the recommendation was still not accepted. The Department changed its mind. In the same year, the Government Superannuation Board rejected an Ombudsman’s recommendation but reversed that decision after Holyoake again intervened when Powles brought the matter to his attention.

HOLYOAKE ALSO BECAME involved, in 1964 and 1965, with the issue of overseas ownership and control of New Zealand newspapers, and personally led the fight to stop, eventually by legislation, the takeover of Wellington’s Dominion newspaper by Lord Thomson. Most New Zealand newspapers, the Journalists’ Association, the Law Society, and the Public Service Association saw no problem in an overseas company buying one New Zealand newspaper, and gave evidence to that effect to a parliamentary committee. Nordmeyer suggested that the public interest would suffer less from Thomson’s ownership of the Dominion than from the Australian Rupert Murdoch’s existing control of four daily newspapers and a minority interest in the Dominion. Holyoake, however, argued that ‘New Zealand industry generally should be in the hands of New Zealanders’ and that its newspapers in particular should be owned and controlled by people who lived in the country. The media could exercise considerable influence on a small population, and an overseas press empire could also eventually destroy competition and smaller New Zealand-owned papers. His action, supported by Marshall but opposed by Munro, Algie, and Talboys, split the caucus. It took a rare vote on the issue – 26 MPs supporting Holyoake and the legislation, 3 opposing legislation but wanting Thomson to be told he was not welcome, and 11 voting for no action by the Government – to stop the takeover.
The Government’s action was widely attacked as state interference hostile to private ownership and private enterprise. Holyoake responded that there was a ‘difference between private ownership and private enterprise’, in that the former could lead to monopoly and the second was essential for competition. In his opinion, monopoly ‘was the very antithesis of free competitive enterprise’, and while he was Prime Minister the defence of competition would take priority over private ownership that could create a monopoly. Holyoake was concerned that allowing Thomson to buy the Dominion would see other New Zealand newspapers fall to further takeover bids, not only by Thomson but also by Murdoch, eventually destroying New Zealand control over its news media. Finally, a News Media Ownership Bill was prepared to prevent overseas ownership of New Zealand newspapers. Although a number of National MPs, including Munro, Muldoon, and MacIntyre, continued to oppose it in caucus and suggested that regulations could be used instead, Holyoake insisted that legislation was necessary, because ‘everyone should know the law and [the] Government [should] not [be] put in [the] position of deciding under regulations’.

Holyoake played a more prominent and passionate role in the debate in Parliament on this Bill than on almost any other piece of legislation during his long career. He told Parliament: ‘This Bill embodies a very simple but a very powerful principle – that New Zealand television, radio and newspapers shall not be owned and dominated by people other than New Zealanders.’

He stood entirely on the principle that I believe in New Zealanders owning their own industry, all industry, wherever practicable . . . . This country is growing up, and I want to see it owned and controlled by New Zealanders in every possible sphere. There is, of course, also an economic reason – the bleeding away of overseas funds and the paying of tribute to people overseas . . . . I, for one, want to see New Zealand mature, to grow up in its own sense, have its own soul, develop its own character, and have control of its own destiny in all spheres of the economy. I think the dissemination of news media is something special. It is greater than the ownership of a biscuit factory, or a brick factory, or any other factory. This is my simple faith.

Holyoake concluded that, for political, cultural, and economic reasons, he was passionately devoted . . . . to the idea that New Zealanders should have adequate opportunity to run their own affairs. Help, know-how, and finance under certain conditions from overseas – yes; but I do not want to see New Zealand continue to
grow as an appendage or satellite of Britain, Australia, or the United States. We are growing up . . . . New Zealand should not be the plaything of multimillionaires from overseas.\(^{31}\)

Labour speakers during the debate ridiculed Holyoake for being overemotional in his comments and one also accused him of having secretly done a deal with a ‘hard-headed businessman’, Murdoch and his News Ltd of Adelaide, to keep Thomson out of New Zealand and especially the \textit{Dominion}, in which Murdoch already had a minority shareholding.\(^{32}\) Holyoake bitterly resented the allegation and replied that foreigners could invest in New Zealand companies and bring in capital and expertise and that Murdoch had bought up to the maximum 20 per cent permitted in the \textit{Dominion}, though only being allowed to vote 15 per cent.\(^{33}\) He conceded that: ‘If there were to be overseas ownership of New Zealand newspapers, I would rather Lord Thomson were the owner than anyone else. I think he runs a very good newspaper, but I cannot contemplate Auckland newspapers being owned in Melbourne, Wellington newspapers in London, or Christchurch newspapers in Sydney.’\(^{34}\) The voting on the Bill was 41–35, with Munro receiving permission from Holyoake to cross the floor and vote with the Opposition against it.\(^{35}\) Munro believed, and some years later said publicly on television, that his ‘action in opposing the Government’s legislation to restrict foreign shareholding in New Zealand newspapers’ angered Holyoake, and ‘after that I think I was dead as far as promotion to Cabinet was concerned’. The Prime Minister would not even have Munro as Chairman of the External Affairs Committee.\(^{36}\)

Holyoake’s opposition to foreign ownership of New Zealand’s newspapers was not because he thought New Zealand-owned newspapers were more enthusiastic and less critical supporters of his government, though the \textit{Dominion} probably was the National Government’s major media supporter at the time. Other papers were less supportive and Holyoake complained to a small group of businessmen on 15 February 1966 that the Government was receiving a hammering from the press and asked what could be done to combat it. He pointed out that he made himself available to the press twice a day and that the problem ‘was not what the government said, but what was said about the government which had some influence on newspaper readers’.\(^{37}\) Cliff Plimmer, the managing director of the stock and station agents Wright Stephenson and a director of the weekly tabloid paper \textit{Truth}, explained that directors like himself had little influence over editors and journalists, that the new Labour leader Norman Kirk was cultivating journalists and making a considerable impression on them, and that the Government’s own relations with the press were poor.\(^{38}\) What Holyoake did not know was that Plimmer,
BY THE 1960S, NEWSPAPERS were struggling to withstand competition from television and radio for readers (viewers or listeners), influence, and advertising. During that decade most New Zealanders finally obtained access to television, which brought about dramatic changes in recreational and social activity. Shortly before the 1960 election, the Labour Government passed a Broadcasting Amendment Act establishing a TV service, commercial and non-commercial at different hours, to be run by the existing NZ Broadcasting Service under a Minister of Broadcasting. Television broadcasts for 28 hours a week started in Auckland on 1 April 1961, in Christchurch in June, Wellington in July, and Dunedin in July 1962. By 1970, 78 per cent of New Zealand households had television and the first colour trial transmission came in February that year.40

During 1959 and 1960, Holyoake was heavily lobbied by two companies wanting to set up private television in New Zealand: Kerridge-Odeon, a theatre chain owned by Robert Kerridge, and the NZ Television Corporation, a consortium of the radio and TV manufacturer Pye Ltd and two British companies. Others in the National Party such as Marshall were ‘concerned to see that private enterprise has an opportunity to take part’, and one prominent party official undoubtedly spoke for others when he argued that ‘competitive private enterprise’ was preferable to government control of TV.41

Holyoake, however, realised that TV would have major economic, social, and probably political effects, and would be at least initially a significant monopoly. He agreed with Labour, therefore, that it should be publicly owned, though he wanted its management removed from direct political interference. He saw Kerridge and the private sector as only being interested in the profitable market in the major cities rather than in providing national coverage as rapidly as possible to National’s rural and provincial heartland. This could be better done and funded by the state. He also did not want the content of television to be dictated by advertising or the lowest common denominator of public demand but desired a balance of ‘cultural, educational, religious and sporting interests’ and ‘the increasing use of locally produced programmes’.42

It is interesting to note that Holyoake was also apprehensive about both the cost in overseas funds to import TV components and the likely social effects,
including mealtimes around the TV and visitors joining ‘silent circles of viewers’ rather than calling in to chat with friends.43

Another of Holyoake’s concerns was that wealthy business interests could use privately owned television to push their own political agenda, but he was equally worried that a public system should not be directly under political control. Because television was ‘a much more potent weapon than [radio] broadcasting’, he advocated, therefore, a public corporation comparable to the British Broadcasting Corporation (BBC), which was ‘a state-owned utility but removed from day-to-day government control’.44 This was similar to what 25 years later was to become known as the ‘state-owned enterprise’ (SOE) model.

In October 1961, National’s Broadcasting Act was introduced to Parliament and was finally passed the following month after fierce debates. A NZ Broadcasting Corporation was established, with the Governor-General appointing a three-member board on the recommendation of the Government. The day-to-day running of the NZBC was to be in the hands of a Director General, also appointed by the Governor-General, but this time on the recommendation of the Board, and throughout the 1960s that post was to be held by one man, Gilbert Stringer. While removing direct ministerial control, the Government still had considerable indirect influence through appointments to the Board and also through the substantial funding it provided for the development of the television network and programme purchase and production. The Minister could also direct the Board in writing. Holyoake, however, instructed Kinsella, his first Minister of Broadcasting, to create ‘an organisation as independent as possible’ of government during the 1960–63 period, and Kinsella later recalled that the Prime Minister subsequently and resolutely backed him, including on one occasion when other members of Cabinet wanted Kinsella to censure the Director General for remarks he had made and with which they disagreed. Kinsella refused and the Prime Minister supported him in that stance.45

One major test of the NZBC’s political independence and impartiality was the 1963 election campaign, to which the Corporation allocated 24 hours of free radio broadcasting time and two hours on each TV station. The allocation of that time to the competing parties was to be done by the Prime Minister in consultation with other party leaders. Holyoake set up an allocation committee consisting of himself, Marshall, and Kinsella, and three Labour MPs nominated by Nordmeyer (the other two were Hugh Watt and Henry May). Labour and National each received the same allocation of time, with Social Credit, who were not represented in Parliament, receiving approximately half the time allocated to the major parties. The Liberal and
Communist parties initially received nothing, although the Liberals later were granted half an hour of radio and ten minutes of television time.\textsuperscript{46} Interestingly, the National Party’s Publicity Director, Ian Main, tested 26 National MPs, but not the front bench, in a studio for their appearance and effectiveness on TV and reported his findings to Holyoake. National had ten five-minute slots to fill, and from that Holyoake took ten minutes for his campaign opening and five for its conclusion. The remaining broadcasts, Main suggested, should go to Esme Tömbleson; Leslie Munro, the new candidate for Waipa; James Henare, the candidate for Northern Maori; Roy Jack, ‘incomparably the best TV material we have’; and Don McKay, who also had ‘a natural talent for television’.\textsuperscript{47} Holyoake chose all those nominated except Munro, and also declined to give Shand, who had asked for consideration, either a test or a television broadcast, although he did allocate both fifteen minutes each on the radio.

After the election, Holyoake replaced Kinsella with Scott as Minister of Broadcasting. Although he had been responsible initially for making the NZBC reasonably independent, the Prime Minister appears to have had some second thoughts and, according to Scott, ‘when he gave broadcasting to me Holyoake said he’d like me to control it’ because he thought that the NZBC ‘had ridden roughshod over Kinsella’.\textsuperscript{48} Scott’s attempts to exert more control led to ongoing clashes with Stringer and the Board’s chairman, Professor F. J. Llewellyn, and in 1965 the Government appointed a much stronger and more hands-on Chairman, Charles McFarlane, a former Director General of the Post and Telegraph Department. Appointments to the Board became more overtly political after Holyoake appointed first Adams-Schneider in 1967 and then Walker in 1969 to be Minister of Broadcasting, and by 1972, when the Board sacked Alexander MacLeod, the editor of the \textit{Listener} and an outspoken opponent of the Vietnam War and New Zealand’s rugby relationship with South Africa, five of the seven NZBC board members were clearly National supporters, including three members of the party’s Dominion Council.\textsuperscript{49}

Even before then, however, there had been concern that the Board was too responsive to the Government’s sensitivities and wishes. Shortly before the 1966 election, for example, controversy erupted over charges of political interference with \textit{Compass}, the major current affairs programme on television of the time. This became known as the ‘Bick Affair’. Gordon Bick, an Englishman, was the producer of \textit{Compass}. He wished to make a programme on the impending changeover to decimal currency and suggestions that it would inevitably result in price rises. Muldoon, who was in charge of the decimal currency project, wanted to appear on the programme to answer the charges but was prevented by NZBC rules banning MPs from appearing on TV.
during the pre-election period except in campaign-allocated time. Muldoon refused to allow any member of the Decimal Currency Board to replace him and suggested that the programme be postponed until after the election when he could appear. When it was postponed, Bick resigned and claimed that he had a taped telephone conversation with John Reid, the publicity officer of the Decimal Currency Board, suggesting that Holyoake was responsible for delaying the programme until after the election. He also claimed that other Compass programmes on North Vietnam and Rhodesia had not been screened because their timing could have embarrassed Holyoake.

TELEVISION PLAYED A more important part in the 1966 election campaign than it had three years earlier. Six hours were set aside, four for studio discussions with the party leaders or party representatives, with National and Labour receiving 50 minutes each and Social Credit 20 to use as they wished. National’s television adviser was Kevin Morris, the NZBC’s Wellington ‘Town and Around’ producer. He ranked Thomson, Shand, Jack, and Munro, despite his lisp, the best but was very blunt about several other possibilities such as Rona Stevenson, MP for the very marginal Taupo seat, who should certainly not be used, and more significantly the Minister of Finance, Harry Lake, who came over as ‘grim, cold, [with] slow delivery, [and] ponderous, dull speech’. Ironically, in light of the fact that Muldoon was to become almost immediately the most effective politician on screen, Morris also had some concern about him and suggested that he should be used only as ‘a straight camera speech with as much film and visual support as possible’, assessing the future prime minister as having a ‘[g]ood voice, knows his subject, but cold because of facial defect’. In contrast, Holyoake and Marshall could ‘straight talk to the camera with no support necessary’. The positive assessment of Holyoake’s ability to use television effectively was at best tendentious, and one senior party official in retrospect was to suggest that Holyoake always ‘hated TV’, and another later went so far as to suggest that he was ‘finally destroyed by TV’. Certainly, even parliamentary colleagues saw Holyoake’s aversion to television and his distaste for most interviewers, combined with the apparent falseness of his voice and demeanour on the screen, as damaging his public image during the latter years of his leadership.

In March 1969, a new current affairs programme, Gallery, replaced Compass. Under Des Monaghan as producer and with Brian Edwards as lead interviewer, Gallery was even more independent and aggressive than its predecessor and provoked a considerable reaction from politicians, especially the Prime Minister and Minister of Finance. As Edwards later recalled:
It was for them, as for the country, a relatively new situation, for the hard-line interview was almost unknown in New Zealand television before 1969. The politicians reacted to the new situation by attempting to master the technical skills of being interviewed without ever giving thought to the need for a radical reassessment of their approach to the interviewer.56

Because of television’s greater impact, the 1969 election was fought not so much on detailed policies as on images and personalities. Kirk was more impressive than a clearly less comfortable Holyoake on television. Although it was widely agreed that Holyoake displayed complete mastery of parliamentary technique and was a skilled tactician and incisive debater in the House and on the hustings, he was ill at ease in front of the camera, and his rich, reverberating voice and patrician, seemingly pompous, manner did not come over well.57 One TV current affairs interviewer, David Beatson, believed that Holyoake regarded television merely as a medium on which he could talk directly to the people, preferably without interruptions from an interviewer. He often chided the interviewer with the comment: ‘Whose interview is this? Yours or mine?’58 He vetted questions and even tried to direct camera angles because he believed that he should always be filmed from the left rather than the right side of his face.59

Holyoake’s Press Secretary believed that, although Holyoake quite liked some individual journalists as people, he ‘really did not like or trust the media’.60 The Prime Minister ‘relished good publicity, but angrily resented anything else’. He was ‘always suspicious of, and slightly nervous of the electronic media in particular’ and ‘it showed’. Although he could do well on TV when he was relaxed and sometimes had an ‘utterly delicious sense of humour’, he was nearly always ‘looking for traps’ when dealing with journalists and especially television interviewers.61 One observer subsequently suggested that Holyoake’s ‘basic failure’ was

an inability to communicate his hopes and aspirations to the people, to inspire the warmth and admiration which great statesmen can instinctively command. His passages with the news media were played like a game of poker in which he always held the aces. Not surprisingly, most reporters found him difficult to deal with. In turn, he failed to use the Press to tell the people what he was doing – despite his oft-quoted remark, “Tell the people, trust the people”.62

Two of the most astute Press Gallery journalists published a book, Election ’69, shortly before the election.63 Their assessment of Holyoake, especially his public image, was not flattering. Even after winning three elections and
having been Prime Minister for nine years, they argued that ‘Holyoake’s public manner has always prevented him from becoming a popular figure, and New Zealanders have been slow to accept that he is a politician of the first rank’.64 Like Holland before him, Holyoake was ‘no philosopher king’ but a ‘first-class mechanic’ and a ‘good salesman’ who made ‘politics a matter of slogans’ and never made ‘bold statements that make for eye-catching headlines or memorable quotes’.65 Although they conceded that those who worked closely with the Prime Minister saw ‘a man of keen intellect and great understanding, a man with an intuitive grasp of the political, economic and social situation of the country, a man with an enormous capacity for work’, the authors also maintained, ‘he appears in public as shallow and insincere’.66

Brian Edwards, who later became a Labour candidate and media adviser, wrote an informed and considered analysis of Holyoake as a TV performer. When Edwards joined the Gallery programme in 1969, he believed that

Holyoake’s reputation as a television performer could not have been worse... he expected as of right to be told the questions in advance and had been known to refuse outright to answer certain questions at all... Both before and during the programme he used the full weight of his office to intimidate the interviewer... The studio Holyoake was everything that an interviewee should not be – evasive, pompous, patronising, overbearing, long-winded, repetitious, pretentious, boring. He could say less in twenty minutes than most men could in two.67

On the night of the 1969 election, Holyoake aggressively told Edwards during a live interview that he had no right to ask a particular question, but some weeks later apologised for his behaviour. Edwards came to conclude that ‘there were two Holyoakes’, the second a much more sympathetic person who could be relaxed, good-humoured and with ‘not a trace of pomposity about him’ when chatting off camera. Edwards suggested to Holyoake’s Press Secretary, Manning, that the Prime Minister could improve his television appearances with some gentle advice, and Holyoake agreed. Subsequently, Edwards did a 25-minute interview with the Prime Minister in 1970 on his early life and personality and, although

the voice was the same, the answers were direct, honest and unpretentious. The whole thing was chock-a-block with information, anecdotes, thought, ideas, history... At no point did he appear “shallow and insincere”... When he left the studio, I had developed a new respect for him... I am inclined today to think that he has been less than fairly judged. You cannot dismiss a man simply because he puts a marble in his mouth.68
Holyoake continued to oppose the establishment of private television in New Zealand, even when in 1969 and 1970 plans went ahead for a second channel and also for colour TV. He resisted, for example, an attempt by Associated Network Ltd, a very influential consortium of Kerridge, Wright Stephenson, Wattie’s, and UEB, to get the second channel, arguing that it was much more important to see the NZBC with complementary colour channels covering the whole country than with competing, regionally based, private channels servicing the urban areas.  

From the mid-1960s, Holyoake appears to have become less opposed to private radio stations competing against the NZBC. The NZBC had been given the power to issue private licences, but was clearly not prepared to do so and damage its monopoly. Instead, it maintained stations to complement rather than compete with each other, and provided commercial and non-commercial stations, some specialising in classical music and others modern, and with national and regional programming. Many younger listeners, however, believed that their tastes in music were not being catered for by the NZBC, and in 1965 four young men established a private, commercial, youth-oriented music station, which was based on the model of pirate radio stations already broadcasting off the British coast and challenging the BBC.  

On 23 October 1966, Radio Hauraki tried to sail from Auckland on the Tiri, a 35-year-old battered wooden scow without a current survey certificate, intending to anchor outside New Zealand’s 3-mile territorial coastal limit and broadcast back to shore. Scott was Minister of Marine as well as Broadcasting and stopped the Tiri on safety grounds. A magistrate dismissed the detention order, and on 7 November the ship dropped anchor just under 3 miles off shore in the Hauraki Gulf near Great Barrier Island and started broadcasting. Radio Hauraki received huge public support in Auckland and around 3000 mainly young people attended a public meeting in the Town Hall to demand Hauraki receive a licence.  

Shortly afterwards, Holyoake held an election meeting at the Auckland Town Hall, and when challenged on Radio Hauraki surprised by responding: ‘I like pirates. I think you all do.’ He then went on to say that as the NZBC had failed to license private stations the Government would take that power away from them after the election and give it to a new independent broadcasting licensing authority with no vested interest in preventing competition. The NZBC Chairman ‘considered Holyoake’s “I like pirates” statement to be an embarrassment to the minister and an abrupt reversal of the government’s policy’. Scott had earlier tried unsuccessfully to get the NZBC to help Radio Hauraki by either contracting programmes to them or leasing them station time. He also personally intervened with the private station’s creditors and
had indicated to them that he would try to get Hauraki a licence from the NZBC after the election. As one radio historian has noted, ‘[a]fter the 1966 election National was far more accepting of private broadcasting. . . . Holyoake’s campaign speech in support of Radio Hauraki led the way, even though some National caucus opposition still remained, notably from the Speaker, Roy Jack’ and the Minister of Customs, Shelton.

In 1968 the Government established a NZ Broadcasting Authority, separate from the NZBC, to consider the allocation of radio licences. Labour opposed the move and defended the NZBC’s monopoly position in radio broadcasting, but the following year Kirk partly defused the issue before the election by stating that a Labour Government would not necessarily revoke any licences the new Authority had granted. Radio Hauraki received its warrant in January 1970 and opened its legal, land-based, station on 26 September that year. Other private stations soon followed.

AFTER THE 1963 ELECTION, Kinsella, a former teacher, had been forced by Holyoake to become Minister of Education, although he told the Prime Minister he did not want the portfolio and preferred to stay with Broadcasting. Education, a rapidly growing area of government expenditure, was very important to the Holyoake Government and the Prime Minister was determined to have a senior minister in charge of it. Although Holyoake had enjoyed little formal education himself, he believed that education was the best way to provide equality of opportunity for future generations of New Zealanders and was willing to pump enormous amounts of money into achieving that objective.

Throughout the 1960s there was an explosion in pre-school education, with the number of kindergartens rising from 207 to 305 and parent-run playcentres from 161 to 542. By the end of the decade one third of all children under five received some form of pre-school education. Primary school rolls doubled and secondary rolls more than trebled. The escalation in student numbers required many more teachers. Primary teacher training was also extended from two years to three in 1962. Secondary students stayed on longer and more went on to tertiary education. There was an enormous expansion of new school and university buildings. An Adult Education Act in 1963 extended community and adult education. A system of guidance counsellors was also introduced in secondary schools in 1966.

Teachers’ salaries rose substantially. Spending on education went from 6 to 14 per cent of all government expenditure between 1945 and 1970, while, not coincidentally, spending on defence under Holyoake fell from about 15 per
percent in the 1950s to some 5 per cent in the early 1970s.\textsuperscript{77} Government income was certainly greatly increased by economic growth, but it is significant that the Holyoake Government also spent more on education by reallocating government expenditure rather than by increasing the percentage of gross domestic product (GDP) it took through taxation. The state took about 32 per cent of GDP in the 1950s and a very similar 33 per cent during the 1960s and up to 1973.\textsuperscript{78}

Nowhere was the dramatic increase in education in the 1960s seen more than in the tertiary sector. In 1976, when Holyoake was asked on his retirement from Parliament what one thing he would like to be remembered for after his almost half a century in the House, he somewhat surprisingly responded:

I’ve always felt the great loss to me personally – though I can’t measure it – through having no secondary and university education and I was determined that my children and my grandchildren – and then incidentally when I came into public life everybody else’s children and grandchildren would have a much better opportunity and this is one thing that I’ve felt that I have fought for and influenced and to some extent achieved over the years – right to the university . . . everybody must have the opportunity to go to university if they wished.\textsuperscript{79}

The University of New Zealand was dissolved in 1961 and its four constituent colleges became rapidly expanding separate universities at Auckland, Wellington, Christchurch, and Dunedin. Two new universities, Waikato and Massey, were established at Hamilton and Palmerston North during the decade. The number of students in universities and polytechnics rose from just under 20,000 to over 50,000 between 1960 and 1975.\textsuperscript{80} It was somewhat ironic that many of the students who were to attack Holyoake so personally over the Vietnam War in the late 1960s were at university largely as a result of the education policies he was primarily responsible for promoting. Many of the new graduates were very liberal in their outlook and, as Belich has pointed out, in the 1970s and 1980s both those on the left and those on the right, although proposing different solutions, also came to regard Holyoake’s economic and social policies, as well as his foreign policies, as having been far too conservative.\textsuperscript{81}

During the 1960s, however, the Prime Minister enjoyed defending his government’s education policies and expenditure, boasting, for example, in the 1965 Address in Reply debate that the Education vote in the forthcoming Budget would be ‘nearly double the amount the Labour Government voted five years ago’. University expenditure was being ‘given very high priority’, with only one thirteenth of the student population in tertiary institutions but
one seventh of the total expenditure. Grants to universities in 1964–65 were ‘nearly two and a half times as much as . . . in the last year of the Labour Government, with non-recurring grants for capital expenditure 50 per cent higher than the previous year and recurring grants for salaries and operating costs 30 per cent higher’. Student bursaries, scholarships, and academic staff salaries had ‘all been increased tremendously, particularly this last year’ and were planned to double over the next five years when the Government would also start building up the technical institutes.82

All this expansion resulted in an enormous and escalating cost of education. Holyoake insisted that any expenditure over $250,000 had to go to Cabinet for approval. This meant that the Education Ministers, Blair Tennent, Kinsella, and Talboys, were often questioned aggressively by Treasury and by other ministers, especially the Finance Ministers Lake and Muldoon. Holyoake invariably encouraged and supported his Minister of Education’s decisions and increased spending, and this upset not only Lake and Muldoon but also other ministers who had agreed to restrain expenditure in their portfolios. One colleague recalled that at Cabinet ‘Holyoake would say, “We’ve got to give Education this vote” and Cabinet Works Committee recommendations would be overturned and extra funding for Education approved’.83

During 1966–69, Kinsella, who was in the process of losing his sight and was to leave Parliament at the 1969 election, fought a continual battle with Muldoon, especially on tertiary education spending. This required the intervention of Holyoake on a number of occasions, almost invariably on the side of the Minister of Education.84 Holyoake also consistently supported Talboys when he succeeded Kinsella as Minister of Education in 1969, and Talboys always believed that this was because Holyoake wanted ‘more kids to have what he had not enjoyed’ in the way of educational opportunities.85

The Prime Minister’s largesse in funding education astonished his ministers because of his well-known reluctance to spend taxpayers’ money generally, and Kinsella later contrasted Holyoake’s willingness to fund education with his parsimonious approach to furnishing ministers’ offices. The only time Holyoake ever visited Kinsella in his office was not to discuss the vast amounts being spent on Education but in response to Kinsella’s complaint that he had a very dilapidated and threadbare carpet. Holyoake decided to go and check out the carpet personally, before reluctantly agreeing that it was beyond repair and needed replacing.86

There were also continual public and private rows between the Ministers of both Education and Finance and the teacher unions, the New Zealand Educational Institute (NZEI), the Post Primary Teachers’ Association (PPTA), and the Association of University Teachers (AUT). The Prime Minister was
prepared to intervene also in those disputes. In 1970, for example, during negotiations between the AUT and the Government over a triennial review of academic staff salaries, Talboys supported a recommendation for salary increases in the 30–40 per cent range to maintain margins over secondary teachers, who had been receiving quite large six-monthly salary adjustments over the previous three years, and to assist with recruitment and retention in competition with Australian universities. Muldoon, and his Associate Minister, Lorrie Pickering, vehemently opposed the proposed increases, and Holyoake called a meeting of interested parties late one afternoon in his office to resolve the matter. After the Ministers of Education and Finance had put their cases, he asked the Chairman of the University Grants Committee and the representatives of the AUT to comment. At the end, he simply stated: ‘I think, Brian, we can do something that will please the universities. Thank you, everyone, we’ll let you know tomorrow.’ The following day the very large salary increases recommended by Talboys were announced. It was clear who had had the final say on the salary claim.87

HOLYOAKE WAS A ‘compassionate conservative’ long before that term was coined overseas years after his death. He was prepared to spend very large amounts on social security, although he did have some concerns about its bureaucratisation and any waste of taxpayers’ money. But he accepted largely without qualification the need for the state to provide a reasonable level of economic and social security to those in need through age, sickness, or unemployment. In the 1964 Address in Reply debate, for example, Nordmeyer tried to provoke the Prime Minister into debating the social security system and especially the increased payments to single old-age pensioners. Holyoake declined to respond, except to say: ‘The Leader of the Opposition spoke about social security. I do not intend to follow him; I can agree with most of what he said.’88

Throughout the 1960s, Holyoake’s Government tried to maintain and even extend the welfare state in the face of the eroding effect of inflation and increasing demands on it from rising expectations. It increased the old-age pension, the child allowance, and sickness and unemployment benefits from time to time to compensate for inflation. It increased spending on the health system, though not as sharply as it did on education. National also encouraged the development of the Southern Cross Medical Care Society formed in 1961, which provided insurance and private and quick access, particularly for surgery. By the mid-1970s some half a million New Zealanders had medical insurance.89 In 1966 the Government agreed to pay half the cost of upgrading
homes and hospitals run for the elderly by religious and welfare organisations. It introduced some completely new welfare payments, notably in 1968 the Domestic Purposes Benefit (DPB), an emergency payment to deserted wives and single women with dependent children that was later extended by Labour in 1973. In 1969 a Royal Commission of Inquiry on Social Security under the chairmanship of Sir Thaddeus McCarthy was set up. Its report in March 1972 endorsed the principles underlying the 1938 Social Security Act and found little need for major changes, although it did suggest that benefits should be larger to provide more than subsistence for the recipients. National accepted the report and in its 1972 Budget implemented most of the Commission’s reasonably modest recommendations, including doubling the family benefit and increasing payments to medical general practitioners. In the same year, another Royal Commission on Compensation for Personal Injury chaired by Sir Owen Woodhouse also reported, five years after the Government had set it up. This Commission made recommendations that led to the establishment in 1974 of the Accident Compensation Corporation and the elimination of litigation in favour of a universal and comprehensive, no-fault, rehabilitation and compensation system when people suffered an accident anywhere in New Zealand.

Another significant piece of legislation in 1965, implementing a 1963 election promise, was an Electoral Amendment Act, which stabilised the number of South Island parliamentary electorates at 25. Because of the population drift to the North Island, this meant that the number of MPs from the North would gradually increase after each census, as their electoral boundaries would be drawn on the same population basis as South Island seats. Holyoake was happy to see the number of MPs rise beyond 80 as this would make more talent available, especially for cabinet selection, but he opposed the increase of the four Maori seats reflecting their increasing population on the grounds that he had always believed that as more and more people became of mixed Maori and European ancestry and chose to go on the general or European roll, ‘the next step in Maori representation would be complete integration, that we should join together and be on the same roll’. To increase the number of Maori seats ‘would be halting our progress towards the point where we became really one people in the matter of voting . . . we would then be travelling parallel paths . . . which in itself seemed just and fair, but parallel lines never joined, and I believe we had to join at some stage’, because continued electoral division was ‘a form of apartheid – separate development – and this I felt was abhorrent and carried us in the wrong direction’. A few months prior to the 1969 election, the voting age was also lowered from 21 to 20.
New Zealand’s domestic society was transformed during the 1960s. That was also a decade in which the country started to respond much more actively to what Holyoake described as its isolated ‘geographic situation at the centre of the world’s “water hemisphere”’. It was, he argued, ‘small and highly dependent on world trade’ for its standard of living and could rely economically on no one but itself. While New Zealand sought to remain friends with Britain, the United States, and Australia, during Holyoake’s tenure as Prime Minister it also came of age in terms of its place in the world and started somewhat ambivalently to become more independent in its foreign and security policies and in pursuing international trade.
IRRESPECTIVE OF WHO held the External Affairs, or as it became after 1969 the Foreign Affairs, portfolio, the dominant voice on major issues of foreign policy in all New Zealand governments has always been that of the prime minister. In 1947, New Zealand adopted the British Statute of Westminster, thereby gaining complete constitutional autonomy in foreign and defence as well as domestic affairs. The Labour prime ministers Fraser, from 1947 to 1949, and Nash, from 1957 to 1960, concurrently held the position of Minister of External Affairs. Holland chose to be Minister of Finance from 1949 to 1954 and gave the External Affairs portfolio successively to Doidge (1949–51), Webb (1951–54), and Macdonald (1954–57). Macdonald also held the Defence portfolio from 1949 to 1957 and continued in both jobs for the short time Holyoake was Prime Minister in 1957.

As mentioned earlier, British diplomats correctly predicted shortly before Holyoake became Prime Minister for the first time in 1957 that the fourth-generation New Zealander would be more nationalistic and less deferential towards Britain than any of his immediate predecessors or contemporaries. Fraser, a strongly internationalist Scotsman, only remained Prime Minister for two years after New Zealand became fully independent and, as Laking has observed, for Holland, ‘foreign policy was what the British Government said it was’ anyway, even though he was New Zealand-born. Another senior official described Holland as an ‘Empire man’ who ‘shaked [sic] with patriotic fervour every time he got within 50 miles of Buckingham Palace’. Laking also felt that New Zealand’s Anglo-centric foreign policy changed little from 1957–60 under Nash, who ‘acted as an Englishman rather than a New Zealander’, a judgement with which the British High Commissioner, Mallaby, concurred.
While there was ample precedent for Holyoake to take the External Affairs portfolio when he became Prime Minister in 1960, many observers thought that he would choose someone else. Holyoake had shown little interest in foreign affairs previously and had not even sat on the National Party’s caucus committee on External Affairs prior to the 1960 election, leaving the development of that policy to ten other MPs, the most active of whom were Algie, Marshall, Gotz, and Walsh. In retrospect, he acknowledged: ‘I had not taken a very keen and lively interest in Foreign Affairs . . . or any notable part in Foreign Affairs in any way whatever before I became Leader of the Opposition and Leader of Government.’ Nor, apart from defending New Zealand’s markets in Britain, had he demonstrated any particular knowledge or perspicacity on the few occasions he had commented on foreign affairs.

In 1960, as Leader of the Opposition, for example, Holyoake had made a tour of Asia and on his return wrote a 40-page report that contained very few personal observations on the politics or economics of the countries he had visited. Instead, he recorded somewhat ethnocentric and trivial, if occasionally amusing, comments, which revealed his lack of international sophistication. In South Vietnam, for instance, he described the appearance of a whole plucked swallow in his soup at a dinner with the Foreign Minister and how he had thought it was a bit too much to see some of the guests pick the whole bird up and put it in their mouths with only the head hanging out. In Japan he thought it strange that ‘Prime Ministers and others get down on the floor to have their dinner’. Holyoake always disliked overseas travel and clearly would have preferred someone else to have to go annually to ANZUS or SEATO (South East Asia Treaty Organization) meetings. In 1959 he had told a meeting in Whangarei: ‘A government should not just be a one-man band – especially a travelling band. If Mr Nash insisted on being both Prime Minister and Minister of External Affairs, he will have to learn to trust some of his Ministers and delegate some of his work.’ When questioned after the election on the advisability of combining the posts of Prime Minister and Minister of External Affairs, however, Holyoake replied that ‘there was complete justification . . . the internal affairs of a country were being strongly influenced by what was happening in other countries overseas. As Minister of External Affairs he was in a position to learn almost at first hand’, and the ‘personal touch could not be underestimated’ in dealing with foreign leaders.

McIntosh, who was the Secretary of External Affairs (1943–66) as well as Head of the Prime Minister’s Department (1945–66), did not believe Holyoake would take the post or give it to Algie, a former Minister of Education, who wanted it and who would have been acceptable to the career diplomats but at 72 years of age was not wanted by Holyoake in his Cabinet. Instead McIntosh
feared, after discussing the matter twice with Holyoake, that the new Prime Minister was considering two unnamed MPs, who would 'have had a most demoralising effect. My normal natural pessimism could not have led to a more depressing speculation.'

It came as something of a surprise, therefore, when Holyoake announced a Cabinet with himself as Minister of External Affairs. While Holyoake 'realised that the Prime Minister would be . . . consulted and involved, and taking a quite prominent part and important part in making decisions regarding Foreign Affairs whether he carried the portfolio or not', he eventually decided to take it because he 'was happy in and encouraged and comforted in the thought that we had very good departmental people, particularly the Head of the Department at that time . . . Alister McIntosh'. At least one other senior minister, Hanan, was keen to replace him as External Affairs Minister in the mid-1960s, and Munro was also openly ambitious for the post after he became an MP in 1963. Holyoake, however, retained the post not only throughout his own long term as Prime Minister but also in the short-lived Marshall ministry from February until December 1972. Indeed, his twelve years in the role during a most eventful period in New Zealand’s diplomatic history made him by a considerable margin the longest-serving Foreign Minister in the country’s history.

Although relieved that the Prime Minister had not appointed one of the two MPs he had feared might get the job, McIntosh was not wildly enthusiastic about having Holyoake as External Affairs Minister and did not look forward to travelling overseas with him. He told Laking: 'I have not travelled with Mr Holyoake but I understand he tends to get tired and testy because he does not sleep. He is not one for going about to see things but prefers a cosy family meal in a hotel.' McIntosh concluded:

Holyoake wanted External Affairs because of the publicity that it gave the Prime Minister. He’d seen Walter Nash and Peter Fraser had increased their stature enormously overseas and in New Zealand by reason of their being Minister of External Affairs and he wanted to do the same thing. The only difficulty was he didn’t know anything about it, whereas they did. They were both soaked in External Affairs and had a feel for it which he didn’t have, but he acquired it.

While McIntosh, and also Laking, who succeeded him as Secretary of External Affairs and Head of the Prime Minister’s Department in 1966, recognised Holyoake’s political skills, he never completely warmed to him as a person. McIntosh was concerned that, although ‘extremely shrewd’ and a man who ‘knew exactly what he was doing’, Holyoake, unlike Fraser, ‘didn’t
want to take initiatives because they cost money’ and was reactive rather than proactive in foreign affairs. Both permanent heads were at times irritated when he ignored their advice. Some years after his retirement, McIntosh tried to assess Holyoake and decided that he was ‘a very odd character’ but also ‘a much underrated man’:

He’s highly intelligent but he had a very bad inferiority complex. He didn’t really know how good he was and he didn’t always have enough faith in his own judgement, I think. But he would play his hunches and his hunches were very often wrong. But he was a gambler and he got away with it most times . . . . I got on quite well with him but he was a very difficult man to help, I must say . . . he wouldn’t always follow advice if he didn’t agree . . . he’d disagree and that’s all there was about it. But normally he would follow advice. He left the running of the Department to me. He didn’t interfere to any great extent, except he wouldn’t spend any money and kept the Department small and starved. And of course on many issues he took what I regarded was a very illiberal line.

Holyoake ‘was a very strong personality’ but he was also ‘a lone hand’:

[H]e never teamed in very well with anybody. He kept somewhat aloof always and I’ve never really understood this charge that he was a consensus man. I don’t know that he was a consensus man except that he would always try to sense public opinion and follow public opinion rather than lead it. But in the Cabinet I think he dominated.

Laking recalled that he was not ‘misled by the appearance of bucolic simplicity which the Prime Minister liked to present’. Whatever Holyoake’s ‘public image, he was a man of great subtlety of mind, who saw not only the connection between external and internal policy but also that with changing times a New Zealand Prime Minister by making an impact on the world stage enhanced his stature at home’.

The British also regarded Holyoake as External Affairs Minister with some ambivalence. Six months after National took office, the British High Commissioner in Wellington reported back to London that: ‘Mr Holyoake does not regard himself as an oracle on international affairs in the same way as Mr Nash. But he is, nevertheless, full of self-confidence and likes the opportunities for publicity that this office affords.’ In the High Commissioner’s opinion, however, and probably reflecting conversations he had with McIntosh, Holyoake’s ‘relish of the portfolio [was] not matched by any real interest in the work’ and it was
only with reluctance that he forces his attention beyond New Zealand’s shores. He remains strongly averse to reading documents and has no inclination to fill the gaps in his information more thoroughly than can be done by scanning the local newspapers. Although he has a high degree of natural shrewdness, the judgements that he forms on inadequate information often are, naturally enough, faulty; but he is tenacious in holding a view once formed, and his advisers have extreme difficulty in shifting him.

Cumming-Bruce also reported that among Holyoake’s other perceived shortcomings were his reluctance, like Holland, ‘to spend money on external representation and aid’ and the fact that because he was also Prime Minister it was difficult for diplomats to get access to him and therefore they had to deal with officials rather than a minister. Against those disadvantages, ‘in contrast with Mr Nash, Mr Holyoake has no great inclination to take initiatives on major international issues of only secondary concern to New Zealand’ and there are the important compensating advantages of his personality. He is always friendly and accessible and wants to be helpful to Her Majesty’s Government. He has a warm sentimental attachment to the land of his forefathers. He is shrewd and sensible. He does not get easily rattled. He has no bees in his bonnet and a robust desire to fight international Communism all along the line."

Holyoake’s approach to external policy would, the British believed, be ‘dictated mainly by expediency with little account taken of long-term consideration’. While Holyoake himself was a politician of ‘instincts rather than ideas’ and one whose ‘foreign policy could be described as the product of conditioned reflexes rather than of the consistent pursuit of defined objectives . . . . [h]e is a sensitive barometer of swings of public opinion. Where the public shows interest, he reacts at once.’ As a result, the British expected Holyoake to be sensitive to and influenced by some idealistic liberal pressure groups, notably in relation to nuclear disarmament, ‘moral voting’ at the United Nations, and ‘the welfare of the Pacific territories at New Zealand’s back door’. This tendency could cause problems for the British.

They saw little reason to change their view of him over the next twelve years. In 1964, for example, another British High Commissioner in Wellington reported that, after four years, Holyoake’s experience and authority in External Affairs meant that no other minister ‘cares to trespass. On fundamentals he is sound and generally cautious, though occasionally liable to miss the political significance of things if he omits to take official advice.’

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ON TAKING OFFICE, Holyoake had to make decisions about a number of New Zealand’s overseas diplomatic posts, including the three most important: High Commissioner in London; Ambassador to the United States; and Permanent Representative at the United Nations. Political appointments, especially of retired senior politicians, had traditionally filled the first two positions. The previous Labour Government, however, had not filled permanently the major diplomatic posts that had become vacant in 1958, partly because Nash – with a majority of one in Parliament – could not risk a by-election. Instead, when Webb retired as High Commissioner in London and it was decided not to extend Munro’s appointment in Washington and at the United Nations, career diplomats were sent as temporary replacements.

Laking was sent to London as Deputy High Commissioner and Acting High Commissioner until 1961 and Shanahan became High Commissioner to Canada and New Zealand’s Permanent Representative at the United Nations in New York for the same period.

Following the 1960 election, Munro assumed that Holyoake would either reappoint him to Washington and the UN or make him High Commissioner to London. He told Holyoake that he preferred London but his wife wanted to stay in the United States. All Holyoake’s senior officials in the Prime Minister’s Department and External Affairs disliked Munro personally, Laking referring to him contemptuously in correspondence by the nickname ‘Big Julie’, an extrovert gangster figure in the American musical *Guys and Dolls*. McIntosh recorded that ‘Munro of course was an egomaniac . . . an impossible fellow’; and Frank Corner described him as ‘an able and vigorous zealot’ with a ‘tendency to become personally involved in issues so that any criticism of his views becomes criticism of himself personally’. Laking, who had worked with Munro in the United States, believed that he had ‘aspirations to be either the Prime Minister or the Governor-General, or both, of New Zealand’. When Munro first became a candidate for President of the General Assembly, Shanahan, while admitting that he was respected by many delegates and that his election would benefit New Zealand, observed that it ‘will inflate his ego still further’ and asked McIntosh: ‘Can a man who is, like Munro, no good as a human being be good in high appointments?’ Munro’s longer-term goal was clearly a wish ‘to be given an easy seat in Parliament and be made Minister of External Affairs immediately’. The diplomat further speculated that Holland might yet stop Munro’s appointment because ‘Sid’s jealousy may be an insuperable obstacle’. However, it was not Holland but Holyoake who was eventually to thwart Munro’s ambition.

McIntosh told the new Prime Minister that ‘it would be most unwise to reappoint Munro to Washington’ because he ‘could show quite clearly that
it would not be in New Zealand’s interests’. Although Holyoake expressed ‘his utter amazement’ at the advice, he was not averse to implementing it. Holyoake detested intellectual snobs and had taken offence at what he regarded as Munro’s rudeness during a Holyoake visit to the United States when Munro was Ambassador. He also disliked the tone of some of the intemperate cables that Munro despatched from the US and which Holyoake read out to the National caucus. It is also probable that Holyoake knew of the unsuccessful attempt to get Munro into Parliament before the 1960 election preparatory to the mounting of a challenge to his leadership of the National Party. When Munro tried to force the issue by telling Holyoake that the Americans had offered him another position, Holyoake cabled him and suggested that he accept the offer because ‘the prospects of a favourable one’ from the new National Government were not promising. Munro was ‘stung into furious action by Mr Holyoake’s telegram which . . . was in the nature of a brush-off’ and announced that he was returning immediately to New Zealand to see the Prime Minister.25

Holyoake, accompanied by Marshall, met Munro in his office on 16 January 1961. Munro pressed his case strongly, arguing that during the election campaign Holyoake had clearly said that Munro would be reappointed to Washington. The Prime Minister replied that ‘some people might make the inference’ from his remarks but that ‘he did not intend to be rushed into any immediate decision’. McIntosh wrote to three of his lieutenants in the External Affairs Department reporting that when he came out of the meeting with Holyoake: ‘Munro was somewhat subdued and considerably shocked by the results of the interview and he clearly took the view that he was likely to end up with nothing.’26 That proved to be the case. Macdonald became High Commissioner to London, Laking Ambassador to the US, and Corner the Permanent Representative to the United Nations. Munro, with American support, became Secretary-General of the International Commission of Jurists based in Geneva.

In March 1963, Munro announced his resignation from that position in order to return to New Zealand, where he again hoped to wrest the National Party nomination for Remuera from Algie. Then, having become a Member of Parliament, he expected to be added immediately to Cabinet as Minister of External Affairs. In the event, Algie remained the Member for Remuera for a further three years until 1966 and Munro instead accepted nomination for and subsequently entered Parliament as the MP for the safe rural seat of Waipa.27 At the time, Holyoake said that he ‘had not known of the invitation to Sir Leslie’ and ‘was unable to comment on the nomination’ for Waipa, which was ‘entirely a matter for electorate committees . . . free from any suggestion
of outside interference’. 28 Years later, he admitted that he had been consulted in advance by the Chairman of the Waikato Division of the National Party, who had offered ‘to head this off’ if the Prime Minister saw Munro’s selection as a problem and wanted it blocked. Holyoake declined the offer to influence the selection. 29

Although Munro remained an MP until 1972, Holyoake never appointed him to any cabinet post. Munro’s obvious and increasing taste for whisky provided the Prime Minister the excuse he needed to continue excluding the man, who believed, and made no secret of the fact, that Holyoake was holding the position that in terms of intelligence, ability, and experience Munro himself should rightfully have held. Holyoake’s deputy, Marshall, in retrospect believed that had Munro entered Parliament earlier than he did, instead of going to the United States, he might well have been able to challenge Holyoake successfully for the party’s leadership when Holland stood down in 1957. 30 However, once in Parliament, Munro was to be a persistent critic of and irritant to Holyoake, who confided to one interviewer: ‘Leslie . . . would be the thorn in the flesh of anyone . . . a brilliant man . . . he would have had no hesitation in saying [he wanted to be] Prime Minister.’ 31

In February 1968, the Prime Minister tried to remove Munro from the caucus by offering to appoint him High Commissioner in London. Munro discussed the matter with his wife, ‘who was angry that I had not been offered a seat in cabinet’ but was inclined to accept. Munro, however, was concerned that he ‘could not get a pension unless I secured a third term’. 32 He told Holyoake that he was ‘prepared to accept the post only if it carried a seat in the Cabinet’ and he also remained MP for Waipa. 33 Holyoake refused and withdrew the offer, although Munro continued for several years thereafter to suggest that Holyoake should appoint him to London and concurrently give him a cabinet post replacing Marshall as New Zealand’s chief negotiator on Britain’s entry into the EEC. 34

The year after his retirement from Parliament, Munro drafted part of what was to become an unpublished autobiography. The chapter on Holyoake revealed both the writer’s arrogance and the personal antipathy Munro felt towards his leader. It commenced with a description of Holyoake as ‘not a tall person. In fact, to exaggerate his height he wears and still wears high-heeled shoes. He reminds me of an observation . . . “he is a little man so he has to talk big.”’ 35 Munro then referred to the

mellifluous tones and the turned up nose of Holyoake. The dictionary meaning of mellifluous is “flowing with honey, honey dripping, sweetened with or as with honey.” This voice was deliberately cultivated by Holyoake. I have seen him at
it in the House. The first thing he did before speaking was to carefully swallow his Adam’s apple and then with the voice prepared he delivered his speech, but nevertheless, his faithful and obsequious followers depended on him.

According to Munro, Holyoake was a ‘self-taught man of undoubted ability’ but his ‘sense of humour [was] minimal’, and as leader of the National Party he had become almost a ‘dictator’ comparable to ‘King George III’. Munro knew that Holyoake had not wanted him as a National MP and had ‘told one of the members of his cabinet shortly after my election that as long as he, Mr Holyoake, was alive my foot would never be “under this table” i.e. of cabinet’, adding, ‘Holyoake thought that my determination was to supplant him. This is somewhat extraordinary because when I was elected I made a statement in Dunedin that I freely accepted Mr Holyoake’s leadership. I am afraid that so far as Sir Keith Holyoake is concerned, I have suffered from the green-eyed goddess – jealousy.’

WHILE HOLYOAKE WAS inclined to continue the tradition of political appointments to all major diplomatic postings overseas, he accepted McIntosh’s argument that every prospective appointment, whether political or from External Affairs officials, should be judged by the same high standard in regards to their qualifications for the post. As a result, by the time McIntosh retired as Secretary of External Affairs in 1966 and went overseas himself as Ambassador to Italy, Holyoake, despite his own earlier inclination and pressures from within the party, had created a reasonable balance between career and political appointees to New Zealand’s senior overseas posts. He initially wanted to appoint Macdonald to Washington but Macdonald preferred London and, with McIntosh’s support, was finally sent there. The urbane and judicious career diplomat Laking was appointed to Washington in 1961. Two other McIntosh lieutenants were the forceful and talented Shanahan and the creatively idealistic and blunt-speaking Corner, and McIntosh over many years shared a frank and very revealing exchange of unofficial as well as official correspondence with these three.

The British were intrigued by the more public stance on positions taken by Laking when he replaced McIntosh as Secretary of External Affairs and Head of the Prime Minister’s Department in 1966 and Holyoake’s tolerance of this in a senior civil servant. Laking himself recounts that when he took up the headship of the Department he asked Holyoake ‘how I should conduct myself’:
I went to him and I said, “Well, Prime Minister, I would just like to ask you how you like to operate.” He was sitting at his desk – I think it was not one of those mornings when he sat there with his hat on (which was a sign he was in a very bad mood). So presumably he was in a reasonably good mood. He said, “you do your job, and I’ll do mine.” So I knew exactly where I stood. I went out and did my job in the way I thought it should be done.40

The British High Commission in Wellington reported in 1967 that this was ‘evidence of Laking’s natural wish to establish a new “style” and of Mr Holyoake’s readiness to allow an official, albeit the Head of his own two Departments, to speak freely in public on political issues . . . . It is a departure from past practice that is really notable and it can do only good in encouraging wider understanding of the problems of foreign affairs among informed New Zealanders.’41 Laking in retrospect admitted: ‘I embarked on some early and potentially risky experiments, including one which my predecessor would have regarded as grossly improper for a public servant. I began to accept invitations to make speeches around the country on foreign policy issues.’42 He also observed: ‘I’m bound to say this for Holyoake, that never did he raise with me the propriety of my making speeches or anything that I said in the course of them.’43

Throughout the whole of Holyoake’s prime ministership, the Department of External Affairs was located near his office on the top floor of Parliament Buildings. His senior advisers in External Affairs agreed that he listened to advice, though did not always follow it, and most compared him favourably with Holland, whom they tended to hold in contempt, and some with Nash, whose pious pontificating at length and procrastinating work habits they found exasperating. For his part, Holyoake was, as Laking noted, ‘scarcely less contemptuous of the Department’ than Holland had been, but ‘he was much more perceptive’ and ‘came to see both the necessity of New Zealand having to take informed decisions on foreign policy issues and the considerable electoral advantage in building a reputation as a world statesman’.44 The Prime Minister seldom engaged in a general discussion of foreign affairs with his senior officials but in time his advisers believed that he ‘became fascinated with foreign policy’ and although he ‘appeared to bumble about . . . had a very shrewd understanding’ of it.45 During his time as Foreign Minister, the Department of External Affairs became much more involved in overseas trade as well as more formal and narrow diplomatic matters, although the diplomats still found themselves in competition for political influence with Treasury and Industries and Commerce.

Like Holland and Nash, Holyoake was quite parsimonious when it came
to staff and funds for the Department of External Affairs, but whereas his predecessors had been slow to open new diplomatic posts overseas, new embassies and high commissions were opened at the rate of one a year while he was Foreign Minister.\textsuperscript{46} These included Brussels, The Hague, Rome, and Bonn, to supplement the existing posts in London and Paris in trying to influence favourably the EEC Commission and the governments of EEC member states. At Holyoake’s initiative, teams of MPs, both Government and Opposition, were sent overseas to visit other countries, partly because the Prime Minister wanted to expose parliamentarians to foreign affairs and partly because he realised that they were jealous of officials who got to travel abroad on government business.

Holyoake usually knew what he was saying and its effect, but was reluctant to take controversial public positions on anything, including external affairs, and sometimes chose to say little or nothing. Templeton has suggested that his ‘constant aim was to adopt the lowest possible profile, make the fewest possible waves, and offend the fewest possible people’.\textsuperscript{47} He certainly preferred to avoid controversy, and tried to speak and act in conformity with what he perceived as the views and interests of the majority of New Zealanders. He was an instinctive and reactive politician rather than an intellectual and innovative one, and both his speeches and actions reflected that trait. After he retired, he admitted that, although he had enjoyed the ‘challenge’ of the Foreign Affairs portfolio: ‘I have to confess I didn’t feel absolutely confident in everything I did [during those] stirring times.’\textsuperscript{48}

Yet, because Holyoake seldom committed his thinking to paper, it is often difficult to be certain of his reasoning when he did take a public position. His deputy, Marshall, was somewhat contemptuous of this tendency, noting: ‘He had great difficulty putting words on paper. He relied heavily on his speech writers and advisers for the preparation of major pronouncements and on his private secretaries and departmental officials for the drafting of correspondence.’\textsuperscript{49} As one senior External Affairs official has observed, however, this ‘merely showed a sensible appreciation of what officials were for and how a Prime Minister’s time should be allocated. Holyoake had his own effective methods (often frustrating for officials) of ensuring that he did not say anything he did not want to say. One must probably look to his Parliamentary speeches to gauge his true capacity to express himself.’\textsuperscript{50} The same official also noted that Holyoake’s ‘emendations of drafts (in the inevitable blunt pencil)’ showed ‘a keen sense for shades of meaning and an even sharper eye for the superfluous’.\textsuperscript{51} But even then, Holyoake might well be stating a public position that was not exactly what he thought personally. The political implications of his statements sometimes prevented him from being balanced or qualifying
a position too much, or being too honest when his own views differed from those of a majority of his colleagues or New Zealand’s major allies. This proclivity was to be seen particularly on the Vietnam War issue.

NEW ZEALAND HAD given warm support to the United Nations from the time of its creation and saw it as the main guarantor of international peace and security, especially for smaller states. The British, however, became concerned that New Zealand under Holyoake was becoming ‘much preoccupied with the figure she cuts in the United Nations – sometimes we might think excessively so’. It was also seen as succumbing ‘to the temptation of “moral voting” on questions of which she has no direct knowledge and in which she has no substantial interest’ and of showing ‘undue susceptibility to the views of the Afro-Asians and anti-colonial sentiment as displayed in the United Nations’. New Zealand’s increasing independence in the UN irritated and embarrassed the British, who feared that New Zealand’s ‘balanced, responsible and restrained’ stance at the United Nations in the past could not be taken for granted in the future unless its idealism was diverted into useful and realistic channels.

Prior to 1960, Holyoake had shown little personal interest in or involvement with the UN. As Acting Prime Minister in January 1955, on the advice of officials, he had approached the Security Council asking it to consider the military situation in the straits between China and Taiwan. New Zealand feared that a treaty signed between the United States and Taiwan in December 1954 could involve the US in defending Taiwanese forces on the Offshore Islands, thus risking war with China. In a letter to the President of the Security Council, Holyoake said that there needed to be a solution which would prevent ‘hostilities which threaten to break out into a wider confrontation’ and that such a solution would in turn also increase the prospects of a ‘peaceful, rather than a violent adjustment of other outstanding problems’.

That concern with the possible escalation into war of another regional crisis was seen again in October 1962 when Holyoake contacted the British Prime Minister and explained that, while publicly he would express his ‘full support for President Kennedy’s action’ in the Cuban missile crisis, he was very worried about its escalation into war between the United States and the Soviet Union and felt ‘that large-scale opposition in the Assembly may create for the American people another “crisis of confidence” in the United Nations’.

Holyoake’s desire to see the UN in a peacekeeping role did not, however, extend to his looking favourably on New Zealand making large financial commitments to support UN peacekeeping forces, although he was later to
approve the secondment of 20 police to serve with the UN in Cyprus from May 1964 until June 1967. Holyoake had concerns about both the efficacy and costs to New Zealand of UN peacekeeping, and McIntosh told Corner: ‘This is a matter about which the Prime Minister has a phobia. He regards the whole question of a peacekeeping force as silly.’ Especially because Munro publicly favoured it.57

In February 1962, Holyoake decided to appoint Corner as New Zealand’s first full-time Permanent Representative at the United Nations, separate from New Zealand’s Ambassador to the US or High Commissioner to Canada.58 Corner had held the New York post temporarily for a time in 1961, during which his perceived partiality towards the Afro-Asian members of the Commonwealth compared to the ‘old’ members, particularly Britain itself, had upset the British. This led to the British opposing Corner’s permanent appointment, and their High Commissioner in Wellington ‘spoke to McIntosh (whom I know intimately) and put to him on an entirely personal and confidential basis our misgivings about Corner. As a result further consideration was given at the highest level to Corner’s proposed appointment.’ However, Holyoake was not prepared to change his mind and appoint someone more acceptable to the British. The High Commissioner was left to report to London that the decision had been confirmed. Hopefully, Corner, who had been told ‘that he has got to amend his ways and co-operate with Britain, the United States and Australia’, would be ‘more co-operative’ in the future.59

Nevertheless, the British continued to comment adversely about Corner. The UK’s Permanent Representative, Sir Patrick Dean, for example, told his government: ‘Mr Corner enjoys the role of enfant terrible and is apt to look for reasons to take an independent line: his co-operation is, therefore, hard to get. I found him a difficult colleague . . . but he shows signs of being more aware now of the realities of life in the United Nations and recently he has shown himself very friendly and helpful.’ Some months later, though, Dean complained that Corner was rather a light-weight with a somewhat prickly character who seems to derive satisfaction from teasing the United Kingdom in private conversation . . . the New Zealand delegation [have a] passion to show how independent-minded they are . . . They parted company from ourselves and the United States in some of the detailed voting on the nuclear tests draft resolution but otherwise were steady in their support for the Western position.60

Nuclear testing was certainly one issue on which New Zealand was starting to take an independent stance.61 The testing of nuclear weapons in
the Pacific commenced with atmospheric tests by the British in Australia from 1952 to 1956, and on Christmas and Malden islands (now part of Kiribati) in 1957 and 1958, and by the United States in the Marshall Islands in 1954. These tests were reluctantly supported by New Zealand as necessary to maintain the West’s nuclear deterrent in the Cold War against the Soviet Union, but Holland in 1955 refused to allow the British to use the Kermadec Islands, 1000 kilometres north of Auckland, as a site for nuclear bomb tests. In 1957, he made it plain that New Zealand would prefer ‘the complete banning of nuclear tests’ through a disarmament treaty accompanied by an adequate system of international inspection. Assured by the British that the tests would be safe, New Zealand finally decided to provide transport, observation, and monitoring facilities for them.62

The first test of ‘Operation Grapple’, as the British testing programme in 1957 and 1958 was known, took place on 15 May 1957 without the British notifying New Zealand in advance of the specific date, to the considerable annoyance of Holland.63 New Zealand was involved through the initial survey of the Christmas and Malden islands by the naval survey ship HMNZS *Lachlan*; the provision of two New Zealand frigates, HMNZS *Pukaki* and HMNZS *Rotoiti*, which were responsible for patrolling the exclusion zone and conducting weather surveys and fisheries sampling; the use of Penrhyn Island for a landing strip and weather and radio station; RNZAF transport around the South Pacific; meteorological samples to test radioactivity in the air; and the provisioning of Royal Navy ships involved in the exercise. Air, water, and fish sampling, which all produced negative results, was carried out by New Zealand at Penrhyn Island, Rarotonga, Aitutaki, Apia in Western Samoa, Canton Island, and Nandi and Suva in Fiji.64 Most of the New Zealand assistance to the British had been arranged when Holland was Prime Minister, and the British Prime Minister, Harold Macmillan, had told him that the Australian PM Menzies was ‘very anxious that we should proceed and will give us all the help we require from him’.65

When Holyoake became Prime Minister, weeks before tests were resumed, he confirmed his willingness to honour Holland’s commitments but raised a number of matters, including the fact that one of the two New Zealand frigates, HMNZS *Rotoiti*, would not be available because it was undergoing a refit. He also insisted that New Zealand should have its own observers in the northern Cook Islands, partly because: ‘There has been some concern, how warranted I am not able to say, in [the] Cook Islands as to harmful radioactivity present in fish caught and consumed locally.’ He noted that New Zealand had elections in November, which made him share Macmillan’s ‘desire to avoid any damaging public criticism of [the] tests’. While confirming
New Zealand would assist, if necessary, with further experiments up to May 1958 as previously agreed, Holyoake ended his message by observing:

I am relieved to note that thereafter you do not foresee need for further trials for at least eighteen months and perhaps longer. You will I am sure appreciate logic of question which is being increasingly asked by average citizen in this part of the world “Why if there is no danger from these tests do the British and Americans not hold them nearer home?”

Macmillan promised to send Holyoake a secret analysis of fallout measurements, indicating that the fallout to date ‘was insignificant’, and assured him that ‘stringent safety precautions will be at least as good . . . and may even be better’ than those in place for the earlier May–June tests. While saying that he well understood ‘that some of your people should ask why we cannot hold them nearer home’, the British Prime Minister defended the tests in the South Pacific, where ‘the safety factors are highest . . . avoiding shipping lanes, fishing grounds, air routes and centres of population’.

Nevertheless, Holyoake continued to question future testing by anyone in the South Pacific and also unilaterally announced in 1957 that New Zealand itself would neither acquire nor store nuclear weapons. The Labour Government that came to power later in the year was also committed by an election campaign promise to oppose all further nuclear testing, but continued to assist in monitoring the British nuclear test at Christmas Island in April 1958. Although the British were concerned that Nash would withdraw HMNZS **Pukaki** from the test, he agreed to let it stay but requested minimum publicity about New Zealand’s involvement in order to avoid domestic political embarrassment.

After National returned to office at the end of 1960, it indicated that it would oppose nuclear tests and the proliferation of nuclear weapons internationally, and would attempt to keep New Zealand nuclear free domestically in every way. Holyoake and his anti-nuclear lieutenant, Hanan, who sometimes was Acting Minister of External Affairs when the Prime Minister was overseas, were prepared to meet and consider seriously and respectfully the views of New Zealand’s anti-nuclear movement; and Holyoake always replied thoughtfully and courteously to correspondents who lobbied him on the issue throughout the entire fifteen years he led the National Party.

In October 1961, the Soviet Union broke a three-year voluntary moratorium by the US, Britain, and itself on atmospheric nuclear testing and exploded a thermonuclear bomb. Holyoake condemned this action but made a distinction between atmospheric and underground testing, arguing that the former was
much worse than the latter because of greater fallout. A few months later, at a meeting in Bermuda, the United States and Britain decided they would also resume atmospheric testing in the Pacific the following year, but found to their surprise that New Zealand reacted negatively. Holyoake told the Americans in January 1962 that any testing at Christmas Island would cause considerable protest in Western Samoa and New Zealand’s island territories and in New Zealand itself, and that his government would sympathise publicly with those concerns. He and the people of New Zealand were in favour of a comprehensive test-ban treaty. New Zealand continued to be outspoken about atmospheric tests and the British realised that, at the United Nations, ‘New Zealand would . . . feel obliged to support any reasonable resolution calling for their cessation, but would abstain if it were drafted in terms condemning the United States’.73

In February 1962, Macmillan told Holyoake that Britain would allow the Americans to use Christmas Island for atmospheric nuclear tests. Holyoake again expressed concern and asked in a press statement: ‘Where is this race to end? A halt must be called. It is madness to go on this way.’ He also sought assurances about the fallout danger. Macmillan and the Americans reassured him that it was minimal. But, as Alley has pointed out, the US State Department estimated that there was more substantial fallout from its tests, one of which was so powerful it lit up the night sky ‘up to 3499 miles to the east and 2000 miles to the west of Christmas Island, and somewhat less than 2000 miles to the south and north’, including over New Zealand itself. This meant that the Cook Islands were well inside the fallout area, the main island of Rarotonga being only 1400 miles southwest of Christmas Island. New Zealand had responsibility for the Cook Islands and was also concerned about fallout in Tokelau and Western Samoa. In all of these places it set up monitoring facilities, which identified some slight rise in radiation levels.

The US Embassy in Wellington reported to Washington that Holyoake was ‘deeply concerned’ with the Pacific testing, irrespective of which country was carrying it out. Despite American displeasure and British pressure, and despite the caution of his External Affairs officials, who did not wish to antagonise New Zealand’s major allies, Holyoake in September 1962 distanced New Zealand from the British and Americans by speaking at the United Nations General Assembly in favour of an immediate moratorium on testing as a first step towards the conclusion of a more long-term test-ban treaty.

Within New Zealand, a relatively strong Committee for Nuclear Disarmament (CND) had emerged in the late 1950s, and this pressure group became even more active in the early 1960s. In 1962 there were more nuclear explosions than in any year since 1945: 89 by the United States and 42 by the
Soviet Union. Holyoake told a CND delegation that ‘he would give serious consideration to supporting the idea of a nuclear weapon-free zone in the southern hemisphere’ and condemned both sides in the Cold War for resuming nuclear testing.\(^{80}\)

While the Australian Labor Party and the Campaign for Nuclear Disarmament in New Zealand demanded a nuclear-free Southern Hemisphere, Holyoake emphasised the cessation of atmospheric nuclear testing as a first step towards a comprehensive agreement banning all tests. In May 1963, he stated: ‘New Zealand has no nuclear weapons, we have no intention of acquiring any, and there are no nuclear bases on New Zealand territory. The Government has no plans which would alter this situation.’\(^{81}\) He also from time to time indicated publicly that he sympathised with the concept of a nuclear-free zone in the South Pacific, telling Parliament in August 1964 that, ‘if it would help . . . I will use my authority and the authority of the National Government to declare the South Pacific a nuclear free zone’.\(^{82}\) The Government also prevented a possible US Navy nuclear ship visit in 1964 by debating with the Americans liability for an accident while such a ship was in a New Zealand port.

The Americans were certainly concerned that a nuclear-free zone in the South Pacific would limit US military deployments in the Pacific and make it difficult to assist US allies in the region in an emergency, and the issue was discussed at the 1963 ANZUS Council meeting. In 1964 the US started deploying Polaris nuclear-armed submarines in the Pacific and stockpiling nuclear warheads on Guam.\(^{83}\) This led to the anti-nuclear movement suggesting that New Zealand might have to withdraw from the ANZUS and SEATO alliances if it were to continue to pursue seriously an anti-nuclear policy, but such an action was unacceptable to the National Government and to its foreign policy and defence advisers. Munro also warned that a nuclear-free zone and the resulting exclusion of US nuclear warships would make it impossible for the United States to defend the countries of the South Pacific with or by the threat of the use of its nuclear armaments.\(^{84}\)

In August 1963, a Partial Test Ban Treaty prohibited nuclear testing in the atmosphere, outer space, and underwater. New Zealand was one of the first countries to ratify it, although Holyoake noted that it fell short of the comprehensive treaty which he and others hoped would put an end to all nuclear tests.\(^{85}\) The French did not sign the Treaty. France had decided earlier in the year, following Algerian independence, that it would shift its nuclear tests from the Sahara, where it had exploded its first nuclear device in 1960, to Mururoa Atoll in the Pacific. This was 1150 miles from the Cook Islands and 2650 miles from New Zealand. The French would resume testing in 1963.\(^{86}\)
Holyoake informed Garfield Barwick, the Australian Minister of External Affairs, that New Zealand would protest to the French Government, as it had to the Americans the previous year.87

The US Ambassador told his Secretary of State that McIntosh had confided in him that it was ‘his personal opinion that nuclear tests were not nearly as harmful as alarmists would have them’ but that Holyoake and his government would probably be forced by public opinion to protest to the French because it was an election year.88 In the event, the New Zealand Government did protest strongly to the French against their proposed tests on 14 March and 22 May 1963.89 The French undoubtedly saw the New Zealand position as being somewhat hypocritical in the light of that country’s involvement in British and American nuclear testing in the Pacific over the previous ten years, and accused New Zealand of endangering friendly relations between the two nations. Holyoake responded that New Zealand was not discriminating against the French but wanted ‘an end to all testing likely to contaminate man’s surroundings, particularly in the Pacific area’.90 New Zealand also saw French tests in the Pacific as confirming France’s intention to retain its Pacific colonies at a time when the rest of the region was in the process of being decolonised.

After protesting to the French, Holyoake explained his position to the British. New Zealand was opposed to all nuclear testing, ‘both because of the potential danger to health which might be posed and because every additional series of tests further impaired the prospects for the attainment of an effective international agreement to stop testing’. He emphasised particularly in the case of the proposed French tests, ‘the potential dangers to the health and food supplies, land and marine, of the neighbouring peoples of the Pacific’.91 He also told the Americans and Australians at an ANZUS Council meeting in June that New Zealand would continue to protest to any other country that sought to test nuclear weapons in the Pacific. New Zealand, however, was reluctant to boycott trade with France as a means of protest, because the balance of trade was at that time almost seven times in New Zealand’s favour and a boycott would have hurt New Zealand far more than France.92

Holyoake instructed McIntosh to make a strong anti-nuclear speech on New Zealand’s behalf to the UN General Assembly on 18 October 1963 – a speech that Templeton has described as ‘much the toughest criticism of French plans to be made in the debate’. Shanahan, ‘who clearly disapproved of the direct criticism of France, privately referred to the speech as “in large measure [the Prime Minister’s] own idea”’.93

During the 1963 election campaign a few weeks later, Holyoake stated that he would be the first to sign any petition calling on the French to abandon
their proposed tests in the Pacific. McIntosh was appalled and, later, with some difficulty, persuaded the Prime Minister that such a gesture would be inappropriate, partly because of the position he held and partly because CND had two agendas: an anti-nuclear one, with which Holyoake agreed, and an anti-US alliance one, with which he certainly did not. Holyoake, however, still continued to speak out against nuclear testing, and the year after, in October 1964, when the Chinese exploded their first nuclear bomb, he declared that this was ‘even more significant and regrettable than the preparations being made by France to test nuclear bombs in the South Pacific . . . because of their potential danger not just in the testing area at the time of testing but in the longer term throughout the Asia and Pacific Regions’.95

Early in 1965, a UN Disarmament Commission was reconvened and Holyoake instructed New Zealand’s Permanent Representative at the UN to lobby other Pacific countries to protest against the French tests. Corner warned Wellington that, as a result of the Prime Minister’s attempts to organise collective action, New Zealand would ‘reap the whirlwind’ of French anger, and he observed that most other Pacific states were unenthusiastic about the New Zealand initiative.96 In the event, the French delegate walked out of the meeting during Corner’s speech in a deliberate snub to New Zealand. That did not particularly worry the combative Corner, who only a few months earlier had suggested to McIntosh that New Zealand should get ‘really tough with the French’ and send ‘a couple of frigates to enforce our demand that the peoples of the South Pacific be not subjected to this new hazard. If the French have to send their fleet to deal with us – well, we can then retire; but could they?’ Not foreseeing how the issue of British entry to the EEC would develop, Corner concluded that he could see no reason to be nice to the French, because New Zealand had nothing to lose by upsetting them.97 McIntosh, who was concerned about offending the French and possible retaliation in the light of Britain’s desire to enter the EEC, disagreed and said such a move would make New Zealand look foolish. He feared, however, that: ‘It is the sort of thing I am afraid Mr Holyoake might quite well swallow and I am not sure that I am prepared to take the risk of even outlining such a gimmick to him.’98 New Zealand protested strongly when the French went ahead with tests in 1966, but no warship was despatched until June 1973, when Holyoake’s successor, Kirk, with Corner by then Secretary of Foreign Affairs, sent the frigate HMNZS Otago to protest off Mururoa. However, it is doubtful whether, even had McIntosh conveyed Corner’s suggestion to Holyoake ten years before, the cautious Prime Minister, despite McIntosh’s fears, would have been prepared to approve such an action.

The situation was further complicated by the American decision in 1965
to make contingency plans to resume their nuclear testing in the event that the Test Ban Treaty broke down and the Soviet Union resumed its tests. The Americans approached the British to see if they could use British- and New Zealand-controlled islands in the Pacific for those possible tests. The British agreed but saw New Zealand as being opposed to all tests, US as well as French, and this supposition was confirmed when Holyoake was contacted by the British High Commissioner in Wellington, Sir Ian Maclearnan, in July. Holyoake immediately responded: ‘We will protest.’ When Holyoake’s reaction was reported to London, the British High Commissioner was asked to seek clarification of these ‘obscure but ominous remarks’. The High Commissioner approached McIntosh, who told him that Holyoake had ‘not referred to the matter again’ since making the comment. His attitude was ‘determined entirely by the strength of public feeling in New Zealand about atomic tests, particularly in the Pacific’, and ‘the mere fact that New Zealand has so strongly criticised the French means that the Government would have to criticise the Americans or us or anyone else if we were publicly known to be making preparations for nuclear testing in the Pacific’. Maclearnan was reluctant to ask Holyoake himself because the Prime Minister might be provoked ‘to make his protest now’. Four weeks later, Maclearnan informed London that there was little point in trying to convince New Zealand to cooperate with the British and Americans, because ‘we may take it that Mr Holyoake has closed his mind to the subject’.101

British officials in London, however, initially saw ‘no reason why we should be queasy about New Zealand’s reactions’ and recommended that the American request should be agreed to. Nevertheless, the British informed the Americans that, while Britain would cooperate, ‘in the judgement of the British Government, the Government of New Zealand are almost certain to refuse if they are asked to provide facilities’ and ‘an approach to New Zealand at this stage might serve only to draw attention there unnecessarily to the US/UK agreement on which we seek to avoid publicity if possible’. This advice confirmed the Americans’ own assessment of the situation. The American Ambassador in Wellington agreed that, ‘if the New Zealand Government were asked for facilities they would almost certainly refuse’, and had ‘already recommended to the State Department that no specific request be made’ unless ‘sites on New Zealand territory are essential and no alternatives are available elsewhere’.104

When the French, despite New Zealand’s repeated protests, went ahead with the first of five Pacific tests between 2 July and 24 September 1966, Holyoake asked the British to provide information from their monitoring facilities on the French tests at Mururoa. The British Conservative Govern-
ment refused. Not until Labour’s James Callaghan became the British Secretary of State in March 1974 was some information made available. As one British diplomat observed, this was not because the British Labour Party had ‘greater love’ for New Zealand but because they were ‘less well disposed towards the European countries than the Conservatives under Ted Heath. Of course giving this information to New Zealand would have been seen in France (at best) as an unfriendly act’.105

Holyoake continued to be concerned at the growing proliferation of nuclear weapons and nuclear tests, and as a result New Zealand supported enthusiastically the Nuclear Non-Proliferation Treaty (NPT) finalised in 1968, co-sponsored some of the resolutions supporting it in the United Nations, and was quick to sign it in 1969. In addition to the NPT, Holyoake’s Government also between 1968 and 1972 ratified the 1967 Outer Space Treaty, the 1971 Seabed Treaty, and the 1972 Biological Weapons Convention.106 While New Zealand supported comprehensive test bans and disarmament treaties it did not, however, as vigorously support general calls in the United Nations during the 1960s for nuclear-free zones or for the outlawing of nuclear weapons, because, as Holyoake observed, in the absence of means of verification and enforcement, such resolutions were merely ‘the semblance but not the substance of progress on disarmament’.107 New Zealand also saw nuclear deterrence as an international reality and was not prepared to risk its ANZUS alliance by pressing too robustly for a South Pacific nuclear-free zone, even though Holyoake never excluded such a possibility.

The New Zealand Government under Holyoake continued to protest strongly to France and in the United Nations against the continued French tests at Mururoa. The French temporarily suspended their tests in 1969 but resumed them the following year. By the end of 1971 they had conducted tests in 1966, 1967, 1968, 1970, and 1971 and exploded 26 nuclear weapons at three sites.108 Throughout the early half of 1972, New Zealand tried to coordinate regional opposition to the continuing French tests and Marshall, who was by then Prime Minister, and Holyoake, who was still Minister of Foreign Affairs, asked one of their cabinet colleagues, Duncan MacIntyre, who was representing New Zealand at an environmental conference in Stockholm, to speak with other delegates about a joint appeal to the United Nations. MacIntyre and Laking responded that ‘attempts to secure support for the New Zealand approach had been almost fruitless. The Australians were causing considerable problems and, in effect, undermining New Zealand’s efforts’, while ‘the Fijians had run for cover’ and ‘didn’t even refer to tests in speeches’. No one except New Zealand seemed concerned, and ‘the French delegation are watching every New Zealand move like hawks’.109
Nevertheless, Holyoake publicly labelled the ongoing French tests ‘a sad reflection of the weight that it placed on world opinion’ and promised that ‘New Zealand will maintain its opposition to the tests and will not cease its efforts to obtain international support’ because it knew it could not stop the tests on its own. He added that the French were ‘only part of the wider problem of nuclear testing. The ultimate solution must necessarily be a comprehensive test ban treaty which bans all nuclear testing by all states’.

When the French exploded another bomb on 29 June 1972, the first of three over the following weeks, the Labour Opposition criticised Holyoake for not doing enough to oppose the tests. They suggested that he should go to Paris in person and that New Zealand should consider breaking diplomatic relations with France or sending a warship to support civilian protest vessels in the test area off Mururoa. But by then Holyoake was no longer Prime Minister and Marshall seemed less sympathetic than his predecessor had been to the nuclear protest movement, possibly because he was more concerned that the French might make further trade negotiations between New Zealand and the EEC very difficult – a threat that the French Prime Minister, Pierre Messmer, had made explicitly in May. Despite that threat, in July New Zealand informed the British that it would resume protests about nuclear testing, especially by the French, at the next session of the UN, and would push for a comprehensive test ban. In doing so, New Zealand ‘might have to shoot at a few supporters of the French’. The British replied that they did not foresee any real problems with that; though New Zealand would have against it countries that wanted to keep their options open.

In September, Holyoake flew to New York, where he again hoped to organise a conference of Pacific nations who would support a New Zealand resolution denouncing all nuclear testing and calling for a comprehensive test-ban treaty. He then delivered a carefully crafted 30-minute speech in support of that resolution to the General Assembly on 28 September. After outlining the history of New Zealand’s opposition to all nuclear testing since 1961, irrespective of which country had carried it out, he devoted the rest of his address to the French tests, which for New Zealand did ‘bulk larger in our minds because they are nearer’. He pointed out that no one benefited from such tests – neither the French nor the international community – and that, ‘if one thing is certain, it is that the people of New Zealand, of the Cook Islands, of Niue, of Western Samoa, of Fiji or of any of the other countries in and around the Pacific derive no benefit whatsoever from testing’. He claimed that his government’s record of repeated ‘protest on this question has not been equalled by any nation’, but he did not believe that New Zealand should unilaterally take ‘measures which will hurt New Zealand much more than
they will hurt France’ and would not have ‘the slightest effect on France’s
determination to carry out the tests’.

He concluded that only action taken internationally by bodies such as the UN was likely to stop the French, and that was why New Zealand was moving its resolution.

Nuclear testing in the Pacific, especially by the French, was only one of five major foreign policy issues that preoccupied Holyoake during the period he was Prime Minister and Minister of Foreign Affairs throughout the 1960s. Decolonisation and anti-racism in Africa; the Vietnam War; the recognition of the People’s Republic of China; and Britain’s negotiations to join the European Economic Community all tested his ability to retain New Zealand’s ties with its allies, gain respect in the wider international community, develop a more independent national stance, and maintain as far as possible a bipartisan consensus within New Zealand on foreign policy and security matters.
Decolonisation and Africa

BOTH THE UNITED Nations and the Commonwealth were changing dramatically by the time Holyoake returned to office in 1960. In that year alone, 17 new African states achieved independence and became members of the UN. By 1972, when Holyoake stood down as Prime Minister, there would be 131 members, 70 per cent from the Third World.\(^1\) The 12 Commonwealth members in 1960 would increase to 31 in 1972, the majority from Africa, Asia, and the Caribbean.\(^2\) Understandably, a major preoccupation of the African members of the UN and Commonwealth was anti-colonialism and anti-racism. White supremacy became a target in both organisations.

On the instruction of the Nash Labour Government, New Zealand’s representative at the UN spoke in favour of a UN resolution against colonialism sponsored by African and Asian members on 2 December 1960. Labour handed over to Holyoake’s National Government on 12 December and the New Zealand delegation, which was preparing to vote for the resolution, was instructed to abstain instead. Shanahan, the Permanent Representative, queried these new instructions just before the vote was taken on 15 December. Holyoake could not be contacted and McIntosh took responsibility for instructing Shanahan to vote for the resolution as originally intended. When Holyoake was informed the next morning, he approved the action.\(^3\) The UN Declaration on Colonialism was passed and a Special Committee on Colonialism was set up the following year.

The British saw some New Zealanders as having ‘an intellectual hankering after an independent role in the Pacific, mediating between Polynesia and the West, with a special understanding of both sides, it is supposed, because of the mixture of European and Maori stock in the present population’.\(^4\) Certainly, New Zealand had more interest in the South Pacific than did the Australians, who were looking primarily towards Southeast Asia, especially Indonesia. New
Zealand by 1960 was already committed to independence for its trusteeship territory of Western Samoa, and in line with the UN resolution now moved even more quickly to grant independence and self-government to its other protectorates and trustee territories in the Southwest Pacific. Following a plebiscite in 1961, Western Samoa became fully independent in 1962, with a treaty of friendship signed with New Zealand the same year. The much smaller Cook Islands in 1965, and Niue in 1974, became internally self-governing within a continuing free association relationship with New Zealand.5

Holyoake thought, along with some of his officials, that full internal self-government in association with New Zealand might be preferable to either integration with or full independence from New Zealand, but wanted the Cook Islands to determine the extent of any such future association. In 1963 he invited the UN to send a mission to monitor the process of decolonisation. Neither the British, the Americans, nor the Australians were keen on having the UN monitor decolonisation this closely, because it suggested that the UN had some legitimate role in the future of such colonies and they feared this would be seen as setting a precedent for other colonial territories throughout the world.6 New Zealand, therefore, had to withstand pressure from 1962 until 1965 over its willingness to invite a UN mission to the Cook Islands.7 The British High Commissioner was instructed by London to ‘approach the New Zealand authorities at the highest level’ and say that ‘the prospect of a mission to the Cook Islands has disturbed us and, in view of the unfavourable repercussions for us, we hope that the New Zealanders will not consider it necessary’.8 The United States and Australia also conveyed their disquiet and asked New Zealand to reconsider its invitation to the UN.9 In New Zealand, the Governor-General, Sir Bernard Fergusson, sequential Ministers of Island Territories, Gotz from 1960–63 and Hanan after 1963, and other National MPs, such as Dan Riddiford, who chaired a select committee that considered a possible constitution for the Cooks, also thought that New Zealand should delay granting self-government to the islands. Holyoake rejected their views and firmly directed that decolonisation should go ahead as soon as possible and that the UN Committee should verify the process. He stated: ‘I believe, and I have told the British and others, that a small country like New Zealand cannot afford to antagonise the bulk of world opinion.’10 The UN Visiting Mission arrived in the Cooks in April 1965 to observe the elections, which effectively ratified a constitution granting independence in free association with New Zealand. New Zealand was congratulated by Indonesia, Tunisia, and Algeria, among other UN members, for its willingness to develop a new way of ending colonialism and for accepting UN supervision. Subsequently, another UN mission, also at New Zealand’s invitation, visited Niue in 1972.
The British were more directly concerned about the future in the South Pacific region of other potential microstates such as Fiji, Tonga, Papua-New Guinea, and the Solomon Islands, all of which they regarded as ‘of little or no positive value to us’ and ‘a financial, defence and political burden’. They were also concerned, however, that there were indications of communist interest in ‘one of the few regions as yet untouched by the cold war’ but which the communists could exploit in the future. While the British did ‘not intend to abandon [their] responsibilities and leave a mess behind’ and could not expect the Australians and New Zealanders to ‘assume [their] colonial burdens in the Pacific entirely’, they did hope that they would take over the security of the small states in the Southwest Pacific and also open their markets to Island products. The British wanted New Zealand especially to ‘develop her general willingness to help in Fiji and in other British Pacific dependencies into offers of practical economic and technical assistance of various kinds’.

Holyoake and his officials had ‘no particular wish to undertake additional liabilities in the area, particularly if it [was] going to cost money’, but they were well aware that New Zealand was ‘already a powerful magnet as a centre of employment, education and where most of the material amenities are more easily come by’. By 1970, when both Fiji and Tonga became independent, New Zealand had accepted its growing role in relation to defence assistance and economic aid to the newly independent microstates in the Southwest Pacific. In August 1971, New Zealand played host to the first South Pacific Forum, a gathering of heads of government of independent or self-governing states in the South Pacific for informal discussions on matters of common interest. Holyoake claimed, with some justification, that ‘the New Zealand government has, as usual, taken the lead in its formation’. At first, all were also members of the Commonwealth.

Like the UN, the Commonwealth was transforming radically throughout the 1960s. Britain was losing its dominance as the membership increased and became more diverse. Holyoake’s first Commonwealth Prime Ministers’ Meeting (CPMM) was in London in March 1961. At a press conference he referred to himself as a ‘new boy’ who was approaching the major topics of South Africa, which had just become a republic and had decided to leave the Commonwealth, and the United Kingdom’s application to join the European Economic Community ‘with some trepidation’. Africa was geographically remote from New Zealand and the country had few interests in that continent, apart from playing rugby with the white settler population of South Africa. It was, however, to be an ongoing problem for Holyoake for the rest of his political career. The CPMMs of 1961, 1962, 1964, 1965, and the two in January and September 1966, were largely dominated by events in Africa: apartheid
in South Africa; Rhodesia’s Unilateral Declaration of Independence (UDI); military coups in Nigeria, Ghana, Sierra Leone, and Uganda; and civil war in Nigeria.¹⁷

In November 1965 the white minority government of Ian Smith in Southern Rhodesia, encouraged by South Africa, announced its Unilateral Declaration of Independence, which pre-empted the plans of Harold Wilson’s British Government to move that country gradually to majority rule and eventual independence. At the time, there were only 225,000 whites in a total population of over four million. Earlier in the year, attempts had been made to resolve the Rhodesian situation at a Commonwealth Prime Ministers’ Meeting in London. Holyoake and Wilson discussed Rhodesia at some length in a private meeting at No. 10 Downing Street, shortly after both had met separately with Smith. Holyoake reported that he had advised Smith ‘to be very cautious, to remember that he had friends in the world and that he had to listen to them’. He also told Smith that it was ‘essential that there should be more representative institutions in Southern Rhodesia’. The Rhodesian leader had responded that ‘he hoped to maintain the present system of white supremacy in Southern Rhodesia for 70 years or more’.¹⁸

The British Prime Minister tried hard in the weeks leading up to the UDI to prevent it, but, after Smith rejected a proposed Commonwealth mission and also refused to agree to proposals put to him personally by Wilson in October, the break took place. Wilson had again asked Holyoake to contact Smith personally and try to persuade him to continue negotiating with the British and not seize independence illegally. Holyoake told Wilson that he thought it might be too late. He also observed that, because trade between New Zealand and Rhodesia was very limited, ‘it is unlikely that any action New Zealand takes will have material effect on Rhodesia’. He did, in the end, send ‘a candid but friendly warning’ to Smith in a letter described by the British as ‘robust and direct’. Holyoake told Smith that he ‘hoped that independence would be obtained on a basis which, by providing equal political, economic and social rights for all, would ensure that Southern Rhodesia remained within the circle of the Commonwealth’. This would be best achieved ‘not by any immediate transfer of political power but by an acknowledgement of the ultimate validity and justice of majority rule and by the acceptance of a period of transition’. He warned Smith not to declare independence unilaterally. That would have ‘the gravest consequences for Rhodesia and the Commonwealth. For New Zealand it would represent a parting of the ways with your Government . . . and would breach the present sympathetic relationship between our two governments.’ He ended by writing that, while he had ‘nothing but admiration for the achievements of the European inhabitants of Rhodesia’, he believed
that in future ‘the interests of the Europeans will be best served by a policy of reconciliation which accepts majority rule’.19

Britain retaliated against the UDI by seeking Commonwealth and United Nations support for military and economic sanctions, but African states went much further. On 5 November, the UN General Assembly adopted a resolution calling on Britain to use all necessary measures, including military force, to bring Rhodesia to independence under majority rule. New Zealand voted against, preferring to support instead Wilson’s proposal to establish a Royal Commission, with British and Rhodesian members, to look again at the constitution of an independent Rhodesia. Wilson had written to Holyoake a few days prior expressing pessimism about a possible peaceful solution in Rhodesia given the intransigent views of both ethnic groups. McIntosh also was not sanguine about the outcome and warned Corner at the United Nations that, ‘support in Government circles is 100 per cent in favour of Smith, but they are not game to come out and say so’.20

A large number of New Zealanders had relatives in Rhodesia or saw it and South Africa as stable bulwarks against communism and chaos, both of which were becoming more evident elsewhere in Africa. Many of New Zealand’s daily newspapers were openly pro-Rhodesian.21 Marshall stated publicly that ‘a very considerable majority of people in New Zealand are sympathetic to Rhodesia’; and another senior minister, Shand, went further and warned: ‘If military force was used in Rhodesia the majority of New Zealanders would want to support their own flesh and blood.’22 Not only senior ministers in Holyoake’s Cabinet were sympathetic to Rhodesia and South Africa. The former minister, Sir William Sullivan, and the former Speaker, Sir Matthew Oram, publicly defended the apartheid system itself.23 On this issue, Holyoake clearly had to balance international opinion against offending those in his own parliamentary caucus and party and the electorate as a whole who sympathised with Smith’s regime. When Herbert Bowden, the Commonwealth Secretary, visited New Zealand and held talks with Holyoake and his Cabinet in February 1967, Holyoake told the British Minister that ‘New Zealand was extremely interested in the Rhodesian problem’ because ‘[m]any people, who were no doubt not well-informed, supported Mr Smith’.24 Holyoake did not add that those ‘not well-informed’ supporters of Smith included a number of his own senior cabinet colleagues, present at the meeting.

The British were aware of the considerable sympathy for Rhodesia in New Zealand, although they were unable to quantify it exactly. The British High Commission, in a lengthy report, doubted that support for the Smith regime was as high as 95 per cent, which appears to have been a figure suggested by Sir Denis Blundell, New Zealand’s High Commissioner in London, but believed
that a majority did at least ‘condone’ the regime and it might be as high as 80 per cent. That support, as well as ‘the known sympathies of some of Mr Holyoake’s Ministers’, meant that ‘considerable party pressure has been put upon Mr Holyoake’s Government not to do anything more than necessary as a result of the Security Council’s mandatory resolution’. As late as 1969, Holyoake himself told the British that ‘the great majority’, perhaps as high a proportion as 85 per cent, of New Zealanders supported the Smith regime, though the High Commission again thought that estimate was ‘too high’.

On 18 November 1965, Holyoake announced that he doubted whether economic sanctions would have any effect on the Rhodesian Government and that anything New Zealand could do would be minimal anyway because of limited trade between the two countries. As a result, the New Zealand Government had not yet imposed full economic sanctions and was studying the matter further. McIntosh complained about ‘the saddening inadequacy of the Prime Minister’s statement’. A few days later, he told Corner that ‘[t]he Prime Minister’s great tactic has always been to dodge things he doesn’t want to face’, and in ‘the External Affairs field he has never been interested and he just dislikes intensely the situation vis-à-vis the blacks’. A week later, however, after the Security Council called for a worldwide economic boycott, New Zealand did embargo tobacco, which comprised 98 per cent of the value of New Zealand imports from Rhodesia for 1965.

A meeting of Commonwealth leaders to discuss the Rhodesian situation was organised in Lagos, Nigeria in January 1966, the first held outside London. Holyoake, who was on holiday haymaking at Kinloch, and the Australian Prime Minister, Harold Holt, refused to attend or send a senior minister. Instead, Macdonald, New Zealand’s High Commissioner in London, represented New Zealand, and the Australians did not send a representative at all but merely an observer, their High Commissioner in Lagos. Macdonald expressed to the conference New Zealanders’ sympathy for the ‘European farmers in Rhodesia’. The day after the conference ended, the Nigerian Prime Minister, Sir Abubakar Tafawa Balewa, who had hosted the meeting, was assassinated in a military coup.

Despite New Zealand’s stance on Rhodesia, it was elected to a one-year term on the Security Council in 1966. That year, a high proportion of the debates revolved around decolonisation and specifically the Rhodesian issue. In April the Council had to consider a resolution calling on all states to break off all economic relations with Rhodesia, including an embargo on oil and petroleum, and authorising Britain to use force if necessary against an oil tanker heading towards Rhodesia to enforce the embargo. McIntosh told Corner that Holyoake was ‘away from the office early in the week before
Easter and it was not easy to get hold of him in Taupo; he seems to spend a certain amount of time out on the lake fishing’. This caused some uncertainty in Wellington but eventually McIntosh told Corner to speak and vote for the resolution. He did so, but recorded: ‘I gather the P.M. may think I supported the U.K. too much in action that hurt Ian Smith.’ Although he felt he had only done the minimum to avert much stronger action against the Smith regime and to prevent New Zealand’s reputation from being ‘destroyed’, he ‘had this sense of sick disgust at the negative and dishonest approach of the Government to matters of external affairs, and most else’, saying, ‘if the P.M. thinks it could be better done he is welcome to push me out [as Permanent Representative to the United Nations]’.

The African states tabled a Security Council resolution in May 1966 again calling on Britain to use all necessary measures including force to remove the Smith regime. Holyoake supported the goal of majority rule and a non-racist state in Rhodesia, and the use of sanctions to achieve this. But he argued also that force should be considered only if economic, political, and financial measures failed. Corner made the same points to the Council. It became obvious that the motion would not get the nine votes necessary for endorsement and that those member states who wished it defeated merely needed to abstain. Holyoake understood this but decided to vote against all the same. The motion was not carried; with six votes in favour, eight, including Britain and the United States abstaining, and only one, New Zealand, voting against. The Africans were astonished and the Foreign Minister of Zambia denounced New Zealand as ‘the enemy of Africa’.

In September, the CPMM, which had started at Lagos in January, reconvened in London. It was a very unpleasant conference, with the Afro-Asian representatives meeting in long caucuses and then strongly criticising Britain and its Prime Minister. Holyoake spoke against making sanctions mandatory and any use of force, and was annoyed that Rhodesia again dominated the agenda. He wanted to discuss other matters such as Vietnam and was concerned at the division of the Commonwealth into racial blocs. There was not another CPMM until 1969, and for a time there the future of the Commonwealth itself was seriously at risk, with Holyoake himself wondering whether he would ever attend again.

New Zealand did vote in December on the Security Council for a British resolution calling for stronger and mandatory economic sanctions, including an oil embargo, against Rhodesia, but it did so primarily because it did not wish to offend the British rather than because it enthusiastically supported the action. Holyoake warned that if there were any attempt to extend the sanctions to South Africa, ‘I would regard them as impracticable,
unenforceable and dangerous in the extreme’. He also stated: ‘We have never believed, and do not now believe, that force will advance this goal [ending UDI]. We will continue to oppose its application in Rhodesia.’ That remained New Zealand’s stance on Rhodesia until Holyoake stood down as Prime Minister six years later, with the impasse still unresolved.

SOUTH AFRICA WAS an even longer-lasting and eventually much more domestically divisive issue for New Zealand. Until 1958, New Zealand chose either to vote against or abstain on resolutions criticising South Africa in the United Nations. After that time, it was prepared to condemn apartheid, though in 1960 the Nash Labour Government reacted negatively to suggestions of a trade embargo against South Africa and also refused to oppose a tour of the then still Commonwealth state by an All Black rugby team from which Maori had been excluded because of their race.

International support for diplomatic, economic, and sporting boycotts of South Africa to make it abandon apartheid grew throughout the 1960s. The first major international conference Holyoake attended after his re-election as Prime Minister was the March 1961 CPMM in London. South Africa was about to become a republic, and its continued membership of the Commonwealth was untenable in the light of that organisation’s multiracial nature and the growing internal hatred and external opprobrium of the apartheid system designed to entrench white minority rule and privilege. Although Holyoake argued that most New Zealanders did not want South Africa to leave or be expelled from the Commonwealth, he took a harder line than his predecessors as New Zealand Prime Minister, including Nash the previous year. He criticised South Africa’s Prime Minister Hendrik Verwoerd, as well as Nigeria and Ghana, which had pushed for expulsion, and stated that nearly all Commonwealth countries including New Zealand were offended by apartheid. If South Africa were to remain a Commonwealth member, either South Africa or those other Commonwealth countries would have to change their attitude. He did not think the latter likely and was clearly influenced by the fury of many New Zealanders, who had protested the forced exclusion of players of Maori descent from the All Black team that had toured South Africa in 1960.

Verwoerd made it plain that there was no possibility of South Africa changing its apartheid policies, and the Canadian Prime Minister Diefenbaker and the leaders of the African and Asian members of the Commonwealth expressed the view that apartheid was inconsistent with the basic ideas of the Commonwealth. A number of the African leaders also indicated that
they would have to consider their continued membership if South Africa remained in the Commonwealth. Although Macmillan, supported by Menzies of Australia, tried to find a compromise, it became obvious that a majority of Commonwealth leaders were not prepared to allow South Africa to remain, and Verwoerd withdrew his request for continued membership. A communiqué at the end of the 1961 CPMM declared that apartheid was an ‘unmitigated evil’ and that the governments of the member states pledged themselves to combat it vigorously not only in their own countries but also by denying any assistance to other states which contributed to the maintenance of apartheid policies. The implementation of this proclamation, however, was left to the discretion of the individual governments, which the British interpreted as meaning that they could continue arms sales to South Africa and New Zealand believed allowed them to continue to play racially segregated rugby games against the Springboks.43

Holyoake publicly regretted the departure of South Africa from the Commonwealth but privately blamed the outcome on Verwoerd’s intransigence. Nor did he share with Verwoerd, Macmillan, and Menzies a belief that the departure of South Africa would mean the break-up of the Commonwealth. On the contrary, he thought the Commonwealth had taken a moral stance and strengthened itself as a multiracial association of states.44 Templeton has suggested that, although a ‘novice Prime Minister’, Holyoake, ‘along with Diefenbaker, was pivotal in shifting the balance against South Africa’, even if that had not been his intention at the outset. When Holyoake returned to New Zealand, he was also instrumental in getting Cabinet to decide quickly that South Africa should not be allowed to retain Commonwealth privileges by indirect means.45

The battle over South Africa was fought not only in the Commonwealth but also in the United Nations. In 1962 the General Assembly condemned apartheid and also, for the first time, called on member states to break off diplomatic relations with South Africa and boycott its exports. New Zealand, in company with fifteen other nations, including the United Kingdom, the United States, Australia, and Canada, voted against the resolution. Although New Zealand trade with South Africa was minute, New Zealand was aware that economic sanctions against the republic would damage New Zealand’s major trading partner, the United Kingdom. There was also some prospect of increased dairy exports to South Africa, which, in the light of Britain’s potential entry to the European Economic Community, would be very desirable as New Zealand tried to diversify its export markets, especially for butter. Holyoake, therefore, downplayed both the UN’s decision and New Zealand’s negative minority vote by not commenting publicly on either. This
was not all that unusual, because Holyoake tended on controversial matters of any kind to say as little as possible for fear of increasing interest in and debate on the issue. In confidence, he told the Australians that, although he thought the actions unwise and likely to be unproductive, New Zealand traditionally had accepted UN decisions and in this case he did not see any reason to do anything that would damage the UN’s authority or appear to support South Africa.46

Throughout the entirety of Holyoake’s term as Prime Minister, New Zealand tried to satisfy both international and domestic opinion on South Africa by condemning apartheid but without committing itself wholeheartedly to actions that would force the South African Government to abandon the policy of racial segregation. The 1962 UN resolution set up a Special Committee to monitor UN members’ compliance with the sanctions against South Africa. New Zealand was not prepared to act on economic embargoes but it was prepared to vote consistently for resolutions demanding self-determination and independence for South West Africa (later called Namibia), which had been entrusted to South Africa under a League of Nations’ mandate and should have become a UN Trust Territory after World War II. The contradictory expectations of the international community and domestic public opinion came into sharper focus in 1968 and 1970 when the UN General Assembly passed resolutions calling for the suspension of all cultural, educational, and sporting exchanges with South Africa. The South Africans had been excluded from the 1964 and 1968 Olympic Games and were eventually to be expelled completely from the Olympic movement in 1970. New Zealand opposed the sporting contacts boycott in 1968, but there was no separate vote on that paragraph and New Zealand abstained on the overall resolution. In 1968, officials in the Department of External Affairs prepared a comprehensive paper examining New Zealand’s relationship with South Africa. It concluded that New Zealand relations with South Africa were minimal and that, while New Zealand could ignore non-mandatory resolutions calling for trade and sports boycotts, it should avoid public statements, actions, and votes in the UN that could be interpreted internationally as support for South Africa. It also enumerated various ways in which New Zealand could distance itself from South Africa and its apartheid policies. Holyoake annoyed his officials by returning the draft document to them marked simply with the word ‘Seen’. A subsequent inquiry as to whether the document could be used as a ‘broad general guide’ by New Zealand’s diplomats was returned without even the Prime Minister’s initials, so that there was considerable uncertainty as to whether or not Holyoake had approved the document and its use, although his officials assumed that he had.47
In 1970, a Conservative Government replaced Labour in Britain. The new Prime Minister, Edward Heath, almost immediately informed Holyoake and other Commonwealth prime ministers that he intended resuming Britain’s very lucrative arms sales to South Africa, thus breaking the arms embargo that had existed since 1963. Heath suggested that the arms sales were related to the security of Britain’s sea routes around South Africa and that this was also ‘vital’ to New Zealand and Australia and the stability of Southeast Asia, especially in the light of a Soviet naval build-up in the Indian Ocean. The Australians curtly noted that the matter was solely one for the British Government, but Holyoake, conscious of continuing British goodwill because of the renewed negotiations for British entry to the EEC, issued a statement that, while making it clear that New Zealand had been informed not consulted, did gratify the British by saying that ‘the New Zealand Government understands and appreciates Britain’s reasons’. In making this statement, Holyoake and his Cabinet reversed a draft from External Affairs officials expressing ‘a measure of regret’ at the British decision. New Zealand subsequently, in October, abstained on a UN General Assembly resolution calling for the ‘full resolution’ of a Security Council embargo against arms shipments to South Africa.

At a Commonwealth Heads of Government Meeting (CHOGM) in Singapore in January 1971, Holyoake again felt that he had to side with the British in order to retain their support for New Zealand in the EEC negotiations, which were nearing their conclusion. But he was reluctant to distance himself from Asian and African leaders, including the meeting’s host Lee Kuan Yew, who hoped that Holyoake would help mediate between them and the British over the issue. Holyoake, who told others that he doubted he had any influence with Heath, chose not to intervene in the formal meetings or through public pronouncements, but was later to claim that in private discussions he did what he could to prevent the dispute wrecking the Commonwealth. Despite considerable acrimony, consensus was finally reached in secret sessions to set up a Commonwealth study group on the question of maritime trade routes, and Heath defused the crisis by saying that Britain had yet to make a final decision about the proposed arms sales. In March 1971, New Zealand prohibited the export to South Africa of arms, military vehicles, and aircraft, notably light aircraft such as the Airtourer and Fletcher FU34, which were manufactured in New Zealand.

In the United Nations, Holyoake, influenced by his officials, was by 1970 moving away from the policy of abstaining on apartheid resolutions because of reservations about part of the detail in them. This was seen as giving a false impression of what New Zealand thought about apartheid, and so it was
decided that in future New Zealand would try to vote for such resolutions while stating any reservations it had concerning specific paragraphs in the resolution. As a result, New Zealand in 1970, at the UN Economic and Social Council, voted for a resolution on which it had earlier abstained but noted that it was not convinced that the resolution should declare apartheid to be a crime against humanity and a threat to international peace and security. In 1971, Holyoake again reluctantly allowed the New Zealand representative to vote for a resolution on which it had previously abstained, while asserting that an earlier Security Council resolution had not distinguished between arms for external defence and internal repression. This distanced New Zealand from the United Kingdom, the United States, Australia, and France, who all continued to abstain.

When Marshall attended an International Labour Organisation meeting in 1971, Holyoake instructed him to speak out against racial discrimination. The Deputy Prime Minister did so but was, in the opinion of a senior official who accompanied him, ‘notably reluctant to take a crack at the South Africans’ and qualified his attack on apartheid by also arguing that it was better to build bridges to South Africa rather than walls around it. The bridge-building approach of Marshall, which he stressed even more after becoming Prime Minister in 1972, reflected opinion within the National Party better than Holyoake’s harder anti-apartheid stance, as his advisers recognised. One official recorded:

I think we have pushed the Government as far as it is likely to go along the road of expressing public condemnation of apartheid and disassociating itself from South African policies. We have certainly pushed it a lot further than many (perhaps a majority) of its supporters would wish . . . . The Prime Minister is more sensitive to international opinion than most of his colleagues.

In fact, the Government became more openly sympathetic towards South Africa and to the continuing of All Black–Springbok rugby tours, with resulting international criticism and domestic division, after Marshall replaced Holyoake as Prime Minister on 7 February 1972. Although Holyoake continued as Minister of Foreign Affairs until the defeat of the National Government at the end of the year, Marshall, within days of assuming office, personally took over the South African issue. Under his direction, the Ministry of Foreign Affairs prepared a press statement that went through five drafts before the new Prime Minister was satisfied. Its central theme was ‘building bridges’ with South Africa and made it plain that New Zealand and South Africa would continue to have sporting relations. The day before the final
version of the statement was issued, it was shown to Holyoake. He suggested only one alteration – which was accepted – the deletion of the word ‘happy’ in a statement that New Zealand was ‘a happy multiracial society’.

New Zealand’s foreign policy towards South Africa was greatly influenced by the desire of many New Zealanders to continue rugby games between New Zealand’s All Blacks and South Africa’s Springboks. Even many New Zealanders who detested apartheid were prepared to accept racially selected teams in order to perpetuate reciprocal tours. However, as attempts to isolate South Africa internationally were widened to include boycotts of such racially selected teams, pressure grew, both within New Zealand and internationally, for a cessation of fixtures between the All Blacks and the Springboks. In 1960, an All Black team, that excluded top players of Maori descent, toured South Africa after widespread protests in New Zealand around the slogan ‘No Maoris, No Tour’. The Labour Government led by Nash refused to make any strong statement condemning the tour by a racially selected team; but, thereafter, it was difficult for the New Zealand Rugby Union to openly discriminate against Maori. The South Africans continued to select their teams according to their apartheid laws and encouraged New Zealand to select only part-Polynesian players, whose colour would allow them to pass as ‘honorary whites’.

In 1963, Professor Richard Thompson, an anti-apartheid campaigner, asked Holyoake to state that racially selected sports teams were unwelcome in New Zealand and that the Government would not officially associate itself in any way with the visit of such teams. Holyoake rejected the request, arguing that, while its position on race relations was quite clear, New Zealand should be cautious in imposing its standards on other countries. It might be better to encourage contacts between South Africa and other peoples and this might lead to gradual change. Because in a democracy individuals and organisations were free, within the law, to make their own decisions, the Government would not interfere in the operations of sporting organisations, although he hoped that they would take into account the Government’s declarations on apartheid and racial discrimination.

This response largely summarised Holyoake’s and the National Government’s policy for the following 20 years, although the day after Holyoake replied to Thompson, Hanan stated publicly that it would be ‘wrong’ for the All Blacks to make another tour such as the 1960 one, when New Zealand had been forced by the South Africans to select an all-white team. When the Springboks came to New Zealand in May and June 1965, they lost the test series to an All Black team that did contain Maori players; and during the tour, South African Rugby officials suggested that Maori might be welcome in future All Black teams that played in South Africa.
On 4 September 1965, however, Verwoerd stated that Maori All Black players were not acceptable in South Africa. The South African Cabinet unanimously supported that decision. A Labour MP, Matiu Rata, asked Holyoake in Parliament whether, in the light of the South African position, the Prime Minister would give an assurance that no racially selected New Zealand team would tour South Africa. Holyoake responded that he was still convinced that the Government should not interfere in the affairs of sporting organisations. However, he went on to add:

The Government regards the principle of full racial equality as basic to New Zealand’s way of life and its harmonious development in the future . . . . It is the view of this Government that as we are one people we cannot be fully and truly represented by a team chosen on racial lines.

The racial composition of South African teams was a matter for them, but exclusion of Maori from the All Blacks was contrary to New Zealand’s racial policy. Otherwise, Holyoake argued:

I do not believe that most New Zealanders (or, for that matter, fair-minded overseas observers) would regard the playing of a Rugby match as constituting a significant act of considered New Zealand foreign policy.

One of the ironies of Holyoake’s response was that it was largely the same as a statement drafted by officials for Walter Nash in 1960 but which Nash had refused to make. It had lain in External Affairs files until Holyoake asked for something similar in 1967, when it was retyped and submitted to him.

At the start of 1966 the South African Rugby Union invited its New Zealand counterpart to send an All Black team selected ‘along the lines of other rugby teams that have toured South Africa’ in the past – a clear indication that the team needed to be made up of white players, or at least those who could pass as white. Although a South African mission was in New Zealand trying to negotiate the purchase of several thousand tons of butter, Holyoake again issued a public statement that important moral principles and issues were involved and that New Zealanders were one people and could not be truly represented by a group chosen on racial lines. The Government, however, would still not intervene directly in the affairs of a sporting organisation. Nevertheless, Holyoake’s endorsement of the ‘No Maoris, No tour’ position had an effect, and three weeks later the New Zealand Rugby Union, which wanted to include Maori and Samoan players in the All Black squad, announced that it could not accept the South African invitation ‘in its present
form’ and would meet the Government to discuss the issue. The 1967 All Black tour of South Africa was called off.

Following the assassination of Verwoerd in September 1966, the new President, B. J. Vorster, claimed in April 1967 that there had been part-Maori players in the 1960 All Black team and that the composition of All Black teams had always been left to the sound judgement of the New Zealand Rugby Union. In November 1967, New Zealand’s Deputy Prime Minister, Marshall, became the first New Zealand cabinet minister since 1910 to visit South Africa. He met Vorster and appeared to be favourably impressed by the racial situation he found in South Africa, commenting later, somewhat unbelievably, that he ‘saw no evidence of tension or resentment’ between the races. No record of the talks between Vorster and Marshall was kept, but, according to Marshall’s own memoirs and another book by the rugby journalist Terry McLean, there appears to have been an agreement that a representative All Black team containing Maori – though not too many and not ‘too black’ – would be allowed to tour South Africa in 1970. It could then be said that the New Zealand team had been selected on merit, not race, and there would be minimum publicity about the selection so that the South African Government was not embarrassed.

In New Zealand, however, the anti-apartheid movement, spearheaded by the Halt All Racist Tours (HART) and Citizens’ Association for Racial Equality (CARE), organisations, was moving the debate away from ‘No Maoris, No Tour’ to a refusal to play against South African teams that were selected on a racial basis as the result of the apartheid laws and system in that country. Most New Zealanders had been opposed to the exclusion of Maori from the All Blacks, but once that battle had been won there was much greater division over whether or not the All Blacks should play solely white Springbok teams. Holyoake, supported by Kirk, made it plain that now that the All Blacks were being chosen from all New Zealanders there was no reason for the Government to be further involved. This belief was subsequently supported by public opinion polls that showed 74 per cent of respondents believed the Springboks should come to New Zealand, compared to 16 per cent who were opposed; and 73 per cent that thought the Government should not intervene in the visit of racially selected sports teams, compared to 17 per cent who thought it should. After consulting cabinet and caucus, Holyoake announced that he did not believe that ‘most New Zealanders would want sport used as a political weapon’ and that the Government would not become involved in the All Black tour. As a result, the All Blacks toured South Africa in 1970 but they did so in the face of unprecedented opposition within New Zealand and increased scrutiny of New Zealand by the UN Special Committee on
Apartheid. In 1971, New Zealand found itself, along with Britain and Australia, among only seven countries abstaining on a resolution in the UN General Assembly calling for the boycotting of South Africa’s racially selected teams.

IT CAN BE ARGUED that New Zealand’s position on both South Africa and Rhodesia within the Commonwealth Heads of Government Meetings and the United Nations was not an independent one but for much of the time closely reflected that taken by Britain and the United States. The British were, however, from time to time secretly critical of New Zealand’s handling of these issues, and the British High Commission in Wellington was sometimes quite blunt in reporting to London on the matter. In 1970, for example, Tonkin wrote to the Foreign and Commonwealth Office that, ‘my contacts in the Ministry of Foreign Affairs tell me that, on problems involving Rhodesia and South Africa, the Department no longer make policy recommendations. These are all decided in Cabinet, generally under Mr Holyoake’s personal direction, though Talboys and Marshall are said to be pushing hard for closer New Zealand-South African relations.’

Tonkin also referred to ‘Holyoake’s nervous handling of the New Zealand Rugby Tour of South Africa’. At the 1972 election, both Marshall and Kirk promised that a government led by them would not interfere with sporting tours. Within weeks of winning, Kirk changed his mind. He decided that the risk of a breakdown of law and order in New Zealand if the Springboks toured was not in the best interests of the country and, therefore, the Government requested the New Zealand Rugby Union not to go ahead with a tour proposed for 1974. The Union decided that it had to concur. Kirk claimed that he was simply following Holyoake’s precedent from 1966, but Holyoake indignantly rejected that accusation.

Holyoake became Minister of State after National under Muldoon returned to office in 1975. He was again involved with the issue of sporting contacts with South Africa but circumscribed by Muldoon’s firm assurances at the election that National would not stop rugby tours of or by that country. As Acting Minister of Foreign Affairs in February 1976, Holyoake had to explain the Government’s stance to Kurt Waldheim when the Secretary-General of the UN visited Wellington. Subsequently, when the All Blacks toured South Africa in 1976, 29 countries retaliated by boycotting the 1976 Commonwealth Games in Montreal because of New Zealand’s presence. Only two African countries competed.

Holyoake travelled to New York in September to defend New Zealand at the UN with what Trevor Richards, a leader of the HART organisation
in New Zealand, described as ‘a scathing attack against apartheid’. He also downplayed the presence of his son-in-law Ken Comber, the National MP for Wellington Central, at a function to farewell the All Blacks. Comber, he commented, was ‘newly in politics and an enthusiastic rugby player’, who had not appreciated the significance of his presence or comments in support of the team. In New Zealand, public opinion was changing because New Zealanders had been ‘shocked’ by the African boycott of the Olympic Games, which ‘had brought home to them the depths of African feeling against the oppressive racial policies of the South African Government’. He stressed New Zealand’s ‘excellent record in race relations, our abhorrence of all forms of racial discrimination, and our consistent opposition to the South African policy of apartheid’ and hoped that New Zealand sports bodies would draw ‘an obvious conclusion from the Government’s many statements of opposition to apartheid in South Africa’. He added, however, that the African governments had to understand ‘the freedom which New Zealand sports bodies enjoy’. Holyoake assured the UN that the New Zealand Government deplored ‘the selection of any team in any country on a basis other than merit’ and would in future ‘draw the attention of New Zealand sports bodies to the relevant United Nations resolutions’. He also met separately and privately with the UN Secretary-General, with Leslie Harriman, the Chairman of the UN’s Committee Against Apartheid, and with the Foreign Ministers of eleven other countries including Tanzania, Kenya, Ghana, and Nigeria. He told reporters that the New Zealand Government would discourage any further sports contacts with South Africa.

While in New York, Holyoake kept in constant cable contact with the Prime Minister in Wellington. When he informed Muldoon that he had told Harriman and the African Foreign Ministers that the New Zealand Government would communicate the anti-apartheid and other relevant resolutions on sporting contacts with South Africa to New Zealand sporting bodies, Muldoon immediately phoned Holyoake and told him that he was ‘not prepared to consider the circulation of the resolution to [the] sporting organisations’ because he felt ‘that distribution of the relevant resolutions to the News Media will be sufficient to meet the circulation understanding’. Talboys, who by that time was Minister of Foreign Affairs, believed in retrospect that Muldoon would never have made a direct statement asking the Rugby Union to call off the tour, and that even if he had, the majority of the National Party caucus would not have supported it.

Undeterred by either his leader’s or his colleagues’ less than enthusiastic public support for his comments in New York, on arrival back at Auckland Airport Holyoake gave a press conference in which he said that the Government
would discourage sporting bodies from sending teams to South Africa, and if they persisted, the Government would disassociate itself from them. This, according to Richards, ‘generated a furore’. Subsequently, Holyoake ‘softened and qualified some of the sharper aspects of his statements’ but his comments had exposed differences within the Government over the issue and, despite Muldoon denying that there was any change in Government policy on the matter, there remained considerable confusion both within New Zealand and overseas as to what New Zealand’s official position actually was.

Three weeks after his return to New Zealand from New York, Holyoake told a meeting of several hundred National Party women in Wellington that New Zealand’s policy on sporting contacts with South Africa was the subject of international attention. At New York he had tried to make it plain that the New Zealand Government ‘was opposed to apartheid’. ‘The apartheid policies of the South African Government are inhuman policies’, and not only the New Zealand Government but also ‘the vast majority of New Zealanders want to see them ended’. In New Zealand, ‘racial discrimination is prohibited by law’ and the ‘Government deplores the selection of any team on a basis other than merit. I cannot welcome, encourage or give official recognition to sports contacts with teams selected on such a basis.’ While ‘the tragic events of Soweto’ and ‘the shock of Montreal’ meant that within New Zealand ‘public opinion is changing’ and sporting bodies ‘have to take account of public feelings’, the Government would ‘not dictate to sports bodies who they should or should not play with’. It was, however, ‘willing to help them reach their decisions by giving them our assessment of the wider effects those decisions might have on other sportsmen and on the country as a whole’.

Muldoon’s comments, however, despite his being party to a CHOGM agreement at Gleneagles in 1977 that all Commonwealth governments would do all they could to discourage sporting contacts with South Africa, did much to negate the assurances that Holyoake and Talboys were giving overseas and the views they were also, somewhat more tentatively, starting to express at home. Not until 1981 was a Springbok tour of New Zealand finally to bring the issue to a head and split the country so seriously and bitterly that it made future tours by racially selected South African teams impossible.
Collective Security and Forward Defence in Asia

HOLYOAKE AND THE National Government believed, as did most New Zealanders in the 1960s, in the concept of ‘collective security’, which meant alliances and close defence cooperation with stronger allies such as the United States, Britain, and Australia. They also believed in ‘forward defence’, which meant keeping New Zealand’s enemies or potential enemies as far from its shores as possible. The widespread awareness of how close Australia and New Zealand had been to being overrun by the Japanese in 1942 reinforced this dual commitment to collective security and forward defence. The way in which countries had fallen sequentially to Nazi Germany and Japan early in World War II, and to the Soviet Union after it, often in the face of weak or non-existent opposition from the major Western democracies, also had led to the ‘domino theory’ and a suspicion that appeasement of aggressors only increased their ambitions by minimising the perceived risks and costs of aggression.

Following the defeat of Germany and Japan in the Second World War, there was growing hostility between the victorious Allied powers. A ‘Cold War’ developed after 1945 between the democratic states, principally the United States and Britain, and the communist states, principally the Soviet Union and, from 1949, China. That Cold War intensified in Asia during the 1950s with the creation of Communist China, with the Korean War, and with the expulsion of the Dutch and Portuguese from Indonesia and the French from Indo-China. It is not surprising that New Zealand and its allies, particularly the United States and Australia, perceived and interpreted these developments in the light of the concepts of collective security, forward defence, and non-appeasement of aggressors.
Although for a short time after 1945 the Middle East remained New Zealand’s major commitment, the Fraser Government was also prepared to support Commonwealth defence arrangements elsewhere in the world. It committed some of its limited air force capacity to assist the British in Singapore and Hong Kong, and in 1949 entered, together with Britain, Australia, and Malaya, a secret regional defence organisation known as ANZAM (Australia, New Zealand and Malaya), which was designed to plan the defence of a South Pacific area that included not only Australia, New Zealand, and Malaya, but also Indonesia, Borneo, Fiji, and New Zealand’s island territories including Western Samoa. The United States was not involved in what was primarily an organisation for discussing the security of British colonies and former colonies.²

The Korean War, which broke out in June 1950, seemed to confirm American and British fears that there might well be another global conflict by the mid-1950s and also accelerated the shift in New Zealand’s defence focus from the Middle East to Asia.³ Some 6000 New Zealand troops served in Korea. Australia and New Zealand saw Southeast Asia from the perspective of the domino theory, with communism taking hold on the Asian mainland and, as one New Zealand Minister of External Affairs observed, threatening to move through Southeast Asia ‘like so many stepping stones leading down to Australia and New Zealand’.⁴ Both New Zealand and Australia remembered that they had been saved from Japanese conquest by America’s, not Britain’s, armed forces in World War II. This resulted in another New Zealand defence arrangement that was more important to New Zealand’s security than ANZAM, and from which the British this time were excluded. The tripartite Australia, New Zealand and United States (ANZUS) Treaty was signed at San Francisco on 1 September 1951.

ANZUS was seen by Australia and New Zealand as effectively guaranteeing their future security against a resurgent Japan or an even more threatening Communist China or Soviet Union in the Pacific. Understandably, in the light of its World War II experiences, New Zealand did not trust Japan, and for some time continued to regard it as a threat to New Zealand’s security. Nevertheless, the Korean War and the much greater and more immediate perceived threat posed by Communist China in Asia and the Pacific saw the Americans quickly seek to rehabilitate Japan back into the international community as a prosperous, democratic, and anti-communist state. In return for the ANZUS Treaty, New Zealand and Australia signed the Japanese Peace Treaty the same year and accepted a separate bilateral security treaty between the United States and Japan. In 1952, Japan became the first Asian country with which New Zealand established diplomatic
relations, and New Zealand and Australia also consented to limited Japanese rearmament after 1954.

Feelings within New Zealand about Japan, however, remained ambivalent throughout the 1950s and 1960s. Quite apart from the deep antagonism engendered by the war, while New Zealand was keen to export more to Japan and was prepared to consider increased imports from Japan, both New Zealand manufacturers and United Kingdom exporters were seriously concerned about competition from cheaper Japanese products and brought considerable pressure to bear on successive New Zealand governments. Even the Americans expressed some doubts about moves towards a bilateral New Zealand–Japanese trade agreement in 1954 and 1955, and this was deferred and not eventually concluded until 1958, a year after New Zealand had made its first sale of beef to Japan and the Japanese Prime Minister Nobusuke Kishi had visited the country.5

By 1960, trade was replacing security as the major consideration in the relationship between Japan and New Zealand. The pressure to enhance economic opportunities with Japan in the 1960s came mainly from sections of New Zealand’s business and agricultural circles rather than politicians. Following Britain’s announcement that it was seeking to join the EEC, Marshall went to Tokyo in February 1962. He sought increased purchases of meat and dairy products by Japan and indicated that New Zealand was prepared to take more Japanese cars and machinery. The 1958 trade agreement was renewed and its terms extended. New Zealand agreed that the provisions of Article 35 of the General Agreement on Tariffs and Trade, which had denied Japan most-favoured-nation treatment, would no longer apply to Japan. Between 1960 and 1966, the New Zealand Meat and Dairy boards made determined efforts to increase exports to the Japanese market but with mixed results. Certainly, exports to Japan doubled in the four years from 1960 and doubled again in the following four years.6 But although by 1965 Japan was New Zealand’s fifth-largest market, this remained a relatively tiny proportion of Japan’s trade and, because the balance was consistently in New Zealand’s favour, Japan was largely able to ignore New Zealand complaints about Japanese barriers against agricultural imports to that country.

The relationship between New Zealand and Japan was further complicated by the development of the New Zealand fishing industry. From 1959 onwards, Japanese fishing boats appeared increasingly in New Zealand’s coastal waters and there were several violations of New Zealand’s 3-mile territorial limit. In 1965, New Zealand extended its exclusive fishing zone to 12 miles, a move Japan wanted to challenge at the International Court of Justice. Holyoake, who paid a visit to Japan in June 1965, was concerned that the fisheries issue
might disrupt relations with Japan to the detriment of meat and dairy sales to that country but he would not agree to the dispute going to the International Court. Instead, there were negotiations during 1967 that agreed on a compromise phase-out period for the Japanese.

On his visit to Japan from 30 June to 8 July 1965, Holyoake, accompanied by his wife and McIntosh, visited Tokyo, Osaka, Kyoto, Nagoya, and Hakone. He was received by the Emperor, held discussions with the Japanese Prime Minister, Eisaku Sato, and his Foreign Minister, and paid courtesy visits to three former Japanese prime ministers, Ikeda, Kishi, and Yoshida. Among the matters they discussed were Vietnam, Malaysia, Indonesia, Korea, Japanese fishing off the New Zealand coast, regular bilateral talks, and bilateral trade. Holyoake was disappointed with Prime Minister Sato’s unwillingness to include in the Joint Communiqué a paragraph expressing support for the Commonwealth peace mission on Vietnam. He also found the Japanese unwilling to express strong condemnation of Indonesia for its confrontation with Malaysia or to give a public assurance that Japan would strictly discipline Japanese fishermen who infringed New Zealand’s territorial waters. Although the discussions between the two prime ministers were more controversial and less consensual than expected, Japanese officials confided to the British that ‘they were impressed and pleased by Mr Holyoake’s public utterances, and also by his friendly and straight-forward manner’, even though he ‘was not . . . known for pro-Japanese sentiment in the past’. One New Zealand official present, however, thought Holyoake’s ‘elephantine humour’ could have offended the Japanese. For example, Holyoake chided Sato on Japan’s national flag, suggesting Japan should get rid of it because it was New Zealand, not Japan, that was actually the first country in the world to see the rising sun each day. Nevertheless, Sato accepted an invitation from Holyoake to visit New Zealand the following year, although the visit did not take place until 1967. It was the third visit by a Japanese prime minister in ten years. Sato with his wife and a party of 28 visited New Zealand from 14–18 October and publicly thanked Holyoake for personally intervening to resolve the difficult issue of Japanese fishing in the South Pacific, which had been a problem between the two countries. He believed that would lead to better relations between them and a continued rapid expansion of bilateral trade.

In January 1967, there was also the first of what were to become annual talks on matters of mutual interest between New Zealand and Japanese foreign affairs officials. The meeting was held in Wellington and the New Zealanders were concerned that the record of the talks should not be seen by anyone other than the Japanese and New Zealand. Despite the document being marked ‘For New Zealand Eyes Only’, a copy was given in confidence
to the British by H. Kara, the Chief of the British Commonwealth Section of the Japanese Foreign Ministry. New Zealand clearly saw these discussions as covering Asian-Pacific security and major issues of international relations as well as political and trade matters, though the Japanese were always wary of criticising US policy to New Zealand, which was seen as a staunch US ally.

Britain’s impending entry to the European Economic Community increased the prospect of greater New Zealand trade with Japan as New Zealand tried to diversify, and this was discussed when a Japanese trade delegation visited in February 1968. In July of that year an agreement was announced between the New Zealand Government, Comalco Industries, and two Japanese companies to build an aluminium smelter at Bluff using electricity from a large new Manapouri power project. Later that year, Muldoon visited Tokyo and Sato visited Wellington and had talks with Holyoake, but the Japanese finally declined to develop further bilateral economic relations at that time.

In July 1970, Holyoake paid a second visit as Prime Minister to Japan and in wide-ranging talks with Sato suggested that there should be a serious renegotiation of the New Zealand–Japan Trade Agreement. The Japanese again responded negatively, and it became clear that Japan would not be an adequate alternative market to the British should Britain enter the EEC without safeguarding New Zealand’s continued agricultural exports to that country.

Although trade was at the heart of New Zealand–Japanese relations, New Zealand’s officials tried to widen the relationship, and clearly New Zealand’s close association with the United States through ANZUS gave the smaller country some standing in Japan. But security, educational, and cultural relations were throughout the 1960s and 1970s secondary to New Zealand’s efforts to broaden and extend the economic relationship with Japan. Nevertheless, during the annual talks between New Zealand and Japan in Wellington in July 1971, the Japanese, uneasy in the light of the recent announcement of Nixon’s visit to China, expressed their concern about the changing strategic environment to the New Zealand delegation. Holyoake and Laking replied that New Zealand welcomed the normalisation of relations between China and the US and reassured the Japanese that they did not believe that it would alter the close relations between the Japanese and the US or the Japanese and New Zealand.

THE AMERICANS SAW ANZUS as one of a series of regional military alliances, the most important of which was the North Atlantic Treaty Organization (NATO), designed by the United States to contain the global
spread of communism. Like NATO, ANZUS provided a framework for intimate cooperation among the signatories in diplomatic, military, scientific, and intelligence matters and, according to one American government source, offered Australia and New Zealand a means of escaping the isolation imposed by geography . . . a useful hedge against uncertain developments in a period of change while affording senior officials access to U.S. decision-making processes. It lies at the heart of what they consider to be a special relationship with the United States which they consistently seek to use to their benefit.

From Australia and New Zealand’s point of view,

the isolation and sense of threat that these two nations . . . have felt as Western outposts in an Asian sea has led them to turn first to the U.K. and then, when the British were no longer equal to the task, to the United States as the guarantor of their security. Forward defence in cooperation with the United States is for them first and foremost a premium payment by them for the ANZUS insurance policy for the home defence.14

However, Holyoake distrusted the vested interests of his military advisers and resisted spending large sums of money, much of it in scarce overseas reserves, on defence. This particularly meant not raising additional military units to participate in more than one overseas theatre at any given time. As the military historian Christopher Pugsley has noted:

Holyoake always recognised that New Zealand’s military commitments were of little military significance in the context of the total commitment by the Commonwealth against Confrontation in Borneo or by the United States and its allies to South Vietnam. What was important for New Zealand was getting the maximum political and diplomatic value from the timing and nature of each commitment. With the traditional parsimony of National governments, additional resources were approved only when pressure from major partners became too great to resist.15

In short, New Zealand made minimal military commitments to Korea, Thailand, Malaysia, and Vietnam in the 1950s and 1960s as insurance premiums to the Commonwealth and the United States towards its future security. New Zealand’s defence policy during this era, based on collective security and forward defence, enjoyed widespread bipartisan support until the later stages of the Vietnam War. Successive Labour and National governments for almost
Collective Security and Forward Defence in Asia

twenty years after 1945, and the overwhelming majority of New Zealanders, accepted J Force in Japan, K Force in Korea, and New Zealand troops in Thailand, Malaysia, and, in the initial stages, Vietnam as logical responses to New Zealand’s security commitments. Pugsley has suggested that Holyoake, like Holland and Nash before him, was ‘a reluctant giver, but . . . conscious that a contribution had to be made’. New Zealand, during the Holyoake era, got ‘good value for its money’ from its very limited defence expenditure: ‘This was Holyoake’s achievement. The skill with which he sustained New Zealand’s profile in South-East Asia throughout the 1960s with very limited and sparingly used resources was not negated by the breakdown in political and public consensus during the Vietnam conflict.’

NEW ZEALAND AND Australia after 1951 had to accommodate the differing perspectives, interests, and demands of two security organisations, ANZAM and ANZUS, and two major allies, Britain and the United States, on whom they perceived their security depended. Those differences became very evident during Five-Power security discussions from 1951 to 1954, that involved Britain, the US, Australia, New Zealand, and France, during which the British resisted American pressure to help the French militarily in Indo-China.

In the late 1940s and early 1950s, the French, with American military aid provided by both President Harry Truman and President Dwight D. Eisenhower, tried desperately to support a non-communist regime under Emperor Bao Dai as an alternative to the communist/nationalist coalition of Ho Chi-Minh in Indo-China. New Zealand, along with Britain and Australia, was reluctant to become involved militarily, and opposed such a suggestion when it was made in 1954 by the United States. New Zealand’s perception of the domino theory and its application to Southeast Asia, however, was precisely summarised at that time in a 1954 External Affairs briefing paper, which argued:

The outcome of the struggle in Indo-China, hitherto generally regarded as rather remote from New Zealand, will have repercussions elsewhere in the area. If it is lost to the Communists, Thailand may soon fall and Malaya will be threatened. If the whole of South East Asia and Indonesia as well are subverted a threat will be posed on the very threshold of Australia, with whom New Zealand’s security is inextricably bound.

This view led some New Zealand officials and diplomats – such as McIntosh, Shanahan, Munro, and Charles Craw, the head of the Eastern Section of
the Department of External Affairs – to suggest, with some reservations, that New Zealand should support the United States if it became involved in Indo-China even if that led to war with China. Holland, Webb, and the National Cabinet did not accept these views and cautioned the Americans against involvement and said that New Zealand public opinion would oppose New Zealand participation in such a war. Holland also added that New Zealand would follow Britain’s lead on the Indo-China issue. Ten years later, however, a National Party Defence minister was to echo the sentiments of the 1954 External Affairs document when Dean Eyre asserted in Parliament that Communist China saw the Malay Peninsula as ‘a finger pointing in our direction with Indonesia and Australia as convenient stepping stones on the way to New Zealand’.

The French withdrew in 1954 and Vietnam was temporarily partitioned at the seventeenth parallel into a communist North Vietnam and a non-communist South Vietnam, the latter given broad support by the United States under both President Eisenhower and President John F. Kennedy. The situation was complicated further when the South East Asia Treaty Organization (SEATO), also known as the Manila Pact, was established in September 1954, creating a third regional defence pact. This did involve both Britain and the United States, along with New Zealand and Australia, but it also included France, Pakistan, the Philippines, and Thailand, none of whom were members of either ANZAM or ANZUS. As Pugsley has noted: ‘The New Zealand government regarded the SEATO alliance as the main channel through which it could contribute to South-East Asia in both war and peace. The ANZAM agreement became the vehicle for making that contribution.’

A protocol to the Treaty named South Vietnam, along with two other Indo-Chinese states, Laos and Cambodia, as states that could request SEATO protection if attacked. A decade later, that protocol was used by both Australia and New Zealand to justify their involvement in the Vietnam War.

After World War II, the British and Americans saw the security of Thailand as essential to the halting of communism in Southeast Asia. As a result, New Zealand provided Colombo Plan aid to Thailand and also cooperated militarily with it in the SEATO security pact. In 1956, New Zealand established its first full embassy in Southeast Asia in Bangkok, where SEATO’s permanent secretariat was located.

New Zealand from 1955 contributed troops – at first an SAS squadron and then from 1957 an infantry battalion – to the Commonwealth Far East Strategic Reserve in Malaya in an effort to assist British and other Commonwealth forces against Malayan Communist Party guerrillas in what was known as the Malayan Emergency (1948–60). These troop commitments came not
only from the ANZAM agreement of 1949 but also from two subsequent defence arrangements with which New Zealand was associated, the Anglo-Malayan Defence Arrangement (AMDA) of 1957 and the Five-Power Defence Arrangement (FPDA) of 1971, which grew out of AMDA. New Zealand also subsequently assisted the Malaysians in the so-called ‘Confrontation’, an undeclared war through which Indonesia sought to destabilise the new Federation of Malaysia after 1963. Increasingly, however, New Zealand politicians and their advisers became concerned at the escalation of requests for New Zealand military involvement in the Southeast Asian region, especially when there was the prospect of future reductions of British forces in the East. Uncertainty about Britain’s long-term commitment to the Asian region also reinforced New Zealand’s recognition that it needed to strengthen its relationship with the United States through both SEATO and ANZUS.

During his 1960 tour of Asia as Leader of the Opposition, Holyoake made a stopover in Saigon. He thought it was ‘easily the most impressive of the Asian cities we have yet seen’, and the South Vietnamese President, Ngo Dinh Diem, also impressed Holyoake as the ‘undisputed leader of the country’ and ‘a very religious man’ (although Holyoake erroneously seems to have thought Diem was a Buddhist, when he was in fact a committed Roman Catholic). Holyoake recorded no personal impressions about the political situation in South Vietnam, simply noting that everyone told him that conditions there were much better than in North Vietnam and that the Communist threat in the South was reasonably in hand.26

The American Ambassador also ‘assiduously lobbied’ Holyoake in Opposition over the situation in Southeast Asia, especially Laos, and Holyoake had, in the words of the British High Commissioner, ‘absorbed much forthright criticism of Her Majesty’s Government’s policies where they diverged from those of the United States’. The British anticipated that Holyoake as Prime Minister and Minister of External Affairs would tend to ‘support American policy blindly’ and would take a belligerent approach in support of SEATO using military means to combat communism, even if that brought him into conflict with his officials.27 It soon became clear, however, that Holyoake was much more cautious than his officials in accepting American advice, especially if it involved spending taxpayers’ money and scarce foreign currency reserves on overseas military commitments of questionable immediate significance to New Zealand.

On 13 December 1960, the day Holyoake took office again, an American-backed right-wing army coup overthrew the neutralist government of Laos. The neutralists and the pro-communist Pathet Lao, with North Vietnamese support, immediately struck back.28 New Zealand’s new National
Government, as had its Labour predecessor, clearly preferred a negotiated settlement of the crisis and resisted suggestions that SEATO should intervene militarily. Holyoake told the British Prime Minister, Macmillan, that, while he was reluctant to be too definite in his views because he had just taken office a few days before, he believed that Britain and New Zealand should ‘do everything possible to avoid becoming involved’ in any intervention designed to bring about the ‘restoration of a right-wing government in Laos, however avowedly pro-Western’, and he had ‘grave misgivings concerning SEATO involvement . . . against the Pathet Lao and the Vietminh’. Instead, Holyoake was very supportive of Anglo-Soviet-led talks to end the conflict and re-establish a neutralised Laos. Thailand regarded New Zealand, Australia, and Britain as being too cautious and questioned SEATO’s commitment to security in the region. As a result, after the Americans decided to send 5000 troops to Thailand and at American urging, Holyoake and the New Zealand Government also agreed on 17 May 1962 to send a token force for a short time. It consisted of 30 SAS troops, three RNZAF Bristol Freighter aircraft, and HMNZS Taranaki.

Holyoake told Cabinet that New Zealand needed to send these forces because President Kennedy wanted to stop the communists ‘nibbling’ away in Southeast Asia; because the Thai–Laos border needed to be stabilised; because SEATO imposed security obligations on its members; and because it ‘was important for New Zealand to prove to her allies and more especially the United States that she could be relied on in a time of crisis’. The contribution he made, however, was minimal and it was soon withdrawn, even though the King and Queen of Thailand paid a visit to New Zealand in August to thank it for its support. Even so, there was some criticism from the Labour Party against Holyoake providing any military support for an authoritarian Thailand, a prelude to much greater domestic opposition generated by the far more controversial decision to send forces to South Vietnam three years later.

SEATO had obvious operational difficulties caused by the diversity of nations and views within it, especially over the defence of Laos and Vietnam, who were not members of SEATO but were covered by a security protocol. Although other SEATO members, Thailand and the Philippines, also sent troops to Vietnam, the United States after 1962 sought support in Indo-China from Australia and New Zealand by emphasising the ANZUS links rather than through SEATO. New Zealand found itself facing increasing pressure from the Americans to commit troops to Vietnam while at the same time it was facing the use of its Malaysian-based forces in that country’s confrontation with Indonesia.
WHEN HOLYOAKE LED National back to power at the end of 1960 he also faced a serious balance of payments situation and rundown of New Zealand’s overseas funds. This increased his natural reluctance to spend taxpayers’ money on foreign policy and the military and justified not only restraint but also indeed close scrutiny of existing expenditure. The 1961 Defence Review severely cut back the previous Labour Government’s planned defence spending, including reducing Labour’s all regular army brigade to effectively two battalions, one in Malaya and a replacement one in New Zealand. The battalion in Malaya was, after October 1961, withdrawn from counter-insurgency operations and restricted to garrison and training roles.

Holyoake and New Zealand were, though, prepared to spend some money on peaceful aid to Southeast and South Asia through the Colombo Plan, devised at a Commonwealth Foreign Ministers’ meeting in Colombo in 1950. It sought to promote economic and social development in order to reduce the appeal of communism in those regions. Increasingly, the scheme focused on capital investment in projects, technical assistance, and education, with New Zealand by 1960 emphasising university and technical education in this country for Southeast Asian students.

Early in 1961, Holyoake welcomed a new contingent of 137 Colombo Plan students, stating that they would greatly help ‘New Zealanders to understand their ways of life and the problems faced by their Governments’, while, ‘by working and living side by side with New Zealanders, by visiting our homes and by seeing our country, they are coming to understand us. Mutual respect and sympathy built up by such personal contacts is the best foundation for good international relations.’ By 1967, some 2200 Colombo Plan students had arrived in New Zealand, which had spent around NZ£ 14.5 million on Colombo Plan aid. Holyoake commented in that year that the country’s ‘current economic difficulties would not prevent New Zealand’s continuing to devote a proportion of her resources towards raising living standards in Asia’. He added: ‘New Zealanders would never turn their backs on the needs and aspirations of their Asian neighbours and ignore their problems. On the contrary the Government has repeatedly demonstrated New Zealand’s growing involvement in Asian affairs.’

By then, however, several of the Southeast Asian states had persuaded New Zealand to provide military as well as civilian aid. In May 1961, the Malayan Prime Minister, Tunku Abdul Rahman, suggested the creation of a greater Malaysia that would include Malaya, Singapore, Brunei, Sabah, and Sarawak by September 1963. The governments of Malaya and Singapore agreed on the basic terms for the merger and Britain approved in principle the extension of existing defence agreements between Britain and Malaya.
to cover all territories in the new Malaysia. The plan was opposed, however, by the Philippines and Indonesia and led to an Indonesian-backed attempted coup against the Sultan of Brunei in December 1962. Although the coup was put down quickly, insurgents continued to raid across the Indonesian–Brunei border on the island of Borneo, the southern three quarters of which was part of Indonesia, and there was a risk that this could escalate into war between Malaysia, backed by the British, and Indonesia. Brunei decided to remain outside the Malaysian Federation but Sarawak and Sabah joined with Malaya and Singapore in 1963.

Indonesia, the closest Asian country to Australia and New Zealand, had become independent of the Dutch after the Second World War and was recognised by the incoming National Government led by Holland on 22 December 1949. During the 1950s, New Zealand contributed technical experts to UN development programmes in Indonesia and also, after 1953, extended Colombo Plan assistance, especially in health and education, to that country. One ongoing diplomatic problem, however, throughout the 1950s and early 1960s was the refusal of the Dutch to allow Indonesia to take over West New Guinea (West Irian). At first, New Zealand supported the Dutch, but under Holyoake became reluctantly reconciled to an Indonesian takeover. New Zealand was less ready to accept Indonesian aspirations and confrontation in Borneo.

On 31 January 1964, the Malaysian Prime Minister formally asked Holyoake and the Prime Minister of Australia for military assistance against Indonesia. Although Holyoake agreed that, if the situation deteriorated too seriously, New Zealand troops would be available for operations with the British and Malaysians in Borneo, he was reluctant to act, because he was ‘by no means persuaded that this would be wise’. Holyoake had no desire to see New Zealand drawn into what could become a major war against Indonesia and which could damage relations with New Zealand’s nearest and largest Southeast Asian neighbour for generations to come. He also expressed concern to the Americans that, ‘[we] have seen what happened to the Dutch when they could no longer count on anyone’s support against Indonesia’, and he was reluctant to see the British act without US support. When Averell Harriman, the US Assistant Secretary of State, visited New Zealand during 1963, Holyoake asked him if the ANZUS Treaty would apply if New Zealand became involved in a military conflict with Indonesia. Harriman said it would, although an annoyed President Kennedy later asked Harriman who had authorised such an assurance. Subsequently, New Zealand’s Ambassador in Washington asked the Secretary of State, Dean Rusk, to clarify the situation. Rusk asked what the US was expected to do: ‘Provide a division of Marines?’
He was concerned that a small commitment by the US could escalate – a rather ironic comment in the light of what was happening in Vietnam. Nevertheless, New Zealand believed that it did receive a cautious verbal endorsement of its commitment of troops to assist Malaysia against Indonesia. The Americans did not become directly involved, but recognised that ‘Australian and New Zealand assistance to the U.K. in defence of Malaysia against Indonesia . . . was predicated . . . on the hope (not encouraged by the U.S.) that the U.S. commitment would be made applicable in case of need’.

New Zealand already had an army battalion on the Malaysia–Thailand border, to release Malaysian forces to fight against Indonesia, and was supporting the Malaysians with naval and air units. Holyoake hoped that the United States would at the very least bring economic pressure to bear on President Sukarno of Indonesia and also suggested to Britain’s Prime Minister that the matter be referred to the UN Security Council, a course of action that the British opposed because it might force the Afro-Asian bloc in the UN to choose between supporting Malaysia or Indonesia, with the latter more likely.

The British and the Americans differed in their attitudes towards Indonesia. While both had ‘a common interest in preventing a Chinese takeover in South-East Asia’, as the British Prime Minister pointed out to Holyoake, ‘America seemed to have a primary interest in keeping Indonesia non-Communist, whereas Britain’s primary obligation was to maintain the integrity of Malaysia’. The British were determined that no concessions should be made to Sukarno that compromised Malaysia’s independence and integrity, and also believed that this needed to be guaranteed by the continued presence of British, Australian, and New Zealand troops. Sir Alec Douglas-Home warned Holyoake and Menzies: ‘Unless Malaysia is safeguarded and Indonesia persuaded to call off confrontation, I see grave dangers of a neutralist chain reaction spreading to Thailand and perhaps to South Vietnam with disastrous results on our efforts to contain the Communist threat from the north.’

Holyoake was reluctant at first to become involved in the actual fighting when open Indonesian aggression did take place in Borneo early in 1964. He agreed to the New Zealand battalion being used in security operations on the Thai border and elsewhere on the Malay Peninsula if required to release Malaysian and British forces to fight in Borneo. But, despite urging from New Zealand diplomats and the chiefs of staff, the Prime Minister initially refused even to commit non-combatant New Zealand troops, such as engineers or an army medical team, to the situation in Borneo itself. He wanted to maintain good relations with Indonesia if possible and suspected that Malaysia’s problems were as much internal as caused by its expansionist neighbour. New
Zealand had few military resources other than what was already committed in Malaysia as part of its SEATO commitment. The situation in South Vietnam and Laos was also deteriorating and, although Holyoake always saw military commitment as a last resort, he realised that he might be forced in time to agree to at least a token military contribution there.

In April he visited Malaysia, Thailand, and Indonesia on his way to a SEATO Council meeting in Manila. He stated that his visits to Kuala Lumpur and Jakarta were to remove any misunderstanding about New Zealand’s policy, not to appease Indonesia or act ‘in any intermediary role whatever’ but to support the Malaysians. In Malaysia he unequivocally confirmed that New Zealand forces would be available to assist if Malaysia was attacked. In Indonesia he urged President Sukarno, Foreign Minister Subandrio, and General Nasution to change their policy towards Malaysia. While it desired good relations with Indonesia, he told them that New Zealand would honour its defence obligations to Malaysia if necessary.42

At CHOGM talks held in July 1964 to discuss the Malaysian situation, Holyoake, Rahman, Menzies, and Douglas-Home discussed what military assistance would be provided to Malaysia.43 Holyoake then went to Washington, where he discussed both the Malaysian and Vietnamese situations with President Johnson and also attended an ANZUS Council meeting. There he raised the possibility again of ANZUS being involved if Australia and New Zealand found themselves fighting Indonesia.44

The escalation of Indonesia’s Confrontation policy, the landing of Indonesian troops in West Malaysia in August and September, which stretched the Malaysian forces, and the outbreak of rioting in Singapore eventually led Holyoake to agree to the use of the New Zealand troops in Malaysia, though still not for some time agreeing to their deployment in Borneo. At the end of 1964, Indonesia withdrew from the UN and increased its forces in Borneo. On 5 February 1965, Holyoake announced that an SAS unit and New Zealand infantry battalion in Malaysia would be deployed in Borneo.45 As Pugsley has noted:

Clearly Holyoake had agonised long and hard over this decision, which he had finally taken only when convinced there was no other option. New Zealand public opinion was firmly in favour of this action, with the media asking why it had not been taken sooner. Holyoake would not have been unhappy with this response. He preferred appearing to be pushed by public opinion into making an operational commitment, rather than taking the initiative prior to such support.46

Despite the difficulties and tensions between New Zealand and Indonesia
throughout 1965, Holyoake did not break off diplomatic relations. He maintained the Colombo Plan, albeit at a reduced level, as a sign of continued goodwill towards Indonesia despite what he called its government’s ‘misguided’ policy towards Malaysia.47

The Confrontation between Indonesia and Malaysia was further complicated by the withdrawal of Singapore under Lee Kuan Yew from the federation. Lee had advocated a multiracial federation of Malaysia since 1955, but following its formation found Malay nationalism and domination difficult to accept. Denied a role in national politics, Lee sought greater autonomy and eventually independence for Singapore. In March 1965, Lee visited New Zealand for talks with Holyoake, with whom he formed a mutually respectful and enduring friendship. Faced with an ultimatum from Kuala Lumpur, Singapore, in August, left the federation. Holyoake immediately told the Malaysian leader Rahman that he was ‘appalled’ at the situation and that New Zealand would ‘question how effectively we can maintain our support’ for Malaysia.48 But although New Zealand subsequently announced its recognition of the independent Singapore, the first country after Britain to do so, Holyoake accompanied that with a reassurance that New Zealand would continue to provide military support against the Indonesian Confrontation as long as the Malaysians wanted it.49 Fortunately, after August that assistance was no longer necessary.

In March 1966, Suharto replaced Sukarno as Indonesia’s President and in August the Indonesians and Malaysians signed a peace treaty. Holyoake welcomed the end of the Confrontation and said that New Zealand looked forward to a full resumption of friendly relations with Indonesia.50 As Michael Green has noted, ‘striking in retrospect are New Zealand’s reluctance to commit militarily, and Holyoake’s insistent public differentiation between opposition to bad Indonesian policy and a desire for good relations with Indonesia’s peoples’.51 A year after the end of the Confrontation, Holyoake upgraded the New Zealand legation in Indonesia to full embassy status. During the following ten years Indonesia became the largest single recipient of New Zealand Colombo Plan aid.52

The New Zealand battalion was withdrawn from Borneo to west Malaysia in October 1966. Despite Holyoake’s stated intention to keep New Zealand troops in Malaysia as long as that country wanted them, by then New Zealand’s attention had shifted to Vietnam, where it had committed engineers in May 1964 and an artillery battery in June 1965. There was widespread belief that New Zealand’s next commitment would be infantry. It was, but Holyoake limited it to two companies, not a battalion, the first arriving in Vietnam in May 1967 and the second in December. These companies were drawn largely
from the battalion in Malaysia and changed its role primarily to training and reinforcing the troops in Vietnam. It was redeployment, rather than an increase, of New Zealand’s limited armed forces in Southeast Asia.

The timing of this commitment of infantry to Vietnam may well have resulted not only from the end of the hostilities in Borneo and the persistence of the United States but also from Holyoake and New Zealand’s realisation that, with the announcement of Britain’s withdrawal of its forces from Asia and the Pacific, the United States and Australia were now New Zealand’s only major allies in the region. In April 1967, the British Secretary of State for Defence, Denis Healey, had visited Malaysia and Singapore and revealed at a Five-Power Defence meeting in Kuala Lumpur that the British intended to withdraw their military forces east of Suez by the mid-1970s. Told by Laking of a passage from the Venerable Bede on the withdrawal of Roman forces from ancient Britain, Holyoake insisted on including it in his statement to the meeting the following day. His unexpected comment, prompted by Laking, that the British decision reminded him of the time that ‘the Romans declared to the Britons that they could not for the future undertake such troublesome expenditures for their sake, advising them to undertake themselves the charge of engaging their enemies’ stunned the classically educated British representatives, who were well aware of Holyoake’s limited formal education.

As Laking observed, this use of a classical analogy was typical of Holyoake’s tendency both to recognise and borrow a good idea when he came across one and also to engage in one-upmanship.53 Holyoake and the Australian Prime Minister, Harold Holt, met in Canberra on 3 October and subsequently sent a joint message to Harold Wilson asking for a meeting of the prime ministers of Britain, Australia, New Zealand, Malaysia, and Singapore to discuss the proposed British withdrawal from the region. Wilson replied that he saw no reason for such a meeting because he wanted to ‘play down the five power conference’ and thought it should be kept at the level of Defence and Foreign Ministers.54 Holyoake was genuinely shocked that the withdrawal was to be so total, so sudden, and so non-negotiable, and was even more so when the British subsequently announced in January 1968 that they would complete the withdrawal, except for their forces in Hong Kong, by 1971.55 He observed that New Zealand could not replace the British in the region but would keep its battalion there, though moving it from Malaysia to Singapore, and would continue to ‘play a part in the search for regional security and stability in South East Asia and the Pacific’.56

The sending of Australian and New Zealand forces to Vietnam during the latter part of the 1960s was done primarily to consolidate the ANZUS alliance and the perceived American commitment to the defence of its ANZUS allies.
By the end of the Holyoake era, however, US National Security Council analysts were suggesting that, after two decades when ‘Australia and New Zealand have looked to ANZUS as a protective shield against a resurgent Japan or the challenge of revolutionary Communism’, they were now reassessing the basic premises of their security policy in the light of the fundamental changes in the Asian structure of power, above all, the declining U.S. profile in Asia, Japan’s emergence as an economic superpower, the U.K.’s entry into the Common Market, Russia’s efforts to establish a larger military and diplomatic presence in the area, China’s adoption of a more flexible diplomacy, and Indonesia’s development as a potentially influential regional power in Southeast Asia.57

All this, the Americans concluded, meant that during the 1960s the Australians and New Zealanders had developed ‘a more sceptical attitude towards the advantages of “forward defense”’ and embarked on ‘a consideration of alternatives to exclusive reliance upon the U.S. guarantee as a source of security’.58 One major reason for that change in New Zealand’s attitude was the Vietnam War.
AS HE STRUGGLED to maintain and balance New Zealand’s security, independence, and unity, one of the issues that worried Holyoake most throughout the 1960s was Vietnam. In 1961 the Kennedy administration became concerned that the South Vietnamese Government of President Diem could not defeat the communist guerrillas – the National Liberation Front (NLF) or Viet Cong – who were backed by North Vietnam, without increased US military and economic aid. In November it asked ‘all its allies and Vietnam’s friends also to participate in some way’. The New Zealand Chiefs of Staff Committee decided: ‘The vital issue for Australia and New Zealand was not the need to restore stability in South Vietnam, but to preserve our position with the United States as our major ally.’ This remained the official assumption underlying New Zealand’s Vietnam policy over the following ten years. Although, however, the Australian Government at an ANZUS Council meeting in May 1962 offered to send a small team of military advisers to Vietnam, Holyoake was unenthusiastic about any military commitment. Indeed, in the succeeding years, he was consistently to take as long as possible to do as little as possible to respond to requests for New Zealand military involvement in Vietnam.

Several days after the ANZUS Council meeting in Australia, Dean Rusk, the American Secretary of State (1961–69), visited Auckland and met with the New Zealand Cabinet. Holyoake predicted that ‘the struggle in South Vietnam will be long, tense and bitter’ but that, while he thought it ‘necessary that the countries friendly to Vietnam consider urgently ways in which they might help’, he wanted New Zealand simply to ‘examine the possibility of further assistance under the Colombo Plan’. When New Zealand’s assistance was announced in August it was not a military contribution but a small civilian surgical team. The Prime Minister resisted the sending of any combat troops for a further three years.
The South Vietnamese Foreign Minister, during a visit to Wellington in August 1962, and the South Vietnamese Ambassador, in a formal request in November of the same year, continued to press New Zealand for a military training team similar to that already provided by Australia, and both the Vietnamese and the Americans repeated that request in May 1963. Holyoake’s officials advised the sending of a small military team, but the Prime Minister was more wary of military involvement than they were and resisted their advice. As Rabel has observed, New Zealand’s eventual involvement in Vietnam ‘was as much “the officials’ war” (and most especially that of the Department of External Affairs) as it was “Mr Holyoake’s war”’.

Even when, on 27 May, Cabinet agreed in principle to send a small team of some 15 to 20 military personnel to assist in a non-combatant role, training Vietnamese hamlet militia, Holyoake delayed its departure for another year. In August, for example, in a handwritten note, he told McIntosh: ‘I think I should announce that the Govt has decided to defer determination—consideration of the earlier proposal to send a military team to Vietnam until after the present unsettled political situation is resolved. KJH.’ In response, McIntosh urged that, because the United States and Australia were already in Vietnam, ‘no announcement of a decision to reverse or suspend the Government’s previous decision in principle be made’ because it ‘could gravely damage the non-Communist cause’.

There were a number of reasons for the Prime Minister’s reluctance to see New Zealand involved in Vietnam. For a start, Holyoake was always cautious and conservative when it came to making political decisions, especially controversial ones, and he had a well-deserved reputation for being parsimonious when it came to government expenditure, particularly any involving scarce reserves of foreign currency. Indeed, McIntosh observed to a colleague that, even if the Prime Minister could be persuaded to send troops to Vietnam: ‘Thanks to Holyoake’s defence policy, we’ve got nothing to send.’ As a man who had not served in the armed forces during World War II, he refrained from jingoism, and was certainly much less hawkish than some of the returned servicemen in his Cabinet, notably Marshall, Shand, Hanan, and Eyre. He also seems to have held genuinely principled as well as pragmatically pessimistic views about the situation in Vietnam and appeared to accept the argument, later used by opponents of New Zealand involvement in the war, that it was, to use Holyoake’s words, ‘essentially a struggle to be fought and won by the Vietnamese people themselves . . . . In this struggle we are not to undertake combat duties; this has not been asked. And it would not be appropriate.’ Holyoake admitted that, on Vietnam, ‘I’m certainly not a “hawk”, nor a “dove”, perhaps somewhere in between’, and this led one of
his advisers, Ralph Mullins, to describe New Zealand as ‘the most dovish of the hawks’ after it finally did become involved militarily.\(^{12}\)

The unstable political situation, which Holyoake had used to delay the sending of military aid in August, worsened later in the year. On 1 November 1963, only a few weeks before a general election in New Zealand, Diem was overthrown and murdered by a group of South Vietnamese generals. On 22 November, Kennedy was also assassinated. In January 1964 there was a second military coup in Saigon. All this made Holyoake even more reluctant to commit New Zealand troops to South Vietnam.

The US Assistant Secretary of State for Far Eastern Affairs (1963–64), Roger Hilsman, who later that year was to resign and state that he believed the ‘US could not win a “total victory” in South Vietnam’,\(^{13}\) arrived in Wellington on 29 January 1964. He held two days of discussions with Holyoake, Marshall, McIntosh, and Shanahan, whom McIntosh considered to be the most willing among the Government’s foreign policy advisers to send troops to help the Americans.\(^{14}\) In briefing the New Zealanders on the situation in South Vietnam, Laos, and Cambodia, Hilsman asserted that the new military junta was more effective in fighting the Viet Cong than South Vietnam’s previous civilian government, and that a decline in Russian influence and supply of arms had also been beneficial. He hoped that New Zealand would ‘in due course’ send a token military unit to Vietnam, but the New Zealanders responded that the recent New Zealand elections, troubles with the Buddhists, the overthrow and murder of Diem, and the priority New Zealand gave to Malaysia all adversely affected such a decision.\(^{15}\) When Shanahan told Sir Stephen Weir, New Zealand’s Ambassador in Thailand, that ‘we here see no possibility of our implementing the decision [to establish a small military presence] in the foreseeable future’, Weir responded that it greatly perturbed him that New Zealand might be going to ‘walk out on making the political gesture to the United States’ as this would ‘place our reliability as an ally in some doubt’.\(^{16}\)

In April, the SEATO Council agreed members should do more to help South Vietnam. Holyoake paid a brief visit to Saigon on his way home from the conference and met with the new South Vietnamese leader, General Nguyen Khanh. Holyoake made it clear that New Zealand’s commitment in Malaysia precluded military assistance to South Vietnam. On his return to Wellington he told McIntosh that, despite the SEATO meeting and his discussions in Saigon, he was ‘not in favour of contributing military aid to Vietnam. The difficulty of administration and logistic support of a small group would not be repaid by any contribution they could make.’\(^{17}\)

In May, however, the United States sent a formal note to Holyoake expressing President Lyndon Johnson’s wish that New Zealand would contribute
to ‘a strong “show of Flags” in Vietnam’. After consideration, Cabinet announced on 28 May that it would send 25 army engineers to help with reconstruction work. At the ANZUS Council meeting in July, the Americans ‘noted with satisfaction’ Australia and New Zealand’s increased assistance to South Vietnam since the SEATO meeting three months earlier. Holyoake, accompanied by McIntosh and Laking, met Johnson privately at the White House on 20 July 1964. Although the question of further New Zealand military involvement in Vietnam was discussed, the official US records say that no notes were taken of the meeting.

ONCE NEW ZEALAND forces were committed to Vietnam – albeit only a small unit of engineers – Holyoake defended the decision publicly without revealing any of his ongoing personal reservations or attempts first to prevent and then minimise the contribution. Other National MPs were more bellicose. Munro, for example, was starting to put pressure on Holyoake by advocating, in Churchillian tone and phrases, inside and outside Parliament and also through numerous newspaper articles, that New Zealand should support the United States militarily in South Vietnam. In August 1964, for example, he stated: ‘[I]f South Vietnam falls, then Malaysia will be endangered and our confrontation with Indonesia would be serious . . . . South East Asia is our strategic centre, and whether South Vietnam falls to the Communists is of vital concern to us.’ The Minister of Defence, Eyre, argued that if the Chinese Communists and their allies succeeded in the Malayan Peninsula and Indo-China, then Indonesia might also fall, and ‘then it is only a matter of time before New Zealand and Australia are directly threatened: the fate of our nation may well be decided in South East Asia’.

The South Vietnamese Government’s position continued to weaken throughout 1964. Following his overwhelming election victory in November 1964, Johnson approved aerial bombing of North Vietnam and greatly increased the number of US soldiers fighting in South Vietnam. He was reluctantly being drawn into a war that eventually destroyed his presidency. Again US allies were asked to contribute combat forces, and William Bundy, the Assistant Secretary of State for East Asian and Pacific Affairs (1964–69), briefed the New Zealand and Australian Ambassadors in Washington on 4 December 1964. Laking left the meeting with Bundy convinced that New Zealand should offer more support.

Laking acknowledged in retrospect that he came from a background that did not think of New Zealand having an independent foreign policy, and that consequently he was ‘one of the most forceful voices of course making the
argument that we had to stand by the United States’. He personally ‘had no warmth of feeling about the English in the same way as I felt simpatico in the United States’, and regarded as friends key members of the Kennedy and Johnson administrations, such as Rusk, Walt Rostow, and the brothers Bill and McGeorge (Mac) Bundy. He also knew George Ball and Richard Helms, the Director of the CIA, and found the CIA ‘a better source of intelligence . . . than we had in the State Department’. Laking personally thought that the United States and its allies should help the South Vietnamese as they had earlier helped the South Koreans. He realised that Holyoake would not be enthusiastic about becoming involved in Vietnam and would be motivated ‘primarily in terms of domestic opinion’, but he also ‘assumed that, given our ANZUS and SEATO relationship with the Americans, we would react not unfavourably to any request to show the flag there . . . and after all we wanted the guarantee of our security from the Americans – we had a reciprocal responsibility’.

Johnson wrote formally to Holyoake and Menzies, on 12 December, eight days after the Ambassadors had been briefed. The President stressed in his letter ‘how important it is to me that the American people understand they are not alone’ and that he hoped Holyoake and Menzies would respond positively to ‘this personal appeal for your support’. The President conceded that ‘the requests in this letter will not be easy for you to meet’ but pleaded: ‘I cannot ask the American people to go on indefinitely without an understanding that their closest allies in the area are making sacrifices proportionate to our own.’ On the original copy of Johnson’s letter to him, Holyoake underlined a number of phrases, including the President’s references to how important New Zealand’s support was ‘to me’ and that he sent his ‘personal appeal’ for support.

Following a cabinet meeting on 14 December to consider the Bundy briefing and the President’s request, Holyoake instructed McIntosh and Laking to tell the Americans that New Zealand still did not see any justification for committing ground forces to Vietnam nor would it be obliged to do so if the United States intervened with further combat forces. If necessary, though, New Zealand might consider increasing its medical and engineering contributions to South Vietnam. Holyoake’s External Affairs advisers were not impressed and told the Prime Minister so. In a terse handwritten note Holyoake responded firmly and clearly: ‘Mr McIntosh, Tell US that we can not send further aid to Vietnam – Malaysia.’ A formal reply to Johnson was then reluctantly drafted along the lines Holyoake dictated.

New Zealand’s Ambassador handed over to the Americans a four-page unequivocal response from New Zealand that in retrospect proved to be acutely prophetic. Holyoake began by observing that, while recognising
the American effort in Vietnam, the New Zealand Government ‘may have difficulty in carrying the public with it’ should it also commit combat forces. New Zealand believed, because of the internal political division, weakness, and instability of South Vietnam, and the inability of the South Vietnamese regime to win the allegiance of its own population, that

external assistance on any scale would seem unable to lead to a significant improvement in the security situation, even if it may prevent a final collapse. Indications of stepped-up United States activity may be a booster for Vietnamese morale but there would seem to be a real risk that larger and larger booster shots will be needed . . . . The West simply cannot achieve from outside a viable political structure for the South Vietnamese. If they cannot – and realism demands that one’s estimate be pessimistic – then the West may eventually be faced with failure.

Nor did New Zealand believe that air strikes on North Vietnamese targets would ‘lead to a significant reduction in the support for operations in the south’ or ‘incline Hanoi towards negotiations’. New Zealand hoped ‘that most careful thought will be given before any ground combat force is introduced’ by the Americans, because:

Once started it is hard to see that the United States could stop short of the committal of very considerable forces, perhaps to no avail. We would not at present see any justification for such a move and for our part we could not at this stage support any notion that . . . we would respond in kind.

The reply ended by pointing out that New Zealand’s ‘resources are meagre’ and were already committed in Malaysia as New Zealand’s major contribution to collective security in Southeast Asia.28

At that time there were 5374 soldiers in the New Zealand Army, half in combat units. One battalion of infantry and a commando unit were stationed in Malaysia, and a few weeks later in February 1965 were committed to combat in Borneo. Bundy advised Secretary of State Rusk, that, in the light of New Zealand’s ‘strongly negative reaction . . . I think we should let this lie for the time being, see what the Australian attitude is on this point, and perhaps use the Australians to strengthen the New Zealand view’.29

McIntosh, Shanahan (until his death in 1964), Laking, Mullins, Ian Stewart, Tom Larkin, and most other senior official advisers, with the notable exception of Jack Hunn, the Secretary of Defence, who continued to argue vigorously and trenchantly against any military involvement in Vietnam, saw New Zealand as having an obligation to make some contribution as a result of
SEATO and ANZUS obligations. They became increasingly concerned in the early part of 1965 that if New Zealand did not make a military contribution it might well damage ANZUS and make the United States less willing to come to New Zealand’s aid in the future. They saw Holyoake’s failure to respond positively to the American requests as threatening the basic assumptions about, and arrangements concerning, New Zealand’s foreign and security policies and interests.30

Rabel has observed: ‘New Zealand’s Vietnam policy was brokered between the Prime Minister and his non-political diplomatic advisers, with other National Party politicians playing no more than bit roles.’31 The officials were well aware that Holyoake was the key to any political decision and sought to persuade him that there was really no choice if the alliance with the US was to be maintained. McIntosh concluded in retrospect that, ‘we had to go along . . . but I can’t say that [view] was shared by the Prime Minister of the day . . . . I had my part in pushing the Prime Minister . . . in to taking this pro-American stand on the basis of the domino theory . . . [but] we had to go along because the basis of the alliance was if they got into trouble we help them and if we got into trouble they help us’.32 McIntosh was frustrated and annoyed by what he regarded as Holyoake’s pragmatic, pusillanimous, and parsimonious prevarication, and its danger to the ANZUS alliance. He told Laking that he had managed to hold up a cabinet decision for two weeks in an effort to get Holyoake to at least double the existing commitment of 25 engineers to 47.33 On 9 February, McIntosh had written to Holyoake:

> You have directed that a message should be prepared for your approval in reply to that received from President Johnson on 12 December, in which he requested that we increase our non-military and military aid to South Vietnam . . . . Cabinet . . . agreed that New Zealand should not commit combat forces to South Vietnam . . . . The attached draft reply to President Johnson is a refusal but I am recommending a different course and that the letter as drafted should not be sent.

He suggested instead that, ‘on political grounds, we should respond to the American request in some way’, even if only by doubling the size of the detachment of engineers. Holyoake scrawled in pencil across the bottom of the memo, ‘Try drafting a letter incorporating these views’, and though this was done the Prime Minister still resolutely refused to consider combat troops. McIntosh told Laking that the Prime Minister ‘was not happy about it’ and later insisted on having his way.34

Holyoake was dismayed by the military coup that on 27 January replaced the civilian government of South Vietnam, and also by the campaign of air
bombing that the Americans decided on 13 February to undertake against North Vietnam. On 19 February, McIntosh reminded Holyoake that, although Laking had conveyed New Zealand’s views to Washington before Christmas, the Prime Minister had still not personally responded in writing to Johnson’s letter of 12 December. The officials suggested again an expansion of the engineer detachment from 25 to 47 rather than combat troops. The Prime Minister continued to reject such advice and wrote to Johnson on 24 February 1965 declining to send any further military assistance. He informed the President that it was ‘just not possible for us politically to step up our military aid’ because of the repeated coups and chaotic situation in Vietnam and also because of growing division of opinion over the matter within New Zealand itself. Laking, who was forewarned of Holyoake’s action, was so concerned that he asked McIntosh if the Government would reconsider and withdraw the letter before it was sent. McIntosh replied:

I am sorry about the letter to the President. I did my best to stop it but in the end was curtly told to draft a brief message stating merely that we were unable to provide any military help in South Vietnam . . . . All that I could do was to dress it and not close the door completely.

He added that the Prime Minister ‘is extremely difficult on these defence and external affairs issues’ and not just on Vietnam. ‘He was equally reluctant to increase the number of troops in Malaysia’ and is ‘determined that we shall not increase defence efforts because of the expense . . . he is convinced that we are doing too much and that we shall be under constant pressure to do more’.

Holyoake told New Zealand’s diplomats in Washington, London, Bangkok, and Canberra, in a lengthy and again prophetic telegram drafted for him on 26 February by Mullins, that he remained sceptical about the use of foreign troops in Vietnam. It would be ‘a major change in the nature of the war’, because such troops ‘would inevitably be regarded as a colonialist army’:

Once started, moreover, it would be difficult for the United States to stop short of the introduction of forces on a scale that we doubt the United States is prepared to contemplate . . . with the United States exposed to a steady drain of small losses, gradually drawn into wider commitments, always faced with the risk of heavier losses, and never with a good prospect of victory. The United States would, in the end, find itself saddled with the need to bargain its ground force out . . . . We therefore find it difficult to conceive of any circumstances in which the introduction of an international ground force in South Vietnam would make political or military sense.
The diplomats were also told that ‘we are concerned at what we feel will be an over robust Australian line on this question and an Australian tendency to get off in a corner with the Americans . . . a United States-Australian move . . . to introduce a ground force would create a serious choice for the [NZ] government’. Even so, the confidential cable concluded, there was little prospect ‘that anyone would recommend nor the government agree if it were recommended’ that ground combat forces should be contributed to Vietnam.39

At a meeting on 1 March, Cabinet, on Holyoake’s advice, confirmed its earlier decision of 14 December 1964 that ‘the defence of Malaysia constitutes the first priority within New Zealand’s defence commitments and obligations in South East Asia’; recorded that ‘under present circumstances New Zealand must defer consideration of further military aid to South Vietnam’; noted that it was considering increased non-military aid to that country; and approved the contents of Holyoake’s letter of 24 February 1965 to President Johnson declining to send troops.40

Talboys later recalled that Holyoake ‘never told us much’ about the Vietnam issue at cabinet meetings.41 Officials such as McIntosh and Laking were annoyed that the Prime Minister was reluctant to consult his colleagues fully or promote an uninhibited debate on Vietnam among them. According to Laking:

[T]he attitude of the Cabinet was that this was Holyoake’s business. He was Prime Minister and Minister of Foreign Affairs. He would say we will do this and his colleagues seldom if ever probed or questioned the implications of involvement . . . . Even though there were some strong characters in Holyoake’s Cabinet, it seems that no one was sufficiently concerned about an issue like this to stand up and say, “But you’ve got it all wrong.”42

Talboys, who was a supporter of New Zealand military involvement in Vietnam, believed that Holyoake ‘went through a certain personal torment’ about the issue: ‘He may well have argued with himself about the relevance of ANZUS in this case but I think he was a reluctant starter.’43

Holyoake was even reluctant to allow New Zealand to take part in talks with top US and Australian military officers about the possible introduction of international ground forces to Vietnam. Laking argued that refusal to do so would offend the US and the Australians and remove what might be New Zealand’s restraining influence on future action; and McIntosh pointed out to Holyoake that, while ‘we have no intention of putting troops into South Vietnam . . . we would be greatly embarrassed if the Australians undertake a
further joint effort and we do not know about it until too late’. New Zealand was formally asked to participate on 4 March 1965 but did not agree to attend until the US expressed concern on 12 March that New Zealand had not yet responded. Eventually Holyoake agreed to send Rear Admiral Sir Peter Phipps, Chief of the Defence Staff, accompanied by Mullins, to talks with the Commander-in-Chief of US Pacific Forces, Admiral Ulysses Sharp, and the Australian Defence Head, Air Chief Marshall Sir Frederick Scherger, in Hawaii from 30 March to 1 April. Scherger vigorously supported the commitment of US and Australian forces to Vietnam and this isolated New Zealand at the talks. Phipps had been told to stress that Malaysia was New Zealand’s top priority, that Cabinet on 1 March had again decided that New Zealand would not be sending combat troops to Vietnam, and that introducing such forces would be unlikely to lead to success but could in fact worsen the situation and sap the political and military energies of the foreign countries that participated. Phipps reported back to Holyoake: ‘I repeated these points in a private talk with CINCPAC [Sharp] and he seemed to accept them. I thus left no grounds for belief that we would agree to a US request for combat forces.’ Although, Phipps did caution the Prime Minister that ‘the political cost of a failure to show solidarity must be assessed’. Laking regarded Phipps as ‘a damned fool’ for expressing such ‘grave reservations about the American course’.

On 8 April, Holyoake briefed National MPs, who resolved that ‘Caucus supports Cabinet if [it is] felt some combat troops should go to Vietnam’. The Prime Minister, however, still resisted and told the Australians on 14 April that New Zealand would not spread its limited armed forces into Vietnam at that stage. Holyoake instructed McIntosh to draft a similar message to Johnson, concluding again with a statement that New Zealand would continue to give ‘first priority to Malaysia and, because of the limited nature of New Zealand forces available, was not in favour of spreading them into Vietnam at this stage’. It was not sent when Holyoake learnt that Johnson was dispatching Henry Cabot Lodge (US Ambassador to Vietnam August 1963–July 1964 and again August 1965–1967) as a Special Envoy to talk with the New Zealand Cabinet. McIntosh used the fact that Holyoake was out of Wellington over the Easter break and the delay caused by the impending Lodge visit to prepare a case for New Zealand making a military contribution.

Following discussions with Bundy the previous day, Laking cabled Holyoake and McIntosh on 15 April and told them that Lodge’s visit was part of a campaign to put more pressure on US allies to commit troops. Laking warned that the most important aspect of the visit would be one that Lodge would not mention specifically, namely, that ‘if the allies of the United States
do not stand by it in Vietnam to the fullest extent of their capacity, the United States attitude towards them will inevitably be affected’, adding, ‘the ANZUS Treaty is not precise’ and its application in the future would require the goodwill of the US President and Congress. The Ambassador also observed: ‘[I]t is Australia which provides the yardstick by which the Administration judges our capacity to act in Vietnam . . . .’ New Zealand’s actions, whatever they might be following Lodge’s visit, would have ‘no great military impact’ on the situation in Vietnam but would significantly affect US attitudes ‘in the long-term towards problems of more immediate concern to our own security’.51 McIntosh subsequently asked Laking to send him another cable to help persuade Holyoake and the Government to commit armed forces.52 Laking did so a fortnight later, emphasising: ‘A failure to respond to the American request can have unfortunate consequences in the future as regards our relations with this country [the USA] and with Australia.’53

Although the brief prepared by External Affairs for Lodge’s visit put the arguments both for and against New Zealand agreeing to send troops to Vietnam, Holyoake’s advisers concluded strongly that the crucial factor was to maintain harmonious relations with the US, on which New Zealand was ‘utterly dependent’ for its security: ‘The ultimate disaster for New Zealand would be for the Americans to wash their hands of us – to decide that we weren’t worth the effort of cultivating or protecting – and if necessary we must be prepared to pay a high price to avoid this happening.’54

Lodge arrived in Wellington on 20 April and, without formally or specifically requesting troops, stressed that the United States wanted other countries alongside it in Vietnam and that even a very small contribution would be of ‘psychological or symbolic’ value and would be greatly appreciated by the Americans.55 He argued that ‘the loss of Vietnam would be disastrous to the free world. If it went, Thailand would, “go just like that”, and it could [also] be disastrous for Malaysia, Australia and New Zealand.’ Lodge suggested ‘a Battery or a Tank Company, or anything, would be welcomed because of the importance the Americans attached to flying more flags’.56

Holyoake responded that ‘he supported everything the United States had done, including the retaliatory raids’, but added that, ‘in New Zealand, there was a large body of critical opinion and this was a factor that had to be coped with . . . [and thus] he did not want to do anything further as a result of Mr Lodge’s visit than the deployment of the noncombatant engineers and medical teams already provided’. When the Prime Minister asked other cabinet members present if they wished to ask questions, Marshall, Lake, Shand, Eyre, Shelton, and Talboys did so, but only Shand offered a comment, which was: ‘Neither the United States nor our own Government
was informing the public sufficiently of what we were fighting for.’57 Cabinet, however, then disagreed with the negative position Holyoake had expressed to Lodge and instead agreed in principle to consider sending a combat unit. The Minister of Defence was asked to report on suitable units available.

Consequently, Hanan, as Acting Minister of Defence, was not impressed when, several days later, on 28 April, Hunn, the Secretary of Defence, presented him with a paper for Cabinet supporting Holyoake’s minority position and continuing to oppose New Zealand military involvement in Vietnam. Hunn took the view that New Zealand ‘could properly go to the aid of the sovereign state of Malaysia, confronted by Indonesia, but not the corrupt and oppressive regime of South Vietnam’. For over a year the Secretary of Defence had been arguing that, by wrongly assuming that every civil uprising was a communist one, New Zealand could be drawn into ‘the wrong war in the wrong place to uphold rulers of the type we would never accept ourselves’. Hanan, although surprised, offended, and holding a much more belligerent position, subsequently read the paper out to Cabinet. McIntosh expressed his concern that Holyoake might be listening to Hunn, who was ‘now advising the Government on external affairs policy’ as well as military and strategic matters.58 Hunn, who was supported in his views by Ray Jermyn, the Assistant Secretary of Defence for Policy, also believed that Holyoake favoured his perspective and advice, but perceived himself to be cast thereafter in the role of ‘dove’ by a majority of Cabinet and other senior officials, and concluded in retrospect that ‘Vietnam was the beginning of the end for me’ as Secretary of Defence. Thereafter, he felt shut out of decisions in the Defence Council. Although McIntosh and Eyre advised against it, he decided in August to give three months’ notice and retire, thus isolating Holyoake still further.59

Then, on 29 April, the Australian Government announced that, at the request of the Vietnamese Government, it had ‘today approved the dispatch to Vietnam of an Infantry Battalion’.60 The Australians told New Zealand that the offer had been made ‘not only for the military value . . . but also because of the great significance to Australia in terms of its ultimate defence in allying itself now with the United States’.61 New Zealand’s Deputy Prime Minister, Marshall, in retrospect, believed that the Australian decision to send an infantry battalion was decisive in finally forcing New Zealand also to send some troops.62

At McIntosh’s request, Stewart, who was the External Affairs representative on the Chiefs of Staff and the Chairman of the New Zealand Joint Intelligence Committee, and who had visited Vietnam earlier that year, drafted a paper, subsequently approved by McIntosh, recommending that New Zealand
should also send troops to Vietnam. This was written on 30 April and 1 May, with copies for all ministers hand-delivered to Holyoake at home in Pipitea Street on Sunday 2 May for discussion at Cabinet on 3 May. McIntosh, who later claimed, despite considerable evidence to the contrary, that he was the most reluctant of the senior officials in the External Affairs Department to become involved in Vietnam, told the Prime Minister in the five-page letter that, ‘the contribution of an artillery battery . . . would . . . reinforce the American guarantee which is the mainstay of our national security . . . [and] would be in the best interests of this country and . . . an acceptable price to pay . . . to keep the United States firmly committed to our defence’. Such a contribution would ‘be of slight military significance’ and was ‘essentially a political decision’. He and Stewart also argued that, ‘in the long term the major threat to New Zealand’s security comes not from Indonesia but from Communist China’ and that ‘any American withdrawal from this area, in the wake of a defeat in Vietnam, would leave Australia and New Zealand with a strategic task of frightening dimensions’. McIntosh concluded that it was essential ‘to keep the United States firmly committed to our defence’ and that the contribution by New Zealand of a battery of artillery ‘would be in the best interests of this country and would be an acceptable price to pay’.66

A few days later, he confided in a letter to Corner that he had given the paper ‘to the Prime Minister over the weekend, setting out the pros and cons, which comes out naturally in favour of doing what I suggested’, namely, ‘the putting of some token force into Vietnam’. He added that he did so because ‘we can’t afford not to support the Americans’, although he had ‘the gravest doubts about their coming out of this with any degree of success’.67

On 3 May, Cabinet discussed America’s request for military assistance. While there was no ‘formal minute to record the tenor of the discussion . . . Holyoake was empowered by Cabinet to discuss the matter with the Leader of the Opposition at a time the Prime Minister considered “appropriate”’. Two days later, the South Vietnamese Government formally requested combat troops from New Zealand. Cabinet discussed this request on 10 May. Holyoake was still ambivalent and continued to procrastinate. An infuriated McIntosh told the New Zealand Ambassador in Washington that:

As regards our contribution in Vietnam, I feel positively sick with frustration over the way the Prime Minister has been handling the thing. He has been greatly upset by a crowd of idiot boys and girls keeping an all-night vigil and by a deputation of churchmen. At the moment he is interviewing the Federation of Labour. We have missed our chance of putting an Artillery unit in with the Australians . . . the whole purpose of the exercise was political and we have now missed the bus.70
For his part, Laking saw opposition to the Vietnam War in New Zealand as reflecting an ‘undercurrent of anti-Americanism’ but doubted many people were really gravely disturbed about what was going on in Vietnam or were deeply opposed to New Zealand involvement. The Ambassador was ‘exasperated about the whole business’ and appreciated that McIntosh was also ‘fed up with the unwillingness of the government to make up its mind’.  

The ‘deputation of churchmen’ referred to disparagingly by McIntosh was from the Anglican, Catholic, Methodist, Baptist, and Presbyterian churches. It had met Holyoake and Marshall on 10 May and asked the Government to use the East Asian Christian Conference to try to arrange peace talks between North and South Vietnam. Holyoake welcomed the deputation’s initiative and promised that New Zealand’s overseas diplomats would do whatever they could to help. But he also told the deputation that the great problem was that the United Nations was impotent. ‘People had to get around a conference table but that was difficult if they thought they were winning . . . . He said at the time he had been happy with Munich – “peace in our time”’, but when Hitler started bombing London ‘he had approved Britain’s hitting back’. He saw North Vietnam and the Viet Cong destabilising South Vietnam and preventing it holding free elections. Marshall commented that he was doubtful that the Christian churches would have any influence on Communist North Vietnam, which was ‘not favourably disposed to minority church groups’. The Prime Minister also met anti-war deputations from the Federation of Labour on 11 May and the Women’s International League for Peace and Freedom the following day.

Meanwhile, the pleas of the anti-war lobbyists were being countered by the more hawkish of Holyoake’s parliamentary colleagues – not least Hanan, his closest friend and ally in Cabinet and the Acting Minister of Defence, who succinctly summed up the domino theory and collective security approaches thus: ‘Nations throughout the region would fall like ninepins to Communism if South Vietnam’s independence was not maintained.’ After South Vietnam, Cambodia, Laos, and Burma would fall and that would endanger Thailand and Malaysia. The United States might well ‘retire to fortress America’. Hanan concluded: ‘Then we would have Australia and New Zealand standing alone. Britain would have her hands full elsewhere. The United States policy would be isolationist.’

THE PRIME MINISTER appeared on television and also issued on 13 May a detailed six-page press statement on the security of Southeast Asia and the situations specifically in Malaysia and Vietnam. Rabel has suggested that
Holyoake was consciously and precisely setting out to cultivate an ‘image of a consensus-minded pragmatic leader who had New Zealand’s best interests at heart as he grappled with a demanding decision’. Holyoake stressed that the Government had ‘made no decision at this stage how we might best give further help to the people of South Vietnam in their tragic plight’. New Zealand ‘clearly and unequivocally’ supported the United States action in South Vietnam and believed that the war ‘is not a civil war nor a “popular uprising”’. He conceded that it could perhaps become a security threat to New Zealand. Both Malaya and South Korea had been saved from communist domination by the intervention of troops from democratic countries including New Zealand. He said that, in New Zealand, there were ‘some people, not many fortunately, who are less concerned about the fate of the people of South Vietnam than with getting the Americans out of that country. On what happens then, they are strangely silent.’ He suggested that the country whose interests such people served was not New Zealand. The Prime Minister concluded:

Communist terrorism must be halted in South Vietnam. Experience shows that retreat solves nothing. In the 1930s the world learnt again and again – in Manchuria, Ethiopia, Spain and Czechoslovakia – that negotiation, without the will to resist aggression, means capitulation.

Thus, ‘the lesson of history is clearly that we must stand firm in support of small nations like South Vietnam and Malaysia’, although the New Zealand Government would also ‘continue to seek and to support every possible approach to a peaceful settlement’.

Nearly all the country’s newspapers commented favourably on this broadcast and statement. The Otago Daily Times, for example, observed that the ‘formidable and astute’ Holyoake was less impulsive than Holland and more decisive than Nash, and was ‘determined not to commit New Zealand to one of the biggest decisions since World War II without being perfectly sure in his own mind that he had the support of the great bulk of the people’. Holyoake also received dozens of telegrams and letters supporting his remarks. Replying at length to one correspondent, who said that she did not believe his statements and expected that he was on the point of announcing troop commitments, he stated indignantly that, ‘I certainly do not indulge in “misleading statements”’, and informed her of how he had told an Australian journalist who had also speculated that New Zealand would send troops, ‘that New Zealand was not considering sending combat troops to South Vietnam’. It is hard to see how Holyoake could justify such bold assurances.
On 17 May, Cabinet again discussed the possibility of sending troops. The following day, the Cabinet Secretary wrote to Holyoake noting: ‘There is no decision which needs to be recorded but it was the understanding that a discussion would be held between selected Ministers on the one hand and officials on the other to clarify the facts about the different types of unit that might be dispatched if Government so decided.’ McIntosh suggested that, in addition to the Prime Minister and himself, Marshall, Hanan, General Walter McKinnon, and Phipps should meet. Holyoake told McIntosh to add Hunn’s name to the list. Although Hunn was opposed to involvement in Vietnam, McIntosh should have realised that Holyoake would expect the Secretary of Defence to be present for the discussion of which unit might be available to send to Vietnam, if indeed one was to be sent at all. At the meeting, McKinnon put the case for sending a combat force and Hunn argued against. When the others present all supported McKinnon, Holyoake reluctantly accepted the consensus to send an artillery battery.

The National Party’s Dominion Council discussed the matter on 19 May and the National Party caucus on 20 May. The Council passed a motion supporting ‘any action the Government may consider necessary to meet New Zealand’s international obligations’ in regard to Vietnam. The caucus meeting commenced with two reports, one from Muldoon on his recent three-month visit to the United States as the guest of the US Government and another from Munro who had just returned from a private trip to the United States. Muldoon, in a lengthy report, made no reference to the Vietnam War issue, but Munro dealt with it at some length, stressing America’s need for its friends’ support. He had told students at Washington University in St Louis that ‘Vietnam’s strategic importance to Thailand, Malaysia and ultimately Australia and New Zealand makes it imperative that no ground be given’. Three other National MPs – McCready, Donald, and Harrison – who had just returned from a tour of Southeast Asia, echoed Munro’s plea for New Zealand to support the United States in Vietnam. The following day, Vietnam was debated at length in caucus, with fifteen MPs expressing their views.

On 21 May also, Holyoake received a cable from Eyre, who was in Washington DC, detailing a meeting with McNamara, the US Secretary of Defense, who ‘directly and bluntly’ informed Eyre that ‘in his view and without wishing to be offensive New Zealand needed to do more’ and ‘thought we should not underestimate the military significance of even one artillery battery’. Eyre added that, ‘what he said . . . should be taken as reflecting the views of the President’. 
THERE IS NO QUESTION that, by mid-1965, the prevailing mood among Holyoake’s officials, in the National cabinet and caucus, in the National Party organisation, in the press, and in the wider community was that New Zealand should agree to commit a small combat force alongside the United States and Australia in Vietnam. Holyoake reluctantly concluded: ‘If we are not prepared to play our part now, can we in good conscience expect our allies to help later on?’ To continue to reject that position would have run counter to Holyoake’s intrinsic personality and method of consensual politics. Rabel has observed that ‘Holyoake was not a man to challenge the orthodoxies of his age’, and nor did he often distance himself from the majority of his colleagues. On the Vietnam issue, however, it must be added that, for a long time, he did both. But the ANZUS alliance was not something that, in the final analysis, any National Party Prime Minister could have sacrificed in the 1960s, and Holyoake ultimately was not prepared to risk his leadership by doing so.

Thus, on 24 May, after the request had been discussed at two previous cabinet meetings without being resolved, Cabinet finally approved the dispatch of an artillery battery of four guns and 120 men. The detachment of engineers was to be withdrawn. New Zealand became, with Australia, one of only two Western states to send combat troops to fight alongside the Americans in Vietnam. The decision was conveyed to the South Vietnamese and the Americans the following day. It was then announced at the opening of the 1965 parliamentary session on May 27. Holyoake spent some time proofreading and altering in pencil the draft statement provided by his officials, strengthening the section in which he expressed hope for negotiations and a peaceful settlement and calling on the United Nations to play a role in achieving that outcome. Johnson was pleased and immediately wrote to Holyoake thanking him and commenting: ‘I know how carefully you have reviewed the alternatives in reaching this decision. Like the United States . . . you have no wish to maintain forces in South Vietnam any longer than necessary to achieve peace.’

On 28 May, there was a five-hour debate in Parliament over the decision. Holyoake stressed the caution with which it had been made and his support for a negotiated settlement, but he concluded that New Zealand needed to oppose communist aggression in South Vietnam as it had in South Korea fifteen years before. He listed most of the arguments in favour of military involvement that the Americans and his own officials had been making to him, and which he had earlier refused to accept, over the previous three years.

The Leader of the Opposition, Nordmeyer, expressed ‘grave doubts’ about the wisdom of military intervention and stated that Malaysia was strategically more important than Vietnam. Holyoake responded that Southeast Asia could
not be divided and declared: ‘If Vietnam goes, the task of defending Malaysia will be well nigh impossible.’ Kirk, at the time Labour’s President, stated that Labour would not oppose New Zealand troops in Vietnam if they were ‘part of a peacekeeping unit through some such international organisation’ as the UN. Munro responded that the UN was no answer because it lacked troops and money, and that the Russians would veto any action anyway. He dismissed opponents of New Zealand’s involvement as ‘the weak, the wishy-washy and the immature students’. Marshall, arguing in terms that would seem to have justified a greater contribution than a battery of 120 men, told Parliament:

The crux of the matter for us is that Communist aggression in Vietnam is a threat to us. If South Vietnam is overrun and becomes a Communist State it becomes the base for the next move in the Communist plan for world revolution . . . . Our security and way of life are at stake and we cannot stand aside.

Shand asserted that any opposition to the commitment of troops was the result of ‘a tremendous Communist campaign’ over the previous six to eight months. At the end of the debate, the sending of the battery was endorsed by 39 votes to 33 on a strict party vote.

On the day of the debate, a small group of anti-war protesters, in what was to be the first of many such protests over the coming years, staged a ‘sit-in’ outside the Prime Minister’s office in Parliament Buildings. The police removed some during the morning, but in the afternoon Holyoake personally intervened and told the police that the protesters were no trouble and should be left to sit quietly outside his door. Later in the day, he moved among the protesters sitting in the corridor and gave them copies of the evening newspaper covering their action. Throughout the Vietnam War controversy, Holyoake claimed that he always believed that ‘most people who opposed [the war] were genuine people’, though some ‘followed this course simply because they were opposed to the Government’.

HOLYOAKE’S CONCERNS about the situation in South Vietnam were increased when Weir reported from Thailand after visiting Vietnam that the Viet Cong seemed to have taken the initiative in the war and were starting a new offensive; that the bombing of North Vietnam was unlikely to produce quick results, indeed ‘if at all’; and that Marshall Nguyen Cao Ky, the Commander in Chief of the South Vietnamese Air Force, had just stated publicly that the military might oust the civilian government. The New Zealand Embassy in Washington DC also reported that the US was opposed to free elections in
Vietnam because '[i]n the North . . . free elections are impossible, and in the South they are impracticable and indeed undesirable in the sense that free elections could well favour communist rule (i.e. reunification)'.

In late June 1965, Holyoake went to a Commonwealth Heads of Government Meeting in London. On arrival, he announced to a press conference that he was prepared ‘to take the initiative in an attempt to persuade the United States to halt the bombing of North Vietnam so that peace could take place’ and would raise the matter both at the CHOGM and at an ANZUS Council meeting due to take place in Washington DC a few days later on 22 June. He suggested that Viet Cong representation at round-table discussions might help peace negotiations. These suggestions, which were personal initiatives, were warmly endorsed by Nordmeyer but irritated the Prime Minister’s advisers and were not supported by the Americans, Australians, or South Vietnamese, the latter immediately and formally expressing their concern.

In contrast, the British Prime Minister, Wilson, forcefully supported a Commonwealth peace mission on Vietnam and this was approved by the other Commonwealth leaders. After the CHOGM, Holyoake wrote secretly to Wilson saying that, even though the battery’s advance party was due to leave New Zealand the following week, ‘New Zealand would consider deferring the movement of the artillery unit’ to Vietnam and that he had ‘given instructions that no move should be made until we know about the responses from the countries concerned to the requests that they receive the mission’. He added that Wilson would ‘appreciate that I cannot put off a decision about the dispatch of the New Zealand Force indefinitely and that at some point soon I shall be required to make a statement . . . . I must have something concrete before I arrive back home.’

At the ANZUS Council meeting, Holyoake suggested that, if the Commonwealth peace mission reached Vietnam, the United States should suspend bombing of the North and also accept Viet Cong representation at the peace talks. Rusk immediately rejected both of Holyoake’s suggestions. The Prime Minister had also requested a meeting with the President. Rusk regarded such a meeting as a ‘must’ because Johnson had met with Menzies earlier in the month and ‘Holyoake has supported us on Vietnam despite intense political opposition at home’. Johnson agreed, after being assured that ‘Holyoake needs only 5 minutes, literally’. In fact, the meeting lasted for about 20 minutes rather than the suggested five. The President thanked New Zealand for the artillery battery and Holyoake then explained the size of New Zealand’s relatively substantial commitment to Malaysia, which limited its ability to do more. The Prime Minister went on to comment that his government was ‘100% in accord with the US policy’ but that the Labour
Opposition had opposed the sending of the battery and, in his opinion, that division in Parliament of 45 to 35 ‘roughly reflected the division of sentiment within New Zealand’. Although he thought New Zealand opinion might move in a more favourable direction, ‘the overwhelming bulk of the New Zealand people were emotionally opposed to any war’. Johnson responded that he thought the balance in the United States was roughly 65 to 35 per cent in favour of US involvement in Vietnam but conceded, ‘it might become more averse, to perhaps 55–45’.99

Somewhat paradoxically, New Zealand’s minimal contribution eased some of the US pressure, which would have been much greater had New Zealand done nothing. Laking, who admitted that he had a ‘jaundiced view’ of Holyoake’s sincerity, recalled that Holyoake in conversations with the Americans would say, ‘I know you would like us to send more [troops]. I can only say that we are doing what we can do and the probability is that if we were to undertake to send you more that we’d go out of office and you wouldn’t have anybody at all [from New Zealand].’ According to Laking, the Americans accepted that position, because any token increase would make little difference militarily anyway and the main thing was to keep New Zealand’s flag flying in South Vietnam to show support.100

In New Zealand, as Rabel has pointed out, ‘press commentaries on Holyoake’s actions in London were unanimously laudatory’.101 Holyoake’s officials, and some of his cabinet colleagues, were less enthusiastic; and indeed some were very concerned by Holyoake’s peace initiative, even though Cabinet agreed to it five days after he announced it in London.102 The Acting Prime Minister, Marshall, much more hawkish on Vietnam than Holyoake, had earlier that month publicly dismissed any possibility of peace talks, claiming that ‘it was the Government’s view that the Communists would not discuss a peaceful settlement in Vietnam’: “Their aggression must be stopped by force of arms . . . . The basic issue had been the defence of New Zealand against Communist aggression and subversion . . . . Communist aggression in Vietnam was a threat to us.”103 After Holyoake’s statement in London, McIntosh recommended to Marshall that there should be no delay in dispatching the battery to Vietnam, even though Holyoake’s views should be noted. As a result, Marshall contacted the Prime Minister and told him that his cabinet colleagues ‘do not now see any possibility of satisfactory responses from Communist powers which would justify holding up advance party . . . . The present period of uncertainty has not been helpful’.104

Holyoake had still not returned to New Zealand when Wilson wrote to him on 6 July to thank him for delaying the dispatch of the battery to Vietnam. The Commonwealth peace initiative, however, was not progressing
well, and the British Prime Minister added that, while ‘I fully understand the dilemma you are facing in delaying still further the movement of your troops . . . I think my inclination would be to suggest that you should continue to defer sending your contingent to Vietnam a little longer’. McIntosh told Marshall that ‘Mr Wilson’s suggestion seems to us in the Department to be based on grounds which are too unsubstantial’, and recommended that Holyoake be contacted secretly in Australia and told that Cabinet wanted him to state to the press on his arrival in Wellington on Friday 9 July that the battery would be dispatched as planned and with no delay. McIntosh and Deputy Secretary of External Affairs Lloyd White, who both believed that ‘[t]he Prime Minister’s various statements around the world about possible delay in sending the battery . . . are doing more harm than good’ and ‘are even the subject of ridicule in many quarters’, then prepared a lengthy paper for Marshall to convey to Holyoake. While Marshall agreed with it, he preferred to send a somewhat shorter and less aggressive message to the Prime Minister, which was nevertheless something of a rebuke and possibly even a threat. Marshall started by telling Holyoake that his cabinet colleagues believed that no negotiated peace was possible and that if the battery’s departure were delayed the Government ‘would forfeit to some extent the confidence of our supporters in New Zealand’ and ‘raise doubts in the minds of our friends and allies’. He concluded: ‘We very much hope, therefore, that you will agree to announce on your arrival in Wellington on Friday evening that . . . the battery will proceed to South Vietnam as planned. I do urge you to end the general uncertainty in New Zealand by announcing that the battery will go.’ With prospects for a successful Commonwealth peace mission fading, Holyoake had little option but to go along with the cabinet directive. As Rabel has also observed, this prevented what could have been a potentially serious rift between Holyoake on the one hand and other senior cabinet ministers, his officials, and New Zealand’s ANZUS allies on the other.

The Prime Minister made the announcement on 9 July, and 161 Battery of the Royal New Zealand Artillery arrived in Vietnam later that month and was deployed at Bien Hoa air base in support of the US 173 Airborne Brigade. At the next meeting of Cabinet, Holyoake argued that the commitment of the battery and his support for a peace settlement were not alternatives. He conceded to his colleagues that ‘the risk of escalation had to be taken’ in Vietnam because:

In the long term any American defeat or retreat could be disastrous for us. Our offer of military assistance was understandable in these terms but our objective remains a political one – to bring about a negotiated settlement . . . . We must back up the
Americans and the Vietnamese. But at the same time we must do everything we can to encourage meaningful negotiations.\textsuperscript{110}

A Gallup Poll that month revealed that 70 per cent of New Zealanders supported the sending of troops and only 23 per cent were opposed.\textsuperscript{111} Opponents of the decision, however, were very motivated, and throughout the latter part of 1965 the public debate widened. On 13 July the Government published a 72-page White Paper, \textit{New Zealand’s Assistance to the Republic of Vietnam}. This put forward the Government’s reasons for sending the battery. Opponents immediately put their case in a series of pamphlets, and through ‘teach-ins’ on university campuses and throughout the country. Although Marshall, Munro, Thomson, and other Government MPs enthusiastically defended New Zealand’s military involvement in Vietnam in some of the earlier teach-ins, and suggested that opponents of the war were motivated by communist sympathies and anti-Americanism, Holyoake largely restricted his defence of the decision to debates in the House and formal press statements.
THE RUSSIANS, CHINESE, and North Vietnamese continued to react negatively to the Commonwealth peace mission suggestion, and when Holyoake got back to New Zealand he found that, far from a ceasefire, the situation in South Vietnam was deteriorating and hostilities were escalating. Laking told Holyoake that it was ‘becoming increasingly apparent that the South Vietnamese Government had failed to attract any widespread popular support’ and ‘had little left in the way of military reserves’, and ‘the serious imbalance between the forces of the South Vietnamese Government and those of the Vietcong’ meant that the President was considering ‘an increase in the number of American forces’.  

Three days later, Johnson wrote to Holyoake informing him that he intended raising the number of US troops in Vietnam beyond the 80,000 already there and asking New Zealand to increase its contribution also. Holyoake replied: ‘[T]he battery of artillery which we offered . . . has only just arrived in the theatre . . . . I must state very frankly that at this particular time the demands on our limited military establishment are such that we would have utmost difficulty in providing additional forces for service overseas.’ He had this response confirmed by Cabinet before sending the letter.  

Nevertheless, Johnson continued to press for increased military contributions from both New Zealand and Australia. He asked Laking at an informal luncheon in the White House to tell Holyoake that the President ‘hoped it might be possible for us to do more, saying “If we don’t clear up that situation [in Vietnam] it will be left to you and Australia to deal with it”’.  

That pressure mounted with the visit to New Zealand of Vice-President Hubert Humphrey in February 1966. Accompanied by Averell Harriman, the former US Under Secretary of State who was by then an Ambassador at Large, Humphrey met the New Zealand Cabinet and senior officials in
Wellington on 21 February. He briefed and reassured the meeting on the situation in Vietnam, even though he observed that, in the past, the South Vietnamese Army ‘had been as unpopular in the villages as smallpox. They had gone into village areas stealing, wrecking and raping’, but he believed that the situation was improving. He told the meeting that New Zealand’s artillery battery, together with the Australian and Korean contingents, had ‘meant a great deal both psychologically and in military effectiveness. It was one of the wisest decisions New Zealand had ever made.’ While he ‘was not here to ask anything of New Zealand . . . there was an urgent need for refugee relief, for medical assistance, teachers, engineers, etc. Anything done in these fields would release other resources for combat.’ According to the Vice-President, ‘[w]e must recognize that the Chinese Communists were attacking South-east Asia as a whole region’ and that ‘the offensive from Peking was being conducted everywhere’ – for example, in Burma, Thailand, and Laos, as well as in Vietnam.

In response, even the ‘hawks’ among the New Zealand ministers showed some concern about the deteriorating situation and New Zealand’s ability to do more in Vietnam. Marshall questioned the stability of the South Vietnamese Government and Hanan and Shand both said that, because of its serious balance of payments problem, the New Zealand economy was ‘on the ropes’, thus making both defence purchases and overseas aid difficult. Holyoake added: ‘New Zealand’s external aid programmes had to give primary emphasis to areas other than South Vietnam: for example, Malaysia and Thailand . . . what we could do in South Vietnam would have to be additional and could only be of a token nature . . . a flag-raising value but, in practice, it would be insignificant.’ When Harriman attacked ‘doubting Thomases’ in the United States and New Zealand and argued that, ‘[i]f they were not stopped in South Vietnam the Communists would be on the march in Asia’, Holyoake replied that New Zealand was ‘well aware of the nature of the struggle and, in fact, had had troops in Malaysia for the last twelve years’; and subsequently, when a joint press statement was released at the end of the meeting, he insisted that it mention ‘the emphasis which New Zealand was giving to its support of Malaysia and Thailand’. After the talks, the Prime Minister said that they had been about ‘ways in which New Zealand might provide further civil aid’ to South Vietnam rather than about increased military forces.

A fortnight later, General Westmoreland, the American commander in Vietnam, went further than the Vice-President and told a senior New Zealand official that he wanted a New Zealand infantry battalion to form an ANZAC brigade with two Australian battalions. He suggested that could be achieved
by moving New Zealand’s battalion in Malaysia to Vietnam. At the same time, Johnson wrote to Holyoake informing him that the United States, Australia, and South Korea were making substantial increases in their troops in Vietnam, and asking if New Zealand could increase its battery from four to six guns, which Holyoake’s military advisers had been suggesting since the previous October, and also to increase its medical contribution. This request was endorsed by a meeting of the Chiefs of Staff the following day and recommended to Holyoake by the Minister of Defence and the Secretary of External Affairs. After Cabinet gave its approval on 22 March, the Prime Minister replied to the President that the number of guns would be increased to six and the surgical team at Qui Nhon from seven to thirteen. The President immediately thanked Holyoake, adding that he recognised that they both had ‘vocal critics of our joint efforts in Viet Nam’ but that he was convinced that ‘our critics will ultimately have to recognize that we have followed the proper course’.

Holyoake’s advisers recommended that the strengthened New Zealand battery should remain part of an Australian field artillery regiment in Vietnam but he responded that, while he wanted a ‘close association’ between Australian and New Zealand forces in Vietnam, he did not want to ‘lose our direct link with the Americans’ because ‘our national contribution will tend to be a little less obvious than before’. He also believed that casualties might be minimised by New Zealand’s troops being attached to the Americans and restricted to the Bien Hoa area, rather than, like the Australians, possibly being used all over Vietnam. He expressed himself ‘most reluctant’ to see that.

Holyoake continued to resist further attempts to increase New Zealand’s commitment to Vietnam, and in May wrote a lengthy and angry letter to the Minister of Defence asking him for an explanation of a report that New Zealand Army officers in Vietnam had been engaged in operational helicopter flying with the US Army. He admonished: ‘I should have thought that by now the Services would have realised that only Cabinet can determine the form and extent of New Zealand’s operational commitments, especially in an area as politically sensitive as Vietnam.’ General McKinnon reported through Eyre to Holyoake that the two officers who had flown US Iroquois helicopters in Vietnam were artillery officers from 161 Battery, not air force pilots, and that they had been using the helicopters to lift the battery’s guns.

After meeting Secretary of State Rusk in Canberra, Holyoake wrote to Johnson at the end of July 1966. While repeatedly stressing New Zealand’s continued support of the United States, he told the President that he needed ‘to acquaint you with certain difficulties which, I feel, may face the New Zealand Government’ if the Vietnam conflict worsened.
The prospect of a marked escalation of the war, particularly if this were to embrace non-military targets, would certainly cause widespread apprehension here . . . . I should think that those in this country who would favour more drastic action against North Vietnam are a small minority indeed . . . . I fear that I would have some difficulty in guiding public opinion – particularly as this is an election year – should your administration feel obliged to authorise measures which might be felt likely to change radically the nature of the conflict.

Johnson responded that he appreciated Holyoake’s ‘frank and enlightening picture of the current state of feeling both in your government and among the New Zealand public concerning Viet Nam’ and found New Zealand’s contribution ‘a continuing source of comfort and encouragement to me personally’.

IN OCTOBER 1966 a summit meeting of the US and its allies was held at Manila. Johnson, Holyoake, and Holt of Australia attended, as did Thieu and Ky from South Vietnam, President Park Chung Hee of South Korea, Prime Minister Thanon Kittikachorn of Thailand, and President Ferdinand Marcos of the Philippines. By that time there were already in Vietnam 45,000 South Korean troops, 5465 Australians, 381 New Zealanders, and 2000 non-combatant support troops from the Philippines. The Thais had given a commitment to send 2500 combat troops. Holyoake was very reluctant to attend, especially with the New Zealand election only a matter of weeks away. Realising that New Zealand would be asked at the talks to increase its forces in South Vietnam, Holyoake’s advisers prepared reports assessing both the policy factors that should govern the contribution and New Zealand’s military options for an increase. The key factor was ‘to satisfy the United States (as our major ally) and . . . encourage continued American presence in the area’. The recommended contributions, if further troops were to be sent, were a frigate, an infantry company, and three transport aircraft.

Prior to the summit, Johnson visited several countries in the Asia-Pacific region, including a short, unexpected stopover in Wellington on 19 and 20 October. This was the first ever visit to New Zealand by an American President. Holyoake, not foreseeing the boost that it probably gave to his party’s election campaign, was far from enthusiastic about the visit, suggesting that ‘it could not be more awkwardly timed or more embarrassing’ because of the November election. Some of the President’s advisers, including Rusk, were also initially ‘disturbed at the prospects in New Zealand’, as the following extract from a cable between the Secretary of State and Bundy makes plain:
A worse launching pad for the President’s trip could hardly be imagined. This bucolic Wasp [White Anglo-Saxon Protestant] Utopia does not specialize in enthusiasm. With the election forthcoming neither Government nor Opposition has figured out which way Vietnam will work. They are all repeat all out testing the wind and are distressed by the introduction of an unpredictable variable. Suggest that every effort be made to play down New Zealand stop and build up Canberra as a real beginning for the trip.17

The US Embassy in Wellington, however, assured Washington that those concerns were unfounded and that the President would ’receive a warm and friendly welcome in New Zealand, a welcome possibly without precedent . . . in terms of crowds, publicity and popular expressions of welcome’, and that forecast indeed proved correct.18

Some 200,000 New Zealanders crammed the pavements to see and welcome the President, completely overwhelming the few thousand protesters who also took to the streets to demonstrate against the war. The Americans were delighted with the President’s visit, and Herbert Powell, the US Ambassador in Wellington, reported to Washington that the effect of the visit was ‘far greater than we had hoped for and was without doubt the greatest welcome ever accorded any public figure in the history of New Zealand’.19

The President was told in a summary of the situation in New Zealand that, while New Zealand ‘stands squarely with us in the Vietnamese war’ and that probably ‘about seventy per cent of the people support the Government’ in sending an artillery battery, ‘[t]his action has subjected the Holyoake Government to considerable criticism and agitation similar to the “teach-in”, “preach-in” and demonstrations which have occurred in the United States’. Nevertheless, the National Government should be ‘returned to power with about its present number of seats in the Parliament’ at the forthcoming election in November.20

In briefing Johnson, Walt Rostow, the Chairman of the State Department’s Policy Planning Council (1961–66), suggested that the President indicate to Holyoake during their talk that he was aware of New Zealand’s concerns about US tariff and quota barriers for wool and butter and would have them studied, and that he was also ‘counting on New Zealand’s moderation, skill, [and] experience to help pull the parties together so that we can leave Manila projecting to all – especially Hanoi – a picture of unity’.21

In New Zealand, Johnson made two short speeches on arriving at Ohakea and Wellington airports. In the capital he spent half an hour in discussions with Holyoake and spoke at a parliamentary luncheon. The President, who had previously been in New Zealand for a short time in 1942 during World
War II, made a point of mentioning how united the United States and New Zealand had been during not only that war but also during World War I and the Korean War. He then spoke about the war against hunger, disease, poverty, and illiteracy in Asia and the contribution New Zealand and the United States could play there, although he added that it was difficult to fight against those things until ‘the terrorist outlaw has been defeated’ in countries such as Malaya and Vietnam. He wanted peace but North Vietnam had to want it too, and agree to it in South Vietnam.22

Although the formal speeches suggested a cordial relationship between the two leaders, there was some tension around the dinner table at Government House that evening, and at one point the occasion almost turned into farce. Johnson was not in the best of moods, and according to the wife of the Governor-General, Lady Laura Fergusson, who was seated between the President and the Prime Minister, ‘Johnson bullied the PM across me, and I think switched off so as not to bother to hear the answer, though he is deaf too’.23 Even though the dinner started late and time was slipping away, Johnson insisted on calling for a second helping of potatoes, which ‘got the pantry on the hop’, and it ‘all became a horrible scrum of trying to get the meal finished, urging him to eat what he’d piled on his plate’. Lady Laura later told her sister that, at one point in the evening,

Mr Holyoake I think wanted to switch the conversation and cut across the rather petulant bullying and asked what LBJ ran on his ranch. LBJ said Herefords and Angus. Mrs LBJ picked this up across the table and said she infinitely preferred the Herefords. The PM cut in with “Oh, I’m an Angus man.” Mrs Holyoake, from Bernard’s other side, just heard from him and chimed in with “You’re not Keith, you’re a Presbyterian.”24

The Americans may have been pleased at the President’s reception in New Zealand but were probably less satisfied with the press statement Holyoake issued a few days after the talks, declaring that no consideration was being given by New Zealand to any increase in its military assistance to South Vietnam.25 The Prime Minister also commented on his return from Manila that he believed that Vietnam would ‘certainly have more effect on the coming election than any other foreign affairs issue in my memory’.26

The New Zealand Government’s reservations about increasing its commitment in Vietnam may have been strengthened by discussions they were having with other states. For example, a few months later, in January 1967, at the Japan–New Zealand talks in Wellington, the Japanese disclosed that they had for some time been in secret contact with the North Vietnamese
through the North Vietnamese Ambassador in Moscow in an effort to secure a negotiated settlement to the Vietnam War. The Japanese, in what the British described as terms ‘not altogether unsympathetic’ to the North Vietnamese, told the New Zealanders that they saw Ho Chi-Minh and the Viet Cong as nationalists as well as communists, who wanted neither to be dependent on China nor humiliated by the United States.27

However, while Holyoake was not prepared to agree to an increase in New Zealand troops to Vietnam immediately prior to the 1966 election, he was not averse to concealing his misgivings and using hawkish rhetoric during the election campaign. Holyoake realised that it was better for National to campaign on the Vietnam issue than on the economy, which was drifting into serious difficulties. In this, he was assisted by the reluctance of Labour’s new leader, Kirk, to engage on that issue. Kirk, who had replaced Nordmeyer in December 1965, feared the likely negative effect of opposing the war on some traditional Labour voters. Consequently, he tried very hard to get Labour MPs and candidates to avoid the topic and concentrate primarily on the economy. This enabled Holyoake to ridicule Labour’s ambivalent public position on Vietnam. He constantly challenged Kirk during the campaign to say whether he would withdraw New Zealand troops from Vietnam but never got a direct and clear response.28

Because Holyoake was privately not completely comfortable with the military commitment New Zealand had been forced to make, or the arguments used to justify it, he was quite sensitive to criticism on the issue, especially the accusation that he and his government were not telling the truth to the electorate and were exaggerating the danger to New Zealand. He confided, somewhat surprisingly, to his older brother that he had never been so hurt personally in his entire political career as he was when, two days before the 1966 election, a Labour candidate accused him publicly of lying about Vietnam.29 Holyoake may not have been lying but he certainly exaggerated publicly the threat to New Zealand, and he concealed his own and his government’s misgivings about both the justification for New Zealand’s military commitment to South Vietnam and its likely success.

Although he believed, with justification, that he had the support of a majority of voters, especially from within his own National Party, for minimal New Zealand involvement in the Vietnam War, Holyoake feared its long-term consequences on New Zealand domestic politics. He disliked the deep division that he saw emerging. Unlike some National Cabinet hawks such as Marshall, Shand, Hanan, and Eyre, who had little doubt that the majority of New Zealanders would support the country’s military involvement in Vietnam, Holyoake was not sure that they would continue indefinitely to do so and had
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even predicted a possibly changing majority on this issue with Johnson at their meeting in June 1965.30 There were only a couple of public opinion polls on the war in 1965 and 1966. The first showed support for sending combat troops at 70 per cent nationwide whereas the second revealed 56 per cent in favour and 26 per cent against in Christchurch.31

THE 1966 ELECTION returned National to office with virtually no change in its parliamentary majority. It lost one seat to Labour and another to Social Credit, gained one from Labour, and narrowly held several marginal seats that had been expected to fall to the Opposition. Holyoake could, and did, claim that the election result endorsed his government’s actions on Vietnam, but behind the scenes he continued to have concerns about the war and also to do what he could to limit New Zealand’s military involvement. The serious balance of payments crisis that occurred immediately after the election strengthened his and other ministers’ reluctance to spend more on defence.

With the election out of the way, the US commander in Vietnam, General Westmoreland, asked New Zealand’s military head, General Steve Thornton, for infantry and Holt told Holyoake that the Australians would increase their number of troops in Vietnam by a third to 6300.32 On 23 January 1967, Johnson formally requested an increased New Zealand contribution, and on the day his letter arrived the South Vietnamese Premier, Ky, arrived in New Zealand to thank it for its support. Holt also arrived from Australia at the beginning of February and expressed concern that New Zealand had still not made a decision on what, if any, further troops it would commit to the allied forces.33 On 13 February, Laking, who had returned from Washington to succeed McIntosh as Secretary of External Affairs and Head of the Prime Minister’s Department, recommended that an infantry company of 184 men be sent to Vietnam on rotation from Malaysia. Cabinet agreed in principle to this on 20 February and confirmed it at a later meeting on 10 March when the number was increased to 210. A military medical team of 16 soldiers was also dispatched to Bong Song to support the civilian medical team already working at Qui Nhon. The arrival of the company in May raised the total number of New Zealand soldiers in Vietnam to 360.

In late July and early August, Johnson sent Clark Clifford, Counsel to the President, and Maxwell Taylor, formerly Chairman of the Joint Chiefs of Staff (1962–64) and US Ambassador to South Vietnam (1964–65), to visit Australia, New Zealand, Thailand, and South Korea to again press America’s allies for more troops for Vietnam. Clifford later recalled that they found Australia’s Holt ‘extremely evasive’, and:
In New Zealand, the situation was much the same as in Australia. While this remote country of less than four million people had sent 120,000 men to fight in World War II, it felt that sending even 300 more men to Vietnam would be difficult . . . . I jokingly noted to Taylor that more people turned out in New Zealand to demonstrate against our trip than the country had sent to Vietnam [even though the protesters were] small in number.34

The US Mission spent four hours with Holyoake and members of his Cabinet. According to the official New Zealand record of the meeting, Holyoake twice

stressed the likely conflict between military and political considerations, pointing out that any incursion into North Vietnam would require very serious thought since it would involve a change in the basis of allied policy, which, up to this point, rested on the defence of South Vietnamese territory against external aggression. So far as operations in Laos and Cambodia were concerned he was wary of anything but “hot pursuit” and even then he doubted its military efficacy.35

In his official secret report prepared for the President after the meeting, Clifford noted that ‘support in the country for its participation in Viet-Nam [sic] is so thin that the Government is prepared to contribute forces only to a point where normal life at home is not affected . . . . The Prime Minister made it clear that in order to make a substantial increase in troops, conscription would have to be ordered.’ The prospect of spreading the war to Laos and Cambodia ‘made the entire Cabinet uneasy’, and ‘Holyoake said that at an allied conference he would take a stand against expanding the war, but that he would go along with us if we could demonstrate that moves into Laos and Cambodia were “a military necessity” . . . [although he] would oppose an invasion of North Viet-Nam [sic].’36 In his memoirs, Clifford recalled that on his return to Washington he ‘told President Johnson I was shocked at the failure of the countries whose security we believed we were defending to do more for themselves. Australia, which had given so much during World War II[,] dismayed us the most.’37 Despite Clifford’s depressing report, a few days later the President again requested further troops. He told Holyoake:

Let me say to you, quite frankly[,] that the action of the Congress and the attitude of our people on this question will be influenced to a great extent by the decision you and our other allies make in increasing your forces . . . . My hope is that you will make an announcement as speedily as possible.38
The following day, Laking drafted a five-page memorandum to Holyoake analysing the situation and especially the pressure on New Zealand to commit troops to both Singapore/Malaysia and South Vietnam. The former was not the result of ‘military necessity’ but arose from ‘the British Government’s essentially political decision to start reducing its forces and eventually to withdraw them altogether’. In Vietnam the position was ‘less complicated although the outlook is much more sombre’. Because New Zealand’s regular military force was so small, Laking advised that ‘it may not be possible to satisfy both’ demands but suggested that the Minister of Defence should look at providing an additional infantry company for Vietnam.39

Holyoake, who had not replied to two earlier letters from Johnson on 15 and 19 July, eventually responded:

Although I did not rpt not send a message in reply at the time, I am sure you will have been informed through your Ambassador that I was most grateful first for your messages of 15 and 19 July, and secondly for your decision to send Mr Clark Clifford and General Maxwell Taylor to Wellington for consultations.

Holyoake pointed out again to the President that New Zealand’s military forces were small and that ‘additional commitments would not rpt not be easy to assume. You will be aware also that we are currently caught up in a critical balance of payments situation. Of equal, perhaps greater significance, as I told Mr Clifford and General Taylor, is the political situation in New Zealand of which I am obliged to take account’; namely the ‘difficult and continuing problem caused by the Labour Party’s commitment to withdraw any New Zealand military commitment from Vietnam if they should come into office’.40

The Australian and New Zealand Prime Ministers decided to meet in Canberra in early October to discuss what Holt described as ‘the obvious desire of the Americans that we should contribute something more in Vietnam’.41 In a lengthy prepared statement, Holyoake noted that he found it ‘startling that New Zealand’s military involvement in Vietnam has evoked criticism while our activity in Malaysia has not . . . [seeing as] the issues at stake were identical’. He then went on to propose a pause in the bombing of North Vietnam and said that New Zealand valued opportunities to discuss the Vietnam situation with its allies. He stated bluntly, however, that in deciding the extent of New Zealand’s military commitment there should ‘be no misunderstanding’: ‘Whatever judgements we reach, whatever decisions we take, will be ours alone.’42

Following the meeting, the British High Commissioner in Canberra
informed London that he had been told by Australian officials present, including Sir John Bunting, that the Clifford-Taylor Mission ‘had counter productive [sic] effect and only now was it becoming possible to do more without appearing to respond to United States insistence. New Zealanders were further from reaching a decision on an increased Viet Nam commitment and had been even more inhibited than Australians by [the] Clifford/Taylor Mission.’

According to the British High Commissioner in Wellington, Holyoake had been reluctant to attend the Canberra meeting, ‘given his aversion for any kind of long-range planning or the commitments that go with it and his dislike of defence and foreign affairs as subjects of political activity’, and seemed to have done so only after getting an assurance from Holt that the discussions would not lead to any immediate decisions.

Laking, who accompanied Holyoake to Canberra, recalled that there was a great expectation that Holyoake, on his return to New Zealand, would announce conscription in order to send more troops to Vietnam. Yet, because of Holyoake’s total anathema to such a proposition, that was never a possibility. When he returned to Wellington, the Prime Minister made a statement in Parliament followed by a press conference, at which ‘he declined to say whether a decision to increase New Zealand and Australian forces was imminent. There was no present proposal for increasing New Zealand’s V-force, he said, though as a result of the Canberra talks Cabinet would give deeper consideration to this.’

On 6 October, Holyoake reported to Cabinet about his talks with Holt and correspondence with Johnson. He recommended reluctantly that New Zealand should increase its forces in Vietnam, and his colleagues three days later approved in principle a further increase of up to 70 SAS personnel and 170 infantrymen. On 11 October the Cabinet Committee on Defence approved the commitment of the second infantry company, but not the SAS contingent, and five days later the Prime Minister wrote to the President informing him that it would be sent. The company was to be drawn largely from the New Zealand battalion in Malaysia, and the 170 extra men would raise the number of New Zealand soldiers in Vietnam from 376 to 546. Holyoake told Johnson that Britain’s plans to reduce its military presence in Malaysia and Singapore, thus adversely affecting security in Southeast Asia in general, ‘had led to the decision to deploy Malaysian-based infantry to Vietnam’. The President responded gratefully, acknowledging: ‘I know the decision could not have been an easy one.’ Kirk denounced the increase in New Zealand’s troop commitment and attacked what he saw as the discrepancy between Holyoake’s words and actions and the ‘sham and gimmickry he so often employs to justify himself, while trying to fool the people’.48
Throughout the last few months of 1967 and during 1968, Holyoake, his cabinet colleagues, and their advisers agonised over what, if any, further forces New Zealand might send to Vietnam. Cabinet, at a meeting on 16 July 1967, had authorised military discussions on the possibility of a New Zealand frigate serving with the US 7th Fleet, but it was not until December that year that Holyoake mentioned the frigate to Johnson when the Prime Minister and the President were in Canberra to attend a memorial service for Holt, who had drowned while swimming in the sea. In January 1968, Holyoake, in writing to Johnson to tell him that ‘I can see no prospect of any increase in our land forces’, again referred to the possibility of a frigate, and the President immediately responded formally asking for it.49

The Prime Minister’s advisers also wanted to deploy RNZAF helicopter pilots and two crews for Canberra bombers to serve with the RAAF in Vietnam. That proposal from the Minister of Defence to Cabinet was returned after Holyoake had scrawled across it ‘Not approved’, and officials were told in an accompanying memo that ‘the Minister of Defence be warned of the PM’s attitude. This may mean that part or all of the present proposals will not reach Cabinet at all, or not without some changes.’50

By February 1968, the US resolve to win the war in Vietnam had been badly shaken by the Tet offensive. This began on 30 January with Viet Cong and North Vietnamese attacks throughout South Vietnam, including Saigon. Although the Communists sustained heavy casualties it is generally agreed that the Americans suffered a serious psychological setback, and opposition to the war increased in the United States. Two Democratic senators, Eugene McCarthy and Robert Kennedy, emerged as anti-war challengers to Johnson for that party’s presidential nomination at the 1968 elections. On 31 March, Johnson announced that he would not seek a second term. In Australia, Holt, who had won a landslide election in 1966 with the slogan ‘All the way with LBJ’, had been replaced as Prime Minister by John Gorton, who declared publicly that Australia would send no more troops to Vietnam beyond its existing commitment. This made it easier for Holyoake to resist calls for further contributions.

**EVEN AFTER THE** decision was made to commit troops, there is little evidence to suggest that Holyoake personally and privately accepted any argument for New Zealand’s involvement in the Vietnam War other than that of maintaining the alliance with the US and Australia, although he was prepared to use other arguments in public debate. While he sympathised with the United States, he never deviated from his firm intention that New
Zealand should not become too heavily involved. National MPs deployed rhetoric about defending not only South Vietnam but also Western democracy and New Zealand itself against communist aggression, and fighting the communists in the streets of Saigon rather than of Auckland. But, from the very limited material response, it was quite clear that Holyoake saw very little real or immediate threat to this country. New Zealand did not willingly respond to requests from the South Vietnamese Government, but finally agreed following persistent pressure from the United States and, to a lesser extent, Australia. The maintenance of the US–New Zealand security alliance, not the defence of South Vietnam, was the overriding reason why Holyoake’s officials and, more reluctantly, Holyoake himself committed the New Zealand flag and a token military force to Vietnam. They moved very slowly and cautiously to commit combat troops and did so only to meet the minimum requirements of their two ANZUS allies, whose continued goodwill was seen as essential to New Zealand’s long-term security. Even once troops were committed, the Holyoake Government did everything to limit to the very minimum the number of personnel New Zealand had in Vietnam over the following seven years. Although two infantry companies were finally deployed in 1967, New Zealand never had more than about 500 soldiers in Vietnam. Unlike the Americans and the Australians, New Zealand remained sceptical throughout about the prospect for victory in South Vietnam. The Prime Minister tried to distance New Zealand from the more extreme and controversial aspects of the fighting, including the air war, and tried to balance any military contribution the country made with a humanitarian one. He always emphasised that the troops in Vietnam were volunteers – unlike the Americans and the Australians, who sent conscripts. As Rabel has pointed out, Holyoake almost obsessively supported any peace initiative in regard to Vietnam. Furthermore, he was pleased to be able to start withdrawing New Zealand’s modest contribution in 1970 and 1971.

Despite National MPs arguing that, once the decision had been taken to become involved in a war, all New Zealanders should unite behind that decision and the troops who had been sent, New Zealand’s involvement in the Vietnam War destroyed the bipartisan foreign policy and defence consensus that had existed in this country’s politics and society for the 25 years after the outbreak of the Second World War. It provided a catalyst for the questioning of New Zealand’s place in the world and its alliance commitments, especially with the United States. And it created among young anti-war activists – some from middle-class families that had traditionally supported the National Party – a deep-seated scepticism towards both the United States administration and New Zealand’s National Government that was to last for a generation and
led to a partial realignment of partisan support for New Zealand political parties across traditional socio-economic class lines. A diverse but widespread and very active anti-war movement grew up throughout New Zealand, especially but certainly not exclusively on university campuses. It sought to rouse and educate public opinion through teach-ins and protest marches and demonstrations, and many anti-war protesters joined the Labour Party to further pursue their opposition to the war and other international targets such as nuclear testing and racism. In 1963, one in five Labour Party members had a white-collar occupation; by 1969 it was one in two.52

While many of his National Party colleagues dismissed opposition to the Vietnam War as communist-inspired and unrepresentative of the large majority of New Zealand citizens, and nearly all newspapers supported the Government’s commitment of troops to Vietnam, Holyoake was much more acutely sensitive to changing public opinion on the issue and was concerned at the Government’s possible longer-term vulnerability as the war became more of a bloody mess. Television, through its coverage of both the war in Vietnam and the anti-Vietnam War movement in the United States, eventually played an important role in widening and deepening opposition to the conflict and to New Zealand’s involvement in it.

Although he tried hard to defend his government’s actions in public, the Prime Minister was not the best defender of the war itself. Apart from his personal misgivings, he was not persuasive on television, and in public his somewhat cavalier attitude towards protesters, although courageous, was often regarded as contemptuous and provocative. For example, when faced with a demonstration at the entrance of Parliament, Holyoake would invariably walk straight in amongst the protesters, cheerfully calling out, ‘Good morning. How are all my friends today?’ As the angry demonstrators shouted back, Holyoake would calmly observe to those with him, ‘My friends are performing well today’. This demeanour gave the impression that he did not recognise or respect genuine concern among a large section of the public. In fact, he did, and indeed personally shared much of it, but was not prepared to show that he did.53 Holyoake also used the growing domestic opposition to the Vietnam War to continue arguing both with his advisers and the Americans that New Zealand could not commit more troops, and could certainly not contemplate conscription, without losing an election, in which case there would be no New Zealand forces at all in Vietnam.

Holyoake and his advisers and colleagues, however, saw deserting the United States as even more difficult than deciding to commit a token military force, especially after the Americans became even more important to the future defence of New Zealand when the British announced in 1967 that they
were withdrawing their military forces east of Suez. Munro was not alone in arguing that this withdrawal, together with Britain’s increasing preoccupation with Europe, would necessitate New Zealand seeking ever closer military, economic, and political relations with the United States, Australia, Japan, and the Southeast Asian states.54

ON 9 OCTOBER 1968, Holyoake, who was in the United States to attend the UN General Assembly and an ANZUS Ministerial Meeting, visited the White House for talks with Johnson followed by a State Dinner. Johnson was in the last months of his presidency, and John Henning, the American Ambassador in Wellington, in a cable to Washington, said that a major reason for Holyoake’s visit was ‘to say farewell to [the] American President for whom he had repeatedly expressed [the] highest admiration, both publicly and privately’.55 Holyoake also wanted to state New Zealand’s case for improved trade between the two countries, with an emphasis on liberalising meat and dairy imports to the United States and US Defense Department procurements of New Zealand products. The Prime Minister was likely to suggest that his ability to maintain public backing for the military alliance depended on strengthening New Zealand’s economic ties with the United States.

The Americans expected Holyoake ‘to defer as in the past to U.S. leadership’ on Vietnam, but they were concerned that he was under considerable pressure to take a more independent and forceful stand in relations with the United States. This pressure came not only from ‘radical youth and intellectuals, calling for “independent” or “non-aligned” NZ foreign policy’ but also ‘farming interests, which form [a] major part of [the] National Party political base and which charge that [the] GNZ [Government of New Zealand] has not adequately presented NZ’s case for greater access’. Within New Zealand there was also ‘vague uneasiness over [a] closer US/NZ relationship among those representing [a] relatively large portion of [the] public who in [the] past generally accepted without question British leadership on foreign policy and defense’.56 There was criticism that Holyoake’s Government was too concerned with the security aspect of NZ–US relations and needed to put more effort into the economic relationship, especially in the context of Britain’s possible entry to the European Economic Community. New Zealand’s economic problems since 1967 might cost Holyoake the 1969 election, which would lead to a Labour Government ‘which officially advocates withdrawal from Viet-Nam [sic]’.

The Americans wanted to ‘use the visit to demonstrate New Zealand support for our Vietnam policy, and to . . . use Holyoake as an articulate
spokesman for the importance of continued U.S. support for the free nations of Asia’, but they also wanted to reassure him about the future. Johnson was advised by Rostow that ‘Holyoake is a consummate politician, the undisputed master of his party and cabinet, and a man who is both cautious as well as acutely sensitive to public opinion’. Another adviser, Under Secretary of State Nick Katzenbach, added:

Unlike his colleague, Australian Prime Minister Gorton, Holyoake is an experienced and cautious man who has avoided jumping to conclusions or speculating about the possibility of a return to U.S. “isolationism” under your successor . . . . Holyoake has been a firm, consistent and articulate supporter of allied policy. He is anxious for close consultations with you on the current phase of the war and negotiations.

The President should ‘discuss the [US] election and the candidates fully and frankly with Holyoake’ and stress that the US would continue to cooperate and stand by its commitments.57

At the State Dinner, Johnson fulsomely praised New Zealand, a small nation with a population less than the city of Los Angeles, for its contributions towards the security of Korea, where New Zealand’s troop contribution had been second on a per capita basis only to the United States, to Malaysia and Singapore, and to South Vietnam. In response, Holyoake indicated why New Zealand valued the ANZUS treaty and why it had felt obliged to support the Americans in Vietnam: ‘[T]he people of New Zealand sleep much more comfortably and with a greater sense of security in their beds at night knowing that the United States of America, with its tremendous strength and loyalty to its word, would spring at a moment’s notice to our defense if we were attacked or threatened.’58

While security considerations were paramount in Holyoake and his government eventually supporting the United States in Vietnam, New Zealand did try to lever some trade concessions from the Americans, who by 1968 were already ‘New Zealand’s second-best customer in the world after the U.K., taking a large and growing share of her exports (16% in 1967, up from 6% in 1957)’.59 The American officials, however, predicted before the meeting that the US response to New Zealand’s economic requests would ‘probably be disappointing to them. There is little we can do for them on meat exports to the United States.’ There were ongoing talks about some dairy access to the US market, and the Defense Department could buy some lamb and other items. It was suggested that the President should point out that the US was itself a major producer of the farm products New Zealand wanted to sell it and that the US Government was subject to pressure from
farming interests, which Holyoake as a farmer himself and former Minister of Agriculture should understand. Subsequently and privately, the Americans admitted that '[l]iberalisation of import controls on meat and dairy products' or the 'lowering or removal of the tariff of [sic] wool, would evoke sharp domestic resistance' and 'would be opposed by U.S. farm interests and might cause a backlash in Congress resulting in new restrictive legislation even more damaging to our relations with Australia and New Zealand than continuation of the present restrictions'.

The official Joint Statement following the talks between Johnson and Holyoake on 10 October was, therefore, rather bland and simply noted that the United States 'would strive to avoid undesirable effects on New Zealand in implementing its own balance of payments program', would continue to examine particular problems relating to New Zealand/United States trade, and would allow New Zealand to participate in United States Government overseas procurement activities. In relation to the last of those assurances, Rostow, on Johnson's behalf, subsequently informed the Secretary of Defense that the Defense Department should make a one-time purchase of up to US$500,000 worth of New Zealand lamb for the military, repeating an earlier 'one-off' purchase of US$750,000 of lamb by the US Army in 1966; procure from New Zealand suppliers on an ongoing basis 'as much support as feasible' for the US Navy's Antarctic operation out of Christchurch, including the overhaul and maintenance of vehicles and the equipment and other supplies required; and should send a Defense Officer four times a year to New Zealand to generate further business to a level that would justify a full-time permanent representative in New Zealand. All these proposed commitments had been recommended to Johnson prior to his meeting with Holyoake so that he could inform the New Zealand Prime Minister of them during the meeting.

Holyoake was somewhat more outspoken at the ANZUS meeting, according to the British Embassy in Washington, which was informed of what had transpired by a member of the New Zealand delegation. The Embassy reported to London that the meeting was 'notable for a very blunt statement by Mr Holyoake saying that New Zealand expected more support from its American allies in the context of ANZUS than it was getting. He was not talking only in terms of military assistance, but assistance right across the political, economic and defence boards.' He referred particularly to 'the niggardly quotas made available for cheese exports to the United States. Mr Holyoake had said that he expected from good allies that the quotas for New Zealand cheese to be doubled [sic].'

After leaving the United States, Holyoake, accompanied by Norma,
visited Japan, South Korea, where he also represented New Zealand at a Colombo Plan meeting, and South Vietnam, his first visit since New Zealand had committed troops to that country. He spent five days in Vietnam (25–29 October) and met President Thieu, Vice-President Ky, Prime Minister Huong, the Ministers of Defence and Foreign Affairs, General Abrams, the Commander of US Forces in Vietnam, and US Ambassador Bunker. On the third day he flew to Qui Nhon, where New Zealand had concentrated most of its non-military aid, including the surgical team, and the following day visited the combined Australian and New Zealand Forces Headquarters at Nui Dat. Holyoake reassured the South Vietnamese leaders, based on his recent talks with Johnson, that although the Americans were about to stop bombing North Vietnam they ‘would not make unreasonable concessions to Hanoi’ in any peace negotiations. He insisted that the final communiqué of his talks with the South Vietnamese should be modified to state that the South Vietnamese Government ‘should play a leading role in negotiations’ and not, as his hosts wished, ‘the leading role’.

In January 1969, immediately following the inauguration of the new US President, Richard Nixon, Holyoake, accompanied by Laking, held separate discussions with the Americans and the South Vietnamese in Paris. Peace negotiations had been in progress there since May the previous year. The official New Zealand notes recorded that ‘nothing very much that was new’ emerged from these discussions with New Zealand’s allies.

Holyoake told the South Vietnamese that he assumed that the United States and other allied forces would complete their withdrawal ‘within six months after the violence subsides’ in Vietnam. The South Vietnamese disagreed and thought that withdrawal should not begin until six months after the end of the violence and then only after North Vietnamese forces had totally withdrawn from the South. The South Vietnamese thought that they were ‘now under less pressure’ since Nixon had replaced Johnson, who ‘had been pressing the South Vietnamese Government too hard’ to make progress on peace talks with the North.

When Holyoake met the Americans the following day they confirmed his views on the withdrawal process, but the President’s diplomatic ‘trouble-shooter’ Cyrus Vance ‘evaded the Prime Minister’s questions as to whether he could see any possible shape of a political settlement emerging’. Henry Cabot Lodge, the Chief US Negotiator at the peace talks, told Holyoake that ‘the South Vietnamese had been overconfident about the United States determination to stay on in Vietnam’ and the US had decided that ‘they now needed less men on the ground in Vietnam’ and would withdraw more US troops during the coming year.
In July 1969, with another general election only months away, Holyoake asked Laking to prepare a study on the future withdrawal of New Zealand forces from Vietnam. The six-page report first discussed the ‘publicly proclaimed’ objective of defending the South Vietnamese from communist aggression and the ‘privately held’ objective of ‘for our own self-interest . . . encouraging the United States to remain committed to the defence of the South East Asian area’. Laking warned that there is a profound mood of disillusionment in the United States and without doubt a New Zealand move at this stage to withdraw its troops from Vietnam would encourage those influential American groups who believe that the United States should severely curtail its commitment in Asia. He advised against ‘an early decision to withdraw’ New Zealand forces, noting that withdrawal before the Paris negotiations resulted in a settlement would be particularly unwise. ‘The aim is no longer to defeat the enemy’ but ‘to force the communists to accept a compromise solution which would give them an acknowledged, but not overwhelming, role in determining the future of South Vietnam’. The Prime Minister was told that ‘[t]he American Administration would be greatly disturbed if New Zealand were to decide now to withdraw its forces’ and that ‘it would be impossible for New Zealand to make any move without creating political and practical problems for the Australian Government’, which ‘would be exceedingly annoyed’. Laking concluded: ‘On balance it would seem that the considerations I have outlined do not point in the direction of an early withdrawal of New Zealand forces.’ Laking’s report reflected arguments made to him by Corner, whom Laking had consulted. The New Zealand Ambassador in Washington stressed that an early or unilateral withdrawal would ‘expose us to serious (and quite unfair) criticism. We could in fact find ourselves among the scapegoats for the Americans’ own mistakes and failures.’

In September 1969, Holyoake made another official visit to Washington and met Nixon and his Secretary of State, William Rogers, who briefed the Prime Minister on the new administration’s foreign policy in general and Vietnam in particular. Holyoake, who met the President on 16 September, was not impressed that, only an hour before the two leaders met, Nixon had publicly announced US troop reductions in Vietnam without first consulting or even warning New Zealand. Nixon did, however, praise New Zealand’s contribution and thank Holyoake for it. The Prime Minister told the President that New Zealand would continue to support the US while the National Party remained in office.

Back home, Kirk criticised Holyoake for not insisting that New Zealand troops should be included in the early withdrawals from Vietnam, but the Prime Minister argued that New Zealand only had a small force in Vietnam.
and it was fair that the Americans, who had over half a million troops there in 1969, and the Australians, who with the Americans had carried the main burden, should be the first to benefit from the scaling-down of allied combat troops.\textsuperscript{70}

**BY THE 1969 ELECTION**, reservations about the war in Vietnam were much more widespread than three years before, though this time the issue was not as prominent as was the state of the economy. Kirk and Labour took a somewhat firmer anti-war stance than they had in 1966, promising to bring the troops home by Christmas, and the choice between the two parties on this issue seemed much clearer. The anti-Vietnam War movement was much stronger and more strident and Government MPs faced rowdy campaign meetings. Holyoake’s own meetings were among the stormiest of his career and he had to cut his Wellington meeting short. At the Auckland Town Hall he was also shouted down and a near riot took place outside between around two thousand protesters and the police. Holyoake described that meeting as the ‘worst ever’ in his political career. His voice started to give out on him and, physically and emotionally drained, he would often lie on his bed pondering the situation and what it was doing to New Zealand.\textsuperscript{71}

Holyoake’s initial misgivings about involvement in Vietnam by then appeared to have been well founded, and even some of his cabinet colleagues, who had been much more eager to support the Americans, were starting to have second thoughts, Eyre, the former Defence Minister, eventually admitting: ‘[I]n those days we all thought America was right. Looking back in hindsight you can realise that what some of the people in opposition said was perhaps true . . . . I think we were misinformed by the Americans.’\textsuperscript{72} The election result was the closest since 1957, although National clung on to office with a six-seat majority.

On 22 April 1970, Nixon announced his intention to withdraw a further 150,000 American troops from Vietnam over the following twelve months. Although the Australians also decided to withdraw 1000 of their 7000 troops, Holyoake, echoing arguments put to him by Laking, again stated that, because of its relatively small size, New Zealand would not reduce its contribution at that time.\textsuperscript{73} Finally, in November 1970, one of New Zealand’s infantry companies was withdrawn, the SAS followed in February 1971, and after Holyoake announced in March that the artillery battery would be withdrawn, that took place two months later in May. On 18 August, Holyoake told Parliament that by the end of the year the remaining infantry company, the services medical team, and the six air force personnel would also leave.\textsuperscript{74} Only two small army training teams were left when Holyoake retired as Prime
Minister in February 1972, and they were immediately recalled when Labour came to office at the end of that year.

In the run-up to the 1972 elections, Holyoake had to deal with accusations that the New Zealand public, like the American and Australian citizenry, had been deceived about the decision to send forces to South Vietnam. These charges were contained in the book *The Pentagon Papers*, published in June and July 1971 by the *New York Times*. This exposé also revealed Holyoake’s ‘grave doubts’ about the US bombing of North Vietnam in 1964, which he had conveyed privately to the Americans ‘with full candour’. The *Dominion* newspaper suggested that Holyoake had not been as candid with the New Zealand public at the time. Holyoake strenuously denied that he had deceived anyone, but told Parliament that he intended to continue to keep confidential the confidential exchanges between New Zealand and the United States over the war.

Rabel is correct when he states in his definitive study, *New Zealand and the Vietnam War*, that on Vietnam the Holyoake Government ‘adopted a policy in line with the principles behind its vision of New Zealand’s place in the world’ and ‘proceeded to implement this in a way that would minimise the domestic and international costs of combat involvement in Vietnam’. Moreover, ‘the Holyoake government’s approach was reasonably successful in maintaining a sound relationship with the United States and limiting electoral damage at home. (Given that National was in office for 16 of the 20 years after the mid-1965 decision . . . .)’ He concludes, again correctly, however, that there may have been ‘longer-term costs in terms of domestic support for the alliance-based national security policy on which the Vietnam commitment was based’.

On 30 April 1975, Saigon fell to the Communists and the Vietnam War ended. Looking back a few months later, Holyoake was prepared finally and reluctantly to admit publicly that he had always had misgivings, and that within his government ‘there were some members more enthusiastic than I who had no second thoughts, no doubts, nothing – this was our Treaty obligation, this was our moral obligation, it was clear, black and white’. He agreed that there was ‘an element of truth’ in the suggestion that he ‘took rather more persuading . . . than other members of Cabinet’ to commit troops. When asked whether the Americans were content with the small New Zealand military contingent he had finally agreed to send, Holyoake replied that they ‘had no right to be content or discontented’ because it was New Zealand’s decision to make, not that of the United States.

Although personally far from convinced about US and New Zealand involvement in Vietnam, throughout the latter half of the 1960s Holyoake continued in public to defend it unequivocally. He and other Government
MPs also tried to undermine the credibility of opponents of the war by arguing that the protest demonstrations were tactics copied from overseas and directed by communists and others who were also anti-American. Much of this criticism was aimed at the Labour Opposition. The Vietnam issue helped National win the 1966 and 1969 elections, but by 1972, with even the Americans abandoning South Vietnam, a stronger anti-Vietnam War position did not hurt Labour. By then there was a greater and more even division among voters not only over Vietnam but also over foreign and security policy generally. Many more people than previously were prepared to support Kirk and Labour’s promise of a more independent, principled, and moral stance in New Zealand’s foreign and defence policies than Holyoake personified, with his continued, though in practice qualified, pragmatic commitment to collective security, forward defence, and the ANZUS alliance.
DURING HIS LAST few years as Prime Minister and Minister of Foreign Affairs, Holyoake became belatedly and personally committed to establishing diplomatic and trade relations with the People’s Republic of China (PRC). Throughout the 1950s and 1960s, his attitude to the PRC was complicated by his dislike of communism and his reluctance to abandon Taiwan – attitudes he shared with most other New Zealand politicians and officials, including Kirk, and also with New Zealand’s major allies, the United States and Australia.

Holyoake and New Zealand’s position regarding the recognition of the Chinese Communist regime was well established during the 1950s, during most of which he was Deputy Prime Minister. The Communists came to power in China in October 1949 a few weeks before the National Party became New Zealand’s government. The defeated Guomindang, or Nationalist, forces under General Chiang Kai-shek withdrew to the island of Taiwan (Formosa). New Zealand found that it had to choose between recognising diplomatically the PRC or the Republic of China (ROC or Taiwan), both of which claimed to be the legitimate government of the whole of China, and both of which repeatedly said that they would eventually reunify China under their control by force. New Zealand also had to choose which of the two should hold China’s seat in the United Nations. Britain, whose lead New Zealand might have been expected to follow, decided in June 1950 to recognise the PRC and vote in favour of it taking the China seat in the UN. New Zealand and Australia chose instead to follow the US lead in not recognising it. That stance was reinforced by China’s involvement in the Korean War.

Not all in the Holland Government were totally convinced, however, and in February 1951, Webb, the Attorney-General and Acting Minister of External Affairs, told the United Nations Association in New Zealand that the Nationalist regime in Taiwan could not speak for all China and that the
PRC should have been admitted to the UN. A few days after the ANZUS agreement was signed in September 1951, Webb replaced Doidge as Minister of External Affairs and immediately expressed his views on China again in a paper prepared for the New Zealand delegation to the UN’s sixth session. He wanted the delegation to support the postponement of the China question as long as China was involved in the Korean War, but added that New Zealand might revise its position if an armistice was concluded in Korea. He also noted that the PRC ‘had a very strong claim to be represented in the United Nations and that a grave mistake had been made by the United Nations as a whole in not admitting them’. Webb said that the United States had been ‘a very bad guide in this matter’.

On 15 June 1953, the American Ambassador to New Zealand presented a memorandum to Webb outlining the various reasons why the United States considered the PRC should not be seated in the UN. Holland was in London, and Holyoake, as Acting Prime Minister, chaired the meeting of Cabinet at which the American communication was discussed, and summed up the consensus. The US Ambassador and the absent Prime Minister were told that Cabinet had decided that ‘it was absurd to regard Chiang Kai-shek’s government as representative of China’ and that ‘the Communist Government is so firmly in the saddle that sooner or later it will have to be recognised and . . . admitted to the UN, provided of course it abandons aggression’. Responding from London, Holland stressed the need for caution, for peace in Korea as a prerequisite, and for the UN to be satisfied of China’s peaceful intentions generally. A fortnight later, Webb told New Zealand’s UN representative, Munro: ‘It is obvious that the accredited representatives of Peking must be allowed to take their places eventually in the U.N. . . . even if the U.S. for domestic reasons decided to oppose it.’

Webb’s steady progression towards having New Zealand recognise the PRC and support its admission to the UN was halted at an ANZUS meeting in September 1953, which opposed the recognition of Communist China and its admission to the UN ‘under present circumstances’. Webb regretted the need for a joint statement and also the impression that New Zealand had hardened its position against China, but Holland instructed him to make no further comment that might lead to a misunderstanding with the United States. Holland’s order arrived in Washington just as McIntosh and Munro were struggling to restrain Webb from speaking in the General Assembly, stating that his and New Zealand’s position had not changed.

In July the following year, Webb again pointed out to Parliament, in another foreign affairs debate, that the non-recognition and non-admission
of Communist China was ‘tending to keep up international tension, and thus endangering world peace. No one can seriously argue that Nationalist China on the island of Formosa could speak for the 500 million or 600 million people on the mainland of China.’ Communism was an ideology that could not be stopped by guns but could be countered by financial and technical assistance to underdeveloped countries. The recognition of the PRC and early admission to the UN would also help in ‘wooing China away from Russia’. Because Nationalist China was already a member of the UN, he admitted that he could not visualise it being now excluded. This was the first time that anyone in New Zealand had suggested a ‘two-Chinas’ policy in the UN, and such a proposal contradicted his oft-stated view that the issue was simply which government was entitled to represent China on the seat she already had in the UN.10

Holland, Munro, the Americans, the British, and the Australians were not impressed with Webb’s dual representation solution, but Holyoake was, and advocated it for the following fifteen years, despite neither the PRC nor the ROC – nor for that matter most other countries – accepting the existence of two Chinas.

On 26 November 1954, Webb went to London as High Commissioner and the main ministerial advocate of recognition of the PRC was removed from Cabinet. Officials in External Affairs continued to advise the Government that, on China: ‘We should not seek the displeasure of our friends by doing something which would cause them great displeasure. In any case we have little to gain from recognition.’11

Although the Labour Party election manifesto in 1954 appealed for the recognition of the PRC, that call was not repeated in subsequent elections. The Nash Labour Government elected in 1957 did, however, consider recognising the Peking regime but decided not to do so in the light of the Formosa Straits crisis of 1958 and the Chinese annexation of Tibet in 1959. Nash was also persuaded to change his mind on recognising the PRC by McIntosh, who provided the Prime Minister with a list of pros and cons, confident in the knowledge that ‘if you presented him with alternative courses he was paralysed because he wanted to do both’.12 The Labour Party advocated dual recognition in 1963 and made no reference at all to the recognition of the PRC in its 1960, 1966, or 1969 manifestos.13

The case for recognising the PRC was left largely to the tiny New Zealand Communist Party – the only Western communist party to follow China after the Sino-Soviet split of the mid-1960s – and the New Zealand China Friendship Society, formed in 1952 and which included non-communists as well as members of the NZCP, who were generally regarded as dominating it.14
HOLYOAKE, WHILE still Leader of the Opposition, toured Asia in January and February 1960. Originally he planned to visit only Japan, Singapore, Malaysia, and Indonesia, but McIntosh suggested that, because ‘no New Zealand political leader has yet visited Nationalist China’s stronghold’, Holyoake might also spend ‘a few extra days’ there. Holyoake agreed. One of McIntosh’s lieutenants, Corner, was concerned, however, that Holyoake might become too sympathetic to the Chinese Nationalists and so become an opponent of recognising the PRC and including it in the UN at Taiwan’s expense. Those concerns were reported publicly in the press a fortnight later. Corner’s fears were well founded.

Holyoake spent three days in Taiwan, meeting many of its leaders, including Chiang Kai-shek on 18 February. He confined himself largely to discussing trade between the two countries and refrained from giving any commitment regarding the diplomatic recognition or UN membership issues. But the two-Chinas view that he had formed under Webb’s influence was confirmed, and on his return to New Zealand Holyoake told Parliament that New Zealand should reject diplomatic recognition of Communist China until the Chinese Government and the Chinese people on the mainland give some genuine indication that they qualify for admission under the Charter of the United Nations.

Shortly after he became Prime Minister again, Holyoake in March 1961 attended a Prime Ministers’ Conference in London and then had talks with President Kennedy in Washington DC. Following advice from External Affairs, he again declared publicly that he did not think Communist China had demonstrated that it was prepared to accept United Nations precepts and thus should not be admitted as a member. Indeed, for most of the more than eleven years he was to be Prime Minister, he remained reluctant to recognise the PRC or allow it to become a member of the UN at the ROC’s expense. New Zealand appeared to be committed to the recognition of an independent Taiwan and a two-Chinas policy that would have both countries recognised as legitimate governments and both given seats in the UN. This scenario was favoured by neither the People’s Republic of China nor Taiwan and effectively closed the door on New Zealand’s relations with the PRC.

In May 1961, the ROC Ambassador to Australia, Chen Chih-mai, approached Holyoake informally regarding the possibility of the ROC’s Wellington Consulate being upgraded to embassy status. With apparently little consultation with his officials, Holyoake responded that ‘[his] Government would make a positive reply’ to a formal proposal. The ROC Embassy opened officially in Wellington on 17 August that year. Later the same year, worried that a simple majority might seat the PRC in
the United Nations and expel the ROC, the United States approached eight countries including New Zealand to co-sponsor an ‘Important Question’ resolution, which would change the issue of China’s representation from a resolution requiring a simple majority in the UN General Assembly to one requiring a two-thirds majority. New Zealand agreed and the resolution was adopted, with 61 countries voting for, 34 against, and 7 abstaining. Although the vote narrowed annually thereafter, the PRC continued to be excluded from the UN over the next ten years. The worsening of the Sino-Soviet dispute and the excesses of the Red Guards during Mao’s Cultural Revolution in China did not help the PRC’s cause during the mid-sixties either. A growing number of countries, however, continued to be concerned at China’s isolation, and Holyoake suggested at an ANZUS meeting in August 1964 that both world and New Zealand opinion was swinging in favour of the recognition of the PRC.

At the end of 1966 the Canadians moved towards formal recognition of the PRC. The Americans requested Holyoake to approach Lester Pearson, the Canadian Prime Minister. Holyoake urged Pearson ‘to give the most earnest consideration to the views and interests of your friends’ before taking such a step. The security situation in the Asia-Pacific region was of great concern to New Zealand and it was essential that the United States should support any proposal for Canada to recognise China unilaterally or support its entry to the UN. Pearson replied that Canada would take the views of its friends ‘fully into account’ in considering the matter but did not believe that group consultation would be helpful in the question of bilateral relations between Canada and the PRC, although it might be in terms of the PRC’s UN membership. Holyoake in turn responded that, because of China’s aggression, it was the wrong time even for an approach on bilateral relations.21

The Belgians in August 1969 proposed that both Chinas should be represented in the UN, with the PRC taking the permanent seat on the Security Council, but neither China was prepared to accept that proposition. This was, however, the position Holyoake had held personally for some time, towards which New Zealand had been moving officially, and which the United States would probably support while not wishing to propose it, according to Larkin in a secret paper he prepared for the Department of External Affairs.22

Meanwhile, in the United Nations, New Zealand continued to co-sponsor annually the resolution requiring a two-thirds vote for the PRC’s admission. In 1969 that resolution was adopted by 71 votes to 48 with 4 abstentions, but the subsequent vote on recognition of the PRC was defeated only by a margin of 8, with 48 in favour, 56 against, and 21 abstentions. Many of the countries that had voted against admitting the PRC did so with some ambivalence, including, now, New Zealand. Holyoake, in October 1969, a few weeks before
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the UN vote, wrote to a colleague, Gair, and indicated that, in his opinion, the only thing standing between New Zealand’s recognition of the PRC and its entry to the UN was Peking’s insistence that Taiwan should not continue to enjoy recognition and membership.23

Addressing the General Assembly in the same month, Holyoake said that the UN was ‘increasingly faced with the need to come to terms with a situation where a quarter of the world’s population remains unrepresented in it . . . the effectiveness of our Organisation is impaired by a gap of this magnitude’, and he believed that the problem needed to be solved soon. The following month, he approved a speech made by New Zealand’s Permanent Representative and stressed to him that ‘he wanted the speech to be drafted to convey the impression that New Zealand wanted some definite movement made on the representation issue’.24 Reflecting his typically cautious approach to change, he told two New Zealand political scientists that he would ‘welcome the dialogue and progress’ that would end the PRC’s ‘self-imposed’ estrangement and see China recognised ‘quite soon’, concluding somewhat cryptically: ‘Time passes, things change, men change, policies can change, and one just lives in hope.’25

Then, in 1970, the Canadians announced that they would recognise the PRC and establish diplomatic relations with it, take note of its claim that Taiwan was an inalienable part of the PRC, and vote for the seating of the PRC in the UN and the expulsion of Taiwan. The Taiwanese Embassy in Ottawa closed. Holyoake commented that New Zealand saw things differently to Canada but, unlike Australia’s Prime Minister William McMahon, who reasserted ‘the traditional hard-line view’, he expressed what the New Zealand Herald called ‘guarded approval’ of the Canadian recognition of the PRC.26 Holyoake commented that New Zealand ‘had long accepted that the Communist authorities were the effective Government of mainland China’, and that ‘it will be necessary for the countries of Asia and the Pacific to come to terms with Peking. We ourselves are prepared to seek direct ties with Communist China.’ He hoped that this would not be at the cost of New Zealand’s continued links with Taiwan or the expulsion of Taiwan from the UN, and expressed particular concern that small and weak states should not be discriminated against in that forum.27

Following Holyoake’s statements, Taiwan’s Ambassador to New Zealand expressed his government’s regrets that the Prime Minister ‘had found it necessary to say that New Zealand wished to seek direct ties with Peking’.28 In a letter to the General Director of the National Party, Holyoake subsequently gave a somewhat stronger assurance that, while wanting to see the PRC in the UN, he could not support a resolution to seat it that also expelled Taiwan.29
This recognised an adverse reaction within the National Party cabinet, caucus and membership, including from Marshall and Muldoon, who both visited Taiwan in 1970, as well as from the Labour leader, Kirk, who was a strong supporter of Taiwan, to the suggestion that Holyoake might be about to sacrifice the ROC.

Taiwan had lobbied intensively in New Zealand throughout the 1960s via its energetic Ambassador, Konsin Shah, and also a small but influential Free China Society of New Zealand, which he had formed. As Laking pointed out, the Nationalist Chinese have . . . been very active here recently and have probably strengthened their position in certain key sections of the community . . . . The Government will therefore need to tread very warily . . . but it will also be conscious of the danger of being left behind in a general movement towards acceptance of Peking or of appearing simply to trail along behind the United States.

The votes on Chinese representation in the UN on 20 November 1970 were even closer than the previous year. On the Important Question vote, 66 members including New Zealand voted in favour, 52 against, and there were 7 abstentions. On the division to seat the PRC and expel Taiwan, there were 51 countries in favour, 49 against, including New Zealand, and 25 abstentions. Although Britain and Canada supported the Important Question resolution, they subsequently voted for the motion to seat the PRC as the sole representative of China. This was the first time a majority had voted to seat the PRC at the expense of Taiwan, even though it failed to gain the required two-thirds majority.

AMONG NEW ZEALAND’S diplomats there was an increasing recognition that the two-Chinas approach was untenable and that New Zealand might very soon have to choose between the PRC and Taiwan. Hunter Wade, New Zealand’s Ambassador to Tokyo, for example, told Corner in Washington and John Scott, New Zealand’s Permanent Representative at the UN, in New York that, in his opinion, Taiwan was not particularly respectable in the international community and was becoming even less so. Its international position was eroding and Taiwan ‘could become quite an embarrassment to New Zealand (and Australia and Japan if not the United States) if we were left in the company of only South Korea and Vietnam and Cambodia in maintaining positive friendly relations with Taiwan’. Other officials wanted ‘an inconspicuous low-keyed approach. We should aim to “drift out on the
In December 1970, senior New Zealand Foreign Affairs officials met to reconsider New Zealand’s policy towards Communist China. As one participant recorded, ‘there is enough difference to make our discussions fairly lively’. The consensus was:

The Government would probably not wish to be left behind in any general movement towards acceptance of Peking; nor would it wish to give the impression of merely trailing along behind the United States and Australia. On the other hand, it may well be reluctant to get far out in front of them, especially if this involved severing our ties with Taiwan.

Unfortunately, ‘both the Communists and the Nationalists are strongly opposed to a two-Chinas – or one China-one Taiwan – solution’, which New Zealand favoured and which the United States appeared to be moving towards. New Zealand might have ‘to be prepared to accept Peking as the only legitimate Chinese Government’.

Laking, reporting on the meeting to the New Zealand Ambassador in Washington, noted: ‘The main conclusion that emerged was that . . . there is no basis for the establishment of diplomatic relations between New Zealand and Communist China at the present time.’ The UN representation issue needed to be resolved first and: ‘The Prime Minister feels that Chiang Kai-shek may not be as adamant as he likes to appear. Sir Keith believes that, if a solution were worked out providing for the presence of both Chinas in the United Nations, the Generalissimo might well go along with it.’ If Taiwan was expelled from the UN, however, Laking believed that would have the most serious consequences . . . on public opinion in New Zealand. There can be no doubt that if Communist China were seated in the organisation the New Zealand Government would come under increasing pressure to establish relations with Peking . . . . There is a good deal of public sympathy in New Zealand for the Chinese Nationalists, but there is very little support for their claim to be the government of China.

Holyoake, however, was not prepared to wait until after the issue of China’s representation in the UN was resolved before exploring the possibility of recognition of the PRC. He therefore started concurrently, but separately and secretly, to try to initiate contact between himself and the People’s Republic.
THE OFFICIALS WERE aware that, for almost two years, from early 1969, first Marshall and then Holyoake had been secretly and informally exploring the possibility of closer relations between New Zealand and the PRC. In 1969, Ramon La Varis, an Auckland land agent and importer/exporter, who had visited the Canton Trade Fair in late 1968, sought a meeting with Holyoake. The Prime Minister declined, despite La Varis claiming that Marshall, as Minister of Overseas Trade, would confirm his ‘bona fides’ and ‘relationship with Communist China’ and that there was ‘a distinct likelihood’ that he (La Varis) would ‘be meeting Lin Piao and Chou En Lai, whom [sic] you are probably aware, are Mao Tse Tung’s right hand men’ when he next went to China. Marshall, who had met La Varis a few days beforehand, subsequently wrote to the Secretary of Foreign Affairs claiming that La Varis is ‘our best salesman in Red China’ and ‘reports to me regularly’. La Varis had met with the Chinese Deputy Foreign Minister about a possible meeting involving New Zealand, Australia, China, and North Vietnam, and Marshall thought this should be followed up. Later that year, La Varis again wrote asking to see Holyoake, who again declined, although he thought a meeting might be possible after the election.

Shortly before La Varis went to Canton again in October–November 1970, Marshall asked him to explore informally and secretly business and political relations between New Zealand and the PRC. Laking and Hunter Wade, New Zealand’s Ambassador in Tokyo, had some reservations, but Laking at first saw ‘no harm’ in the arrangement, although in retrospect he very much regretted the involvement of La Varis, whom he came to regard as ‘a damned nuisance’. Wade also felt reluctantly that, ‘because Mr Marshall takes La Varis seriously . . . I must therefore do the same’.

During the latter part of 1970, an increasing number of people started to question the use and usefulness of La Varis. British officials at Canton expressed astonishment to the British Foreign Office when La Varis approached them for help. Gray Thorpe, the New Zealand Commissioner in Hong Kong, warned Laking that: ‘Insofar as anything is ever clear in a conversation with Mr La Varis, it seems evident that he himself has carried out a series of long political discussions centring around New Zealand’s foreign policies, and that he has made little or no attempt to separate these from his business talks.’ Two prominent New Zealand businessmen trading with China, Vic Percival and H. Westwood, also warned against La Varis. Even New Zealand’s Joint Intelligence Bureau, which regularly debriefed him after his trips to Canton, did not regard him ‘to be a reliable reporter’. The Secretary of Overseas Trade also warned Marshall that there were serious improprieties in the import licences given to La Varis, who had placed orders for $94,987
worth of imports from China in 1970 although only being allocated licences for $23,911. La Varis appeared unreasonably optimistic about his ability to sell New Zealand goods to China but argued that any cancellation of his imports would damage his credibility in that market and the delicate negotiations he was undertaking for Marshall.45

In February 1971, President Nixon dramatically announced to the US Congress that the United States would recognise and ‘normalise’ its relations with the PRC but would separate that from the issue of UN representation. Subsequently, he revealed publicly that he had, since 1968, been interested in ending the international isolation of the PRC, because it was wrong to have ‘a billion of the most creative and able people in the world isolated from the world’.46

Laking was anxious that New Zealand’s position on China should be developed in close consultation with the US. He informed Holyoake that Corner had held talks with the Americans in Washington in January and that New Zealand officials had also discussed the matter at a meeting of ANZUS in Canberra in February. Larkin told the Canberra meeting that New Zealand believed that the Important Question resolution would probably be defeated in the UN in 1971 and that the PRC would then be seated. Only the acceptance of a two-Chinas solution was likely to prevent Taiwan’s expulsion. Should China replace Taiwan in the UN, the New Zealand delegation believed that there would ‘probably be a sharp increase in public pressure on the [NZ] Government to recognise Peking and establish diplomatic relations with it’. Sir Keith Waller, who led the Australian delegation, said that ‘Australia had been thinking on similar lines’ to New Zealand. The US representatives, Ambassador Winthrop Brown and Alfred Jenkins, ‘expressed general agreement with the New Zealand assessment’ but cautioned that to accept such a proposal the US would need ‘at least the acquiescence of the Government of the Republic of China’.47

In April, Holyoake met Nixon in Washington. Before the Prime Minister departed for the meeting, Laking, in a lengthy letter, advised him to discuss the question of Chinese representation in the UN with the President, and particularly ‘whether he will authorise the State Department to explore with a wider group of governments the feasibility of a two-Chinas solution’. Laking believed that ‘public opinion in New Zealand favour[ed] a two-Chinas solution. Most people think it silly not to accept Communist China as a member of the international community, but they also feel it would not be right to abandon Taiwan.’48 Laking was very disappointed when Corner reported from Washington that: ‘The UN representation issue was not rpt not raised in the Prime Minister’s talks with the President or Rogers.’49 In London,
Holyoake reiterated that New Zealand was not prepared to abandon the two-Chinas policy but that the PRC as the larger state should take the permanent seat on the Security Council and Taiwan remain as an ordinary member. In preparing a statement on the China issue for the Government caucus, Laking told Marshall that he had 'assumed that the Government would not wish to commit itself definitely to a two-Chinas approach without knowing what course the United States is likely to follow this year' and that 'it seems best that any statement circulated to members of the Caucus should avoid going into details or committing the Government to any specific line of action'.

While Holyoake was overseas, Marshall, as Acting Prime Minister, in April 1971 again in writing authorised La Varis – despite all the concerns already raised about him – to represent New Zealand in further informal business negotiations with the Chinese when he visited there in May. He did, though, advise La Varis that he was not authorised to speak for the New Zealand Government on political matters. When Holyoake returned to New Zealand in May he not only discussed the China issue with his officials but also met La Varis for the first time to discuss what might be done to establish dialogue with the Chinese. There was now some urgency. On 11 May, the Australian Prime Minister had announced his government’s intention to normalise bilateral relations with the PRC and referred to the ‘inevitability of mainland China becoming a member of the UN and holding the permanent seat in the Security Council’. Kirk had also allowed Labour’s spokesman on Trade and Industry, Warren Freer, to travel with a small group of New Zealand businessmen to China – a move welcomed by Holyoake, who announced publicly that he was prepared to send ‘a trade mission on a goodwill visit’ there.

Two days after the meeting with La Varis, Holyoake set out the New Zealand Government’s position on China in a detailed twelve-page public statement drafted for him by the Ministry of Foreign Affairs. At the same time, Laking informed all New Zealand’s overseas diplomats that Holyoake’s statement ‘would enable him either to support a two-Chinas proposal if one were put forward or, if not, would provide a defensible basis for maintaining New Zealand’s existing stand’ in the light of Nixon’s movement on China. The Secretary of Foreign Affairs observed:

There are some differences between our approach and that of the Americans. They are a great power. We are a small country and it has been a consistent theme of our foreign policy that the interests of small entities should not be sacrificed merely because it becomes inconvenient for larger countries to recognise or accommodate them.
While recognising that ‘there are two Chinese Governments, both in effective control of their territory and population’, the New Zealand public statement ‘carefully avoided discussing, or passing judgment on, the legal status of Taiwan’.55

In turn, the Taiwanese Ambassador to New Zealand, Shah, called on Holyoake and reiterated that his government completely rejected the two-Chinas policy, but Laking speculated in a memorandum to his lieutenants, Larkin and Bryce Harland, that, if the PRC was admitted to the UN, the United States might then be prepared to accept a two-Chinas solution in order to prevent the expulsion of Taiwan.56

The Canadians, who received a copy of Holyoake’s statement, ‘were not impressed with either the arguments used or with the occasionally propagandist tone in which they were presented’. Chiang Kai-shek’s claim to represent the whole of China had ‘defined the present problem and limited the scope for possible solutions’ and the question was not one of protecting the rights of a small nation but of simply deciding whether the PRC or ROC was the legitimate government of China. The one thing both the PRC and the ROC agreed on was that there was only one China. Holyoake’s argument missed the point because ‘the right of a small nation to a separate existence is not at stake because no-one has claimed that right’.57 The British, for the same reason, also found Holyoake’s case unconvincing. The major weakness was that there was ‘no sign that either Peking or Taipeh [sic] were prepared to accept any aspects of the solution New Zealand favoured’, thus making a two-China or dual representation solution impossible.58

IN JULY 1971, FOLLOWING a secret meeting between Henry Kissinger and Chou En-lai, Nixon announced that he would visit Peking. Nixon and his advisers regarded China as having been weakened internally by the Cultural Revolution. It was also more isolated and vulnerable following serious border clashes with the Soviet Union during 1969 and the strengthening of relations between the Soviet Union and North Vietnam. The American administration no longer saw China as a major threat and, therefore, was prepared to seek negotiations with it and bring about an end to its containment. An impression was also given that the US was now more interested in improving its relations with the PRC than with defending Taiwan’s position in the UN. Holyoake complained to the Australian Prime Minister, McMahon, that New Zealand had received only ‘fifteen minutes’ notice’ of the announcement of Nixon’s visit and that, although he welcomed it, he was concerned about the way the allies of the US had been informed and the effect the action might have,
especially on US–Japanese relations. He hoped that the US would consult more with Japan, Australia, and New Zealand on the issue of China’s UN representation.59

Shortly afterwards, in early August, the US did call a meeting of its closest UN allies to consider the co-sponsoring of a resolution that might lead to the admission of the PRC while preventing the expulsion of Taiwan. The representatives of Australia, Belgium, Japan, New Zealand, the Philippines, and Thailand attended the meeting, which was held in the office of George Bush, the US Ambassador to the UN. New Zealand made it plain that it wanted the PRC to have the Security Council seat in any dual representation resolution.60

In the meantime, La Varis, who had returned to New Zealand some weeks before, had reported to Laking that the Chinese were ‘willing to consider a mission from New Zealand if it is described as a goodwill mission and not a trade mission’. Laking passed this on to Holyoake and, although warning that he had doubts about La Varis’ discretion, concluded that ‘the advantages of using him outweigh the risks’ at the current stage of negotiations.61 After discussing the matter with Marshall and gaining Cabinet approval, Holyoake informed La Varis that he could tell the Chinese that New Zealand wanted to send a goodwill mission to China in the near future and that the Chinese could communicate through their embassy in London, with whom New Zealand was prepared to lodge a formal request. Laking informed New Zealand’s representatives in Tokyo, Hong Kong, and London about the proposed mission and its likely broad-based composition.62

The British, whom Laking had asked for a personal assessment of La Varis, watched on with some incredulity as Holyoake and Marshall utilised the trader as an intermediary. The British Chargé d’Affaires in Peking, C. O. Hum, told the Foreign Office in London that he had met La Varis in Canton, where ‘everyone . . . knew of his diplomatic pretensions’ and where La Varis had ‘pushed me unsteadily into a corner and informed me in tones of portentous confidentiality that he was the unofficial representative of the New Zealand Government to the Chinese authorities . . . [there] to discuss with the Chinese the terms on which the two countries might open negotiations leading to the establishment of diplomatic relations’. Hum concluded that La Varis ‘would seem the least suitable of men to be entrusted with a delicate diplomatic negotiation’, having gained the impression in a long discussion with him that he was ‘very indiscreet, exaggerated, big-noted himself, [and] name-dropped (even when not knowing the people he mentioned but implied he did)’.63

Thorpe in Hong Kong again contacted Laking to warn against using La Varis. He had spoken to Ron Howell, one of New Zealand’s most experienced
and successful traders with China, who ‘singled out La Varis as the one man
the Chinese did not trust’ among New Zealanders doing business in China
and said that ‘no matter what La Varis may say about his reception in China,
he has not in fact been further than Canton on any journey he has made . . . . Given Howell’s background these calls may be a means of conveying a
message from the Peking Government that the use of La Varis as a channel of
communication is unacceptable.’ Thorpe concluded:

I continue to be astonished that in the light of reporting from this post on La
Varis’ activities and conversations and your own awareness of his unreliableness,
Government should have first extended to him unrequited confidence in the way of
preferential import licences and subsequently have entrusted him with the handling
of the project for a Trade Mission.64

On 17 August, La Varis again met Holyoake and Laking for an hour and
told them that his contact in Hong Kong, Lai Chuan Chen, the Director of the
China International Travel Service, had let him know that the Chinese wanted
to discuss details of the proposed goodwill mission when La Varis was next in
China in October. The Chinese were also considering a separate Labour Party
proposal.65 A few weeks later, the senior Labour MP Warren Freer was invited
by the Foreign Affairs Institute in China to arrange for a delegation of Labour
Party members to visit China. Kirk told Laking that Freer had received the
invitation, but the Labour leader ‘indicated that he was not very much in
favour of having Mr Freer go to China on his own’, even though Kirk ‘agreed
with the need to establish some dialogue with Peking’. Kirk stressed that,

while he favours the entry of Peking into the United Nations and accepts that,
in the long run, Peking and Taipeh [sic] will probably reach some compromise
between themselves, he is opposed to the principle of subordinating the interests
of small countries to those of great powers. For this reason he favours the continued
presence of Taiwan in the United Nations.66

Kirk’s views were almost identical to those held and being pursued by Holyoake.
Freer had spoken with Laking three days before and indicated that he would
prefer a more broadly based New Zealand goodwill mission to China, such
as Holyoake was proposing, rather than a visit by himself or a Labour Party
group, and intended replying to the Chinese along those lines.67

The week before he met La Varis, Holyoake presented to the New Zealand
Cabinet on 11 August a paper and recommendations that New Zealand should
co-sponsor a resolution for the dual representation of the PRC and Taiwan in
the UN. This was approved. Within days, the PRC clearly and firmly rejected such a solution. The Taiwanese Ambassador to New Zealand, while indicating that a two-Chinas policy might now be acceptable, rejected the suggestion that the PRC should take the Security Council seat and was concerned that New Zealand’s position ‘may have decisive effect in enabling the State Department to convince the White House that there is no alternative but to go ahead on a complex D[ual] R[epresentation] basis’. He criticised New Zealand’s UN Permanent Representative, claiming that Scott had been ‘more vocal than anyone else’ in discussing the China representation question at the UN. Holyoake told the Ambassador that New Zealand’s complex dual representation resolution giving the Security Council seat to the PRC was the best chance of Taiwan being allowed to remain in the UN.68

Following that meeting, Laking suggested to Holyoake that New Zealand should ‘consider giving higher priority than it has so far to the establishment of relations between New Zealand and China’. This would involve recognising the PRC as ‘the sole legal government of China’ and asking the ROC to remove its embassy from New Zealand. While such an action would embarrass the United States, Australia, and Japan, with whom New Zealand usually acted together on the China issue, ‘any adverse reaction on their part is something the Government could probably accept’.69 However, Holyoake, with his usual caution, was reluctant to offend New Zealand’s allies by acting unilaterally on the issue.

On 10 September, the US Secretary of State advised Holyoake that the American administration had considered New Zealand’s view that any dual representation resolution needed ‘to reflect the power realities in today’s world’, that ‘China’s Security Council seat be held by the People’s Republic of China’, and that, ‘unless such a recommendation were included, the resolution’s chances for passage would be greatly reduced’. He stated that, ‘[a]fter careful consideration of your views and those of other friendly nations, we have become convinced that this is indeed the case’. Ambassador Bush was, therefore, amending the US draft resolution on dual representation and hopefully New Zealand would agree to be a co-sponsor of it.70

Thus, New Zealand continued to co-sponsor the Important Question resolution and became one of seventeen countries that co-sponsored a new Dual Representation resolution, both tabled by the United States on 22 September. But New Zealand and Australia, which also co-sponsored both, only did so on the former at the last minute after considerable pressure from the United States and only after Holyoake and McMahon had discussed the matter on the phone. In advising Holyoake that New Zealand should remain a sponsor of the Important Question resolution, Laking told the Prime Minister:
'My own feeling is that we have both gone too far with the Americans now to draw back, even if we have doubts about the eventual outcome.'

Muldoon led the New Zealand delegation to the 26th session of the UN General Assembly and addressed it on 6 October. The Finance Minister stated that New Zealand favoured the seating of the PRC but wanted fair recognition of the ‘existence of two governments in full control of their respective territories’. The PRC would take the Security Council seat and New Zealand was sponsoring a proposal to that effect. The Chinese were annoyed with both New Zealand’s continued sponsorship of the Dual Representation resolution and Muldoon’s remarks, and saw them as evidence of its continued hostility towards the PRC. Chinese trade negotiators in Peking, for example, cited both matters when asking Howell ‘if he could expect them to do business with a country that was trying to divide China in two’.

During the debate in the General Assembly from 17–25 October, New Zealand’s Permanent Representative again put forward his government’s well-known and consistent position. In vetting Scott’s speech and considering a fallback position, however, Holyoake decided that, if the Important Question vote was lost and the issue of Chinese representation was then decided by a simple majority in a second vote, New Zealand would vote to seat the PRC. Scott was instructed accordingly. As Laking recorded, for a few hours before the vote, New Zealand did think of ‘parting company with its friends – Australia, Japan and the United States’ and voting for the Albanian resolution to seat the PRC. Scott disagreed on the grounds that this action would lead to Taiwan’s expulsion and would be seen as deserting the United States. Laking still thought that New Zealand should vote in favour of Peking once it was clear that attempts to save Taiwan had failed, but Holyoake accepted Scott’s protestation that this would be viewed as deserting New Zealand’s allies and changed his mind at the last minute. Laking reluctantly cabled Scott and told him, ‘the Prime Minister’s direction is that you should stick with the Australians and Americans in the voting’.

On 25 October, the Important Question resolution was lost, 55 in favour, including New Zealand, to 59 against, with 15 abstentions. Albania’s motion to admit the PRC and expel Taiwan, therefore, required only a simple majority. Taiwan, seeing the substantive vote’s outcome to be a foregone conclusion, then withdrew from the UN and the resolution to admit the PRC was subsequently passed by 76 votes to 35, with 17 abstentions. New Zealand voted against. The passage of the Albanian resolution meant that the complex dual representation motion co-sponsored by New Zealand was not put.
EVEN THOUGH NEW ZEALAND had voted against the resolution specifically expelling Taiwan, Holyoake publicly welcomed the entry of the PRC into the UN because it made ‘the United Nations more directly reflect world realities’. He added that he was ‘deeply disappointed over the expulsion of Taiwan’, having personally strengthened the draft statement that his officials had prepared for him and which had more mildly stated, ‘I admit to disappointment’ at Taiwan’s exclusion. He announced that New Zealand would now explore the establishment of formal diplomatic relations with the PRC.78

Some weeks before, La Varis had telephoned Laking and told him that the ‘Chinese were stalling’ because, although they wanted to have a complete discussion with him about a proposed New Zealand goodwill visit, they wanted to base their consideration on New Zealand’s actions at the UN in the debate and vote on the PRC’s admission. When Laking mentioned this conversation to Holyoake, the Prime Minister expressed doubts about any suggestion that discussions between La Varis and the Chinese should be regarded as ‘official’. He regarded La Varis only as a means of getting a letter informally to the Chinese.79

By then Laking was having serious concerns about the wisdom of continuing to use La Varis at all and wrote a formal note to the Prime Minister on 27 September recommending that ‘we discontinue using him as a channel’ in seeking a goodwill mission to China. Instead, Laking himself should travel to Paris and make contact through the Chinese Embassy there.80 He subsequently confided to the British High Commissioner in Wellington that he had advised the Prime Minister to contact the Chinese through more orthodox channels. Holyoake, however, as Galsworthy reported back to London, was still ‘firmly committed to using La Varis as a go-between’, even though Laking thought the decision was not only wrong but ‘out of control’ and opened New Zealand to ridicule.81

Laking was even more outspoken in a letter to Corner in Washington, complaining that, ‘we are now scuttling about trying to develop a posture which will enable us to make the transition from one policy to another with the minimum of embarrassment to ourselves . . . we are now in a rather unholy mess’. He blamed this ‘primarily’ on the continued use of La Varis, who ‘was never successful in getting to Peking but only to the Trade Fair in Canton’, as the means ‘to pass on a message in the first instance’. Although more recently the Prime Minister had seemed to agree that ‘we ought to discard La Varis and . . . make contact with the Chinese Embassy in Paris’, La Varis had got in contact with the Prime Minister and had gone off to China again ‘with some instructions of which I am not aware . . . . I told the Prime Minister yesterday, it is quite clear [La Varis] has neither contacts nor influence in Peking and
shows signs of getting the Government into serious trouble’. Corné replied at length, sympathising with Laking’s concerns and pressing for the rejection of the two-Chinas policy, the recognition of the PRC as the sole government of China, and ‘quiet conversations’ at the UN about a goodwill mission to that country.

On 26 October, the day after the PRC was admitted to the UN, La Varis, who seemed to have a much more inflated perception of his role as a messenger than did Holyoake and Laking, arrived at the Canton Trade Fair carrying the letter from Holyoake to the Chinese Government. In transit, he told Richard Taylor, New Zealand’s new Commissioner in Hong Kong, that ‘he had previously reported to Mr Marshall but apparently these reports had not been passed on to the Prime Minister. He had now been told by Sir Keith that in everything connected with the proposed mission he was to report direct to him’.

In Canton, La Varis enlisted the assistance of Peter Marshall, the Secretary of the Sino-British Council Liaison Mission, who handed over Holyoake’s letter to a senior Chinese trade official. La Varis also sent messages to a variety of other Chinese officials, none of whom he knew, asking them to bring Holyoake’s letter to the attention of Chou En-lai. The British Embassy in Peking also reported the contents of Holyoake’s letter to the Foreign Office in London and the British High Commissioner in Wellington.

In this letter, Holyoake proposed the exchange of commercial and cultural delegations between the two countries. The New Zealand delegation would include two officials of the Ministry of Foreign Affairs; representatives of industry and farming, who would discuss, specifically, dairy products, stock breeding, timber and pulp products, and the use of thermal springs in industry; journalists; representatives of the Maori people; parliamentarians; and scientists and academics. There was no reply, and Taylor again reported from Hong Kong: ‘In spite of optimism expressed to the Prime Minister and to you La Varis in fact brought with him no message from the Chinese Government. He did not visit Peking and got no further than a resort adjacent to Canton.’

In fact, he had spoken to only two officials from the Foreign Ministry, one a protocol officer and another unidentified. Nevertheless, La Varis, reporting on his mission, subsequently assured Holyoake that he ‘had no doubt that the issue was before Chou En-lai himself at the present time’.

NIXON VISITED CHINA in February 1972, and in a Joint Communiqué in Shanghai on 28 February the United States acknowledged that ‘all Chinese on either side of the Taiwan Strait maintain that there is but one China and that Taiwan is a part of China. The United States does not challenge that position.”
On 16 March 1972, a short time after Marshall had replaced Holyoake as Prime Minister, an American delegation, which included Marshall Green, the US Assistant Secretary of State for East Asia and the Pacific, John Holdridge, from the US National Security Council, and Paul Cleveland from the State Department, met Marshall, Holyoake, MacIntyre, and New Zealand officials in Wellington and briefed them in detail on Nixon’s visit to China. Green said that the US no longer recognised Taiwan as the legitimate government of all China. It would, however, still oppose the use of force by the PRC to occupy Taiwan. The US believed that the Chinese were turning to the United States as a deterrent against the Soviet nuclear threat to China. . . . China’s first priority was national survival. . . . South-east Asia was on the periphery of China’s concerns. . . . [and] it might now be that the Soviet Union wanted the war in Indochina to go on and China to see it stopped.

Marshall replied that New Zealand ‘had always stood by Taiwan’, that he ‘did not believe we would wish to change this policy’, and questioned on what basis the US believed that Peking would not resort to force to regain Taiwan. Holyoake then ‘commented that New Zealand felt no burning urge to get into the queue to recognise Peking’ and that ‘full diplomatic relations with China in present circumstances were not a serious prospect’. Nevertheless, he added that ‘the idea of a goodwill mission to China seemed a reasonable one’, and that New Zealand had made some informal soundings about such a mission. Green responded that New Zealand might be better to work through diplomatic channels but would not succeed as long as it also tried to maintain its ties with Taiwan.

Holyoake subsequently led the New Zealand delegation to the SEATO and ANZUS Council meetings in Canberra at the end of June 1972, where Nixon’s visit to China in February and also his visit to the Soviet Union in May were discussed, as were the steps the ANZUS partners were taking ‘to normalise their respective relations with the People’s Republic of China’.

When La Varis had met Holyoake in December 1971, he indicated that a Chinese table tennis team might visit New Zealand the following year. The New Zealand Table Tennis Association (NZTTA) had been negotiating with the Chinese through La Varis, who was a former member of the Association’s executive, in the hope of arranging such a visit. After not hearing from La Varis for some time, the NZTTA wrote directly to the Chinese Table Tennis Association on 12 March 1972. The Chinese replied on 27 April saying that a Chinese team would visit in July. The team duly arrived in New Zealand following a similar visit to Australia. Holyoake welcomed this as a further step
in the development of contacts between the two countries. The Government also guaranteed expenses up to $2,000 to cover the visit, although La Varis objected unsuccessfully to any involvement in the arrangements by Foreign Affairs, whom he claimed were upsetting the Chinese.

The Chinese party of 21 people included at least two Chinese Foreign Ministry officials: Madam Cheng Chi-hung, the Deputy Head of the group, who was a Section Head in the PRC Foreign Ministry; and Hsu Shan-wei, who was the secretary of the visiting party, and was also the desk officer for the region that included New Zealand in the PRC Foreign Ministry. The Chinese professed not to have known before their arrival that New Zealand wanted to send a goodwill mission to China, and some New Zealand officials believed that they ‘indeed may well have been speaking the truth’. I. A. Buckingham, of the Ministry of Foreign Affairs’ Asian Division, who approached Hsu in the Hotel St George separately and informally on 17 July, told Hsu that he found the Chinese ignorance ‘rather astonishing since he was apparently the New Zealand desk officer and Sir Keith Holyoake, then as Prime Minister, had last year made the offer to the Chinese authorities through an intermediary . . . . Hsu said this was the first news he had received of this’ and then asked a whole lot of questions about it. Hsu later agreed to secret and informal talks with Holyoake after the government reception to the team the next day.

Holyoake was accompanied to the meeting by Laking and Buckingham. He told the Chinese that New Zealand welcomed China’s admission to the UN but that, while it would like to send a mission to Beijing, New Zealand would find it difficult to break off relations with Taiwan. Nevertheless, a New Zealand goodwill mission to China would be ‘a first step’ in the Government’s policy ‘to normalise relations with Peking’. The Chinese, with Madam Cheng taking the leading role, responded that they were in New Zealand ‘solely for the purpose of playing table tennis’ but would report the mission request to higher authorities in Peking. They pointed out that ‘the principles for the establishment of diplomatic relations with the People’s Republic should by now be well-known to all, including the New Zealand Government’.

Early in August, La Varis flew to Hong Kong to sound out the Chinese once again about a possible goodwill mission led by Holyoake. Significantly, the Chinese refused to give La Varis an entry permit to China and he returned to New Zealand without setting foot in the PRC. Following his return, La Varis met Holyoake and claimed that his Hong Kong contacts wanted to know who would be in the goodwill mission and sought confirmation that Holyoake would lead it. Moreover, New Zealand would have to indicate that it would recognise the PRC on its terms. Holyoake raised the question of China’s recognition and a mission to that country in Cabinet and sought its
approval but, because some ministers were still clearly concerned that Taiwan
should not be sacrificed, the discussion was inconclusive.\textsuperscript{102}

On 29 September, Japan announced that it would establish mutual
diplomatic relations with China and terminate its diplomatic relations with
Taiwan, and the Japanese Foreign Minister told Holyoake a few days later that
the Chinese would not object to Japan continuing to trade with Taiwan.\textsuperscript{103}
New Zealand had for years maintained a close dialogue and common ground
with the Japanese on this issue, but Marshall publicly announced that New
Zealand’s policy remained unchanged despite Japan’s action.\textsuperscript{104}

Laking had two conversations with the Prime Minister in the week
following Japan’s recognition of the PRC. Laking stressed that there was no
point in seeking a goodwill mission to Peking until New Zealand was prepared
to sever diplomatic ties with Taiwan, but Marshall was still reluctant to do so
and would agree only to a statement that his government ‘would study the
implications of this latest move’. Subsequently, on 3 October, Laking talked
with Holyoake and reported on his discussions with the Prime Minister, and:
‘Somewhat to my surprise he then indicated that, in his view, we should press
on with the idea of sending a goodwill mission to Peking.’\textsuperscript{105} It was clear to
Laking that Holyoake had belatedly recognised the momentum that had been
gathering overseas and the inevitability of New Zealand having to abandon its
two-Chinas stance and modify its approach to the PRC.\textsuperscript{106}

The following day, Holyoake asked Cabinet to revisit its inconclusive
August discussion on the recognition of the PRC, pointing out that: ‘No
Government has been able to establish diplomatic relations with Peking
while maintaining such relations with Taiwan.’ New Zealand had to recognise
Peking’s claim that Taiwan was part of China, as the Canadians and now
Japan had done. Even so, he believed New Zealand would be able to maintain
commercial contacts with Taiwan. Significantly, New Zealand exports to
Taiwan had declined slightly from $3 million to $2.4 million between 1969/70
and 1970/71 but had dropped much more precipitously from $4 million to
$1.6 million in the case of exports to the PRC. Holyoake was willing to lead
a goodwill mission to China and believed that New Zealand should explore
this option through its Permanent Representative at the UN, although he did
not expect a prompt response from Peking.\textsuperscript{107} Cabinet still did not endorse
Holyoake’s proposal.

Four days later, Chen Chu, the Chinese Deputy Permanent Representative
to the UN, approached the New Zealand Ambassador to the UN in a corridor
and inquired about the purpose of the mission New Zealand wanted to send
to Beijing and that had been discussed by Holyoake with the visiting table
tennis team earlier in the year. He said that such a visit would be welcome,
especially if led by Holyoake, but that it would have to be an informal one because of New Zealand’s continued position on Taiwan. Holyoake took the matter back to Cabinet the same day he received the message from New York. This time a mission was endorsed and Laking asked Scott to inform the Chinese and tell them that details would follow. Thereafter, negotiations between New Zealand and the PRC were conducted through official channels, usually through Scott at the UN, rather than through the somewhat bizarre and certainly unproductive, if not counterproductive, use of La Varis, whom Holyoake nevertheless later publicly described as ‘my personal representative to the Socialist Republic of China’ who ‘paved the way for discussions on the normalisation of relations between New Zealand and China’. The Chinese People’s Institute of Foreign Affairs indicated on 13 November that it would welcome a goodwill mission from New Zealand led by Holyoake in early 1973. But although Holyoake said the invitation would be accepted, the exact dates, composition, purpose, and itinerary were not yet finalised when the National Government was defeated at the November election.

Following the 1972 election, Kirk was briefed on the situation but initially told his officials that his government would not establish diplomatic relations with China until Labour’s second term after 1975. Both Holyoake and Kirk, however, had been concerned that the Australians would recognise China before New Zealand did, and, when the new Labor Government in Australia announced that it would immediately negotiate mutual recognition with the Chinese, Kirk changed his mind and moved ‘with lightning speed’ to try to get in ahead of the Australians. China accepted the approach and, on 22 December 1972, New Zealand recognised the People’s Republic of China on the same day as Australia did. While it is now generally believed that the Kirk Labour Government was responsible for the formal recognition of the PRC, all the preliminary work had in fact been done by the previous National Government – especially Holyoake and his Foreign Affairs officials – and the change of government had little effect on either the outcome or the timing of the official announcement.
CHAPTER FIFTEEN

Britain’s Entry to the European Economic Community

As Minister of Agriculture from 1949 to 1957 and Marketing from 1949 to 1953, Holyoake led the negotiations on continued access for New Zealand’s agricultural exports to the British market and the price the British paid. As Prime Minister he chose to leave detailed negotiations on those matters to others, but still kept a close oversight on them and played a major role in determining strategy and tactics and in lobbying in Britain and Europe to achieve the desired outcomes. The situation throughout the entire 1960 to 1972 period, however, was much more complex and the stakes much higher than in the previous decade.¹


Many British politicians and officials believed that Britain had no option but to enter the EEC. As one senior diplomat recalled:

We emerged from World War Two as co-victors with the United States. I think this gave the country . . . the illusion that we were somehow on a par with the United States. That of course was a total illusion. This country was not destroyed by World
By the 1960s the European markets adjacent to Britain were becoming increasingly large and wealthy. The Commonwealth countries were generally poorer and were diversifying their imports away from Britain. Even outside the EEC, Britain was more and more dependent on trade with Europe and less and less on its trade with the old Commonwealth. There was also a strong conviction that integration of the European economies, including that of Britain, would reduce national enmities and the risk of further wars such as those that had damaged the Continent so much earlier in the twentieth century and would strengthen Western Europe against the communist challenge from the Soviet Union and its satellites in Eastern Europe. The negotiations by 1970 were not about whether Britain should or should not be a member but the means by which it became one and the costs to be paid.

Britain had to negotiate not only with the Community and the governments of the original six members of the EEC but also with Britain’s European Free Trade Association (EFTA) partners and the governments of Commonwealth countries that would be affected. In addition, opinion within the British Parliament, within both the Conservative and Labour parties, and among the British press and public generally was deeply divided over the desirability of British membership. It was evident from the first that a major battle would be fought over the continued access of Commonwealth agricultural products to the British market because, as one New Zealand economic historian has pointed out, at that time ‘the EEC was substantially an agreement to reserve the food markets of member countries for Community farmers. Any concession to New Zealand, therefore, struck at the heart of the political entity.’

Holyoake and Marshall were the two New Zealand politicians responsible for looking after the country’s interests throughout the ten years from 1961 to 1971 during which Britain made its three attempts to enter the EEC. Holyoake came to appreciate that ‘unless Britain joined the Common Market she would become a second-rate offshore island and the world would to some extent pass her by and that if she was to remain strong . . . economically and politically . . . she would need to enter upon the European, and that meant Common Market, stage’. He was determined, however, to defend as far as possible New Zealand’s continued access to the British market, especially for dairy products and meat.

He later recalled that when he first appointed Marshall to be Minister of Overseas Trade and New Zealand’s major political lobbyist and negotiator in Britain and Europe, ‘the Producer Boards came to me and told me frankly
that they didn’t think that was a good appointment. And I told them that I thought I was a better judge than they [were], and they later agreed that he had been correct. Marshall worked closely with New Zealand officials and farming leaders preparing and presenting New Zealand’s case and made ten visits to Britain and Europe to argue it over the period 1961–71. He conducted the detailed negotiations with great skill, and with officials lobbied not only the British but also the governments of the Six and the Community’s Commission. New Zealand already had an embassy in Paris, but in 1961 Holyoake established another diplomatic post in Brussels and further embassies were set up in Rome in 1965 and Bonn in 1966. The New Zealand High Commissioner in Britain travelled throughout that country putting New Zealand’s case to the wider public. Always in the background, as New Zealand’s ultimate weapon in the war of persuasion being waged in Britain, was the threat Holyoake made at the very beginning that he would speak out publicly against British membership if New Zealand’s interests were not protected.

Britain’s negotiators identified, and the negotiations with the existing six EEC members largely revolved around, four key issues: Commonwealth sugar; fisheries; New Zealand butter access; and British contributions to Community finance. The last two of those issues became related and the concessions eventually obtained for New Zealand were achieved, from the British point of view, at a considerable extra cost to Britain in future payments to the Community budget. This caused some resentment among the British, incurring the particular displeasure of Sir Con O’Neill, the Deputy Under-Secretary of State in charge of economic affairs in the Foreign Office and the head of the British officials involved in the EEC negotiations. In 1972, only months after their completion, O’Neill wrote a very detailed and frank report that remained embargoed for almost thirty years. Although O’Neill admired the skill and persistence of New Zealand’s advocates, he was sceptical of the validity of their case and annoyed at the cost he believed the British had to pay to get New Zealand special treatment.

The British perspective differs from that of leading New Zealand negotiators. Marshall believed that Heath, Britain’s chief negotiator in 1961 and Prime Minister when Britain finally entered the EEC a decade later, ‘found the New Zealand case for a special arrangement a vexatious impediment’. Both Marshall and Merwyn Norrish, who was New Zealand’s Ambassador to the EEC from 1969 to 1971 and later Secretary of Foreign Affairs from 1980 to 1988, also recognised that O’Neill was insufficiently sympathetic to New Zealand’s arguments, a judgement O’Neill unequivocally confirmed in his subsequent report.
The British were fully aware that New Zealand saw things differently and regarded itself as having almost a divine right to export butter, cheese, and lamb to the British market. Following refrigeration in the 1880s, New Zealand had efficiently and relatively cheaply produced and exported such goods almost exclusively to Britain. Over time, the New Zealand economy became very heavily dependent on continued access. As one British High Commissioner in Wellington reported in 1961: ‘For a generation New Zealand has, as a low cost producer, been able to sell profitably and without effort growing quantities of meat, butter and cheese, and good fortune has come to be regarded as a right’; but ‘the amount of meat and dairy produce that the British market can absorb at attractive prices has its limit’. And this was even without Britain entering the EEC. The Ottawa Conference of 1932 had already replaced free trade with preferential tariffs and quotas and started some diversification of New Zealand’s economy, but Britain’s decision to seek entry to the EEC was an even more serious threat to New Zealand’s remaining access.

Everyone realised that New Zealand’s continued access to the British market could well be irreconcilable with the EEC’s Common Agricultural Policy (CAP) and that New Zealand stood to lose more than any other Commonwealth country if Britain could not protect its interests. Indeed, some argued that its economy could be devastated. As Professor Harvey Franklin wrote only half facetiously in 1970: ‘If our economy were collapsing in this fashion the EEC would not be rid of us. We would appear suitably clothed in native costume and armed with a third world doctrine as an underdeveloped nation, a victim of metropolitan capitalism demanding aid.’ He added: ‘I don’t think it’s probable that we will be cut off just like that. We have assurances from the British.’

The New Zealand Cabinet decided on 6 February 1961 that New Zealand’s support for British entry to the EEC would depend on the continued ‘right of free and unrestricted entry for our meat and dairy produce, rights which we [consider] vital to New Zealand’s economic wellbeing’. As one Treasury official has noted, ‘Holyoake initially took the prime responsibility himself’ for negotiating with the British over its EEC application. The Prime Minister told Federated Farmers that he was ‘in almost daily communication with the British Government’ and that: ‘Unless the British Government can make some compensatory arrangements for British entry into the EEC it will be disastrous for New Zealand, in the short run at any rate.’

From the first, the British recognised that New Zealand had a problem, and that ‘[e]xports to Britain are the rock on which New Zealand has been built’. As the British High Commissioner in Wellington warned the Commonwealth Office:
New Zealand is still in essence a large farm supplying mainly the United Kingdom market; and a threat to this market sends the whole country instinctively to panic stations. Mr Holyoake and his Ministers echo and magnify these dangers and fears, for the National Party rests on the farm interest for its central support . . . and the small farmer has become used to the idea that the world owes him a comfortable living.  

Britain eventually decided that:

There can be no question of an assurance of permanent access into the United Kingdom market, and the French are likely to oppose anything beyond the transitional period. The essential need is to provide New Zealand with a breathing space long enough for her to have a reasonable chance to make the necessary painful adjustments to her economy.

Even so, the British thought that New Zealand overstated its case. New Zealand was a prosperous country whose ‘national income per head is higher than any of the Six (and that of the United Kingdom) and not far off double that of Italy . . . the Six are not going to take kindly to the proposition that the EEC should solve New Zealand’s inherent economic problem in order to maintain its population in a style which many of the Six would envy’.  

There was a problem with butter but less so with cheese and lamb, with the EEC being constrained on excluding sheep meats by a multilateral GATT agreement. New Zealand was also seen by the British as having already after World War II started to diversify its overall export and import trade away from the UK, although not to the extent that Australia and Canada had. For example, in preparation for the 1970–71 negotiations, the British prepared a table showing exports to the United Kingdom as percentages of total exports from Canada, Australia, and New Zealand from 1938 to 1970. Canada’s percentage had dropped steadily from 38.2 per cent to 8.9 per cent; Australia’s from 54.2 per cent to 11.1 per cent; and New Zealand’s from 83.8 per cent to 34.4 per cent. The British also claimed that dairy products, which in 1967 were just under 31 per cent of New Zealand’s total exports, by 1970 comprised only 21 per cent, although admittedly two thirds were still going to Britain.

The reports from New Zealand of Sir Arthur Galsworthy, the British High Commissioner, and his predecessor, Sir Francis Cumming-Bruce, had a significant influence on the outlook of the British negotiators. In 1970, Galsworthy wrote:

[T]he New Zealanders have achieved remarkable results in diversifying their patterns of exports generally, even though the results of their undoubted efforts
to diversify the markets for dairy products have been exceedingly disappointing. Thus they have doubled the value of their exports of meat, and achieved notable success with other lines, particularly forest products, and manufactures; and there has been a steady growth in their tourist trade. With every year that has passed the significance of the New Zealand dairying industry in relation to other segments of their economy has diminished in terms of export earnings.

New Zealand responded by arguing that, while in 1969 butter made up only 11.8 per cent of New Zealand exports, cheese 4.4 per cent, lamb 15.5 per cent, wool 22.0 per cent, and beef 11.3 per cent, the United Kingdom took in value 90.6 per cent of the butter, 79.9 per cent of the cheese, 87.6 per cent of the lamb, 21.8 per cent of the wool, and 8.0 per cent of the beef. It also pointed out, and the British accepted, that New Zealand was finding it increasingly difficult to diversify its markets for dairy products because ‘Community-subsidised exports have blocked access to new markets and even squeezed her out of some traditional markets’, and this was going to be an even greater problem in the future as the EEC’s stockpiles of butter increased substantially. As a result, New Zealand in the late 1960s was increasing both the amount of butter and the percentage of its total exports of butter that it sent to the British market; for example, 174,234 tons and 84 per cent of total butter exports to the British market in 1966–67 compared to 195,000 tons and 90 per cent in 1968–69.

Another British concern was that New Zealand, through strict import controls, protected its manufacturers from external competition and that, of the goods it did import, the proportion from Britain compared to other suppliers, especially Australia and Japan, was dropping significantly; from 61 per cent in 1950 to 44 per cent in 1960, and to 30 per cent in 1970. That trend was expected to continue, as indicated by the New Zealand Australia Free Trade Agreement (NAFTA) in 1965 and the decision of New Zealand to purchase cheaper American Boeing rather than British BAC aircraft in 1967. That latter decision, supported in Cabinet by Holyoake, Marshall, and the Minister of Civil Aviation, Gordon, but opposed by the Minister of Finance, Muldoon, particularly annoyed the British. They saw it as symbolic of New Zealand’s gradual move away from importing British goods while taking for granted continued access for its exports to Britain. In fact, the British Prime Minister was so irritated that he refused to sign a draft letter of protest to Holyoake prepared by his officials because ‘he felt that the draft represented rather too easy an acceptance of the New Zealand decision and decided that it should be rather tougher in tone’. Wilson finally told Holyoake: ‘[I]t remains a great disappointment to us that you should have decided to buy American
rather than British aircraft and I feel I must tell you that the effect which this has had on public opinion here has been pretty damaging."

Staff of the British High Commission in New Zealand, as one recalled, tried hard throughout the 1960s to convince New Zealanders ‘that Britain joining the Common Market wouldn’t be the end of the world for [them]’. They travelled ‘all around the country taking the gospel, talking at Rotary Clubs, Chambers of Commerce, Universities and [to] anybody who wanted a speaker’. John Hickman, the First Secretary at the British High Commission, conceded, however, that: ‘I don’t know if we succeeded very well. I don’t think the New Zealanders were ever persuaded to any significant extent that we were right to do what we were doing, or more important, that it wasn’t entirely at their expense that we would be joining the Common Market.’

Nevertheless, despite what O’Neill called ‘a certain scepticism of the validity of the extreme New Zealand case’, he and other British negotiators worked hard to get the best possible settlement for New Zealand so that, as Galsworthy pointed out, the ‘substantial scaling down of their dairying industry necessitated by our entry into the EEC . . . can be accomplished over a lengthy transitional period’, because anything less ‘will give rise to very serious political, sociological and administrative problems for any New Zealand Government’. In other words, the strength of the political, rather than the economic, argument was more persuasive to the British.

MUCH OF THE strength of the political argument for assisting New Zealand lay in its historically close cultural and defence ties with Britain. The former colony had made major sacrifices in both World War I and World War II, the latter having ended only fifteen years earlier. In the words of one British diplomat: ‘That gave a lot of power to their plea that we shouldn’t betray them (as they saw it) in this way, and one felt it. There was a very strong bond because they had sent their young men to fight in a war which had European origins.’ That was an argument, incidentally, that de Gaulle’s successor, President Georges Pompidou, also accepted when Holyoake put it to him during a meeting on 26 April 1971 in Paris, and thereafter France adopted a more reasonable approach to the question of at least special transitional arrangements for New Zealand.

For their part, the British believed that the ties of kinship and tradition with Britain go deeper in the case of New Zealand than with any other members of the Commonwealth. The umbilical cord has never been severed. The idea that foreign countries may in some respects in future enjoy
a relationship of greater privilege is deeply repugnant to New Zealand sentiment; and there is fairly widespread fear that the fabric of the Commonwealth may be weakened [and that] New Zealanders may eventually be able to enter Britain less freely than nationals of E.E.C. countries.\(^35\)

Some British officials also thought that, if New Zealand’s British market was not safeguarded when Britain joined the EEC, New Zealand could drift away from both Britain and the Commonwealth and increasingly seek closer economic and political relations with Australia and the United States.\(^36\) The British High Commissioner in Wellington, however, cautioned his superiors in London that, while New Zealand’s Prime Minister was very motivated by domestic political considerations, in regard to the Commonwealth:

The EEC question has been considered by Mr Holyoake almost exclusively in economic terms. He has never taken an interest in possible adverse political repercussions on the Commonwealth association. When Mr Menzies informed him of his fears Mr Holyoake was unmoved [and regarded Australia’s anxieties about the future of the Commonwealth] as much exaggerated.\(^37\)

Successive British High Commissioners told London that Holyoake and the National Government’s domestic ‘political difficulties derive from their dependence on the farmer for much of their support. The core of the National Party remains in rural constituencies: apart from the strong farming interest in the ranks of National Members of Parliament – within the Cabinet the Prime Minister and five others are farmers – the party has to be seen by the farmers to be active in their support.’\(^38\) The most vulnerable farmers were clearly dairy farmers, most of whom

are small men with limited resources, making a relatively poor living (by New Zealand standards) by intensive use of their land . . . . The dairy farmers are . . . caught in a cost/price squeeze . . . . Almost 80 per cent of the dairy farmers in New Zealand are on farms which are far too small to make viable beef holdings. If the whole of the dairying areas were to convert to beef about half of the farmers would have to get off the land altogether.

This would also disrupt the lives of those dependent on dairy farmers and dairy factories and require ‘major structural and social change’.\(^39\) Holyoake was very concerned throughout the 1960s that disillusionment with his Government’s efforts to protect farmers’ interests could lead to the emergence of a Country Party or stronger support for the Social Credit Party, either of
which would challenge National’s hold on its usually safe rural seats, split the conservative vote, and allow Labour to regain the Treasury benches.

Duncan Sandys, the British Commonwealth Secretary, visited Wellington in early July 1961 to brief the New Zealand Government about Britain’s application for membership of the EEC and to deal with what the British saw as ‘the rather panicky fear of the consequences to the agricultural exports on which New Zealand depends’. In a press statement, Holyoake observed: ‘New Zealand claims the continued right of unrestricted duty free access to the United Kingdom market for its meat and dairy produce. That is the whole basis of our economy. We have not been able to discover, and nobody has been able to show us, any alternative that would avoid disaster for our country.’ The Prime Minister warned the nation subsequently that: ‘We are fighting for our very existence.’

A series of meetings was held with Sandys, the most important being attended on the New Zealand side by Holyoake, Marshall, the Minister of Agriculture, Hayman, officials, and representatives of producer boards and Federated Farmers. Sandys made it plain that, while the British would try to safeguard New Zealand’s essential interests, New Zealand ‘could not expect to continue to have free and unrestricted entry to the British market in the long term whatever happened’. At the end, Marshall and New Zealand officials such as Norrish and Corner persuaded Sandys somewhat reluctantly to agree to a communiqué in which he committed the British Government to secure special arrangements to protect New Zealand’s vital interests, or Britain would not join the EEC. Left undefined was what precisely New Zealand’s ‘vital interests’ were and what the British would regard as sufficient to protect them. The British would conduct the negotiations on New Zealand’s behalf and would closely consult New Zealand throughout. At the end of the talks, Holyoake told Sandys, ‘All right, Duncan, we go along and we trust you’, although Sandys later remarked, ‘I couldn’t say how much you trusted us [at the time]’. The British High Commissioner later wrote to Sandys that his visit ‘shook the foundations of New Zealand thought more violently than any event since the end of the war . . . . The result, which could have been a severe pathological neurosis, was, on the contrary . . . a successful shock treatment on a patient who had been unable to face up to realities.’

HOLYOAKE ALWAYS claimed publicly that he had ‘utter confidence’ that Britain would secure special arrangements for New Zealand. From the first, he stated his conviction that New Zealand was ‘in a stronger position with Britain negotiating for us’ than if it negotiated separately with the Six. He ran
a risk, however, in accepting British assurances and not aggressively attacking Britain’s decision to seek membership of the EEC, as the Labour Opposition, especially Nordmeyer and Kirk, the Federation of Labour President, Walsh, and the Chairman of the Meat Board, John Ormond, wanted to do, and as the Australians and Canadians were in fact doing. The British High Commissioner reported that Holyoake, in his speech in Parliament on 12 July 1961, ‘was bland in assuring the House that Britain would not let New Zealand down’, but that his opponents would probably ‘seek to represent Mr Holyoake as weaker and less competent than Mr Menzies and Mr Diefenbaker’. A few weeks later, Holyoake stated: ‘The decision to take this step was one for the British Government alone to make [but] if Britain were to sign the Rome Treaty as it stands the economic consequences for New Zealand would be disastrous.’ New Zealand, however, placed ‘the highest value on the assurances Mr Sandys was able to give that the United Kingdom would not feel able to join the Community unless special arrangements were secured to protect the vital interests of New Zealand’. While he could not see this being done without ‘the maintenance of unrestricted duty free entry’ to the British market, ‘New Zealand would be willing to examine any alternative methods for protecting those interests which might emerge in the course of the negotiations’.51

The following year, Marshall visited the European capitals and found some recognition of the problem faced by New Zealand, although the French in particular saw New Zealand as a rich country undeserving of special consideration. A number of European politicians, however, suggested that a special solution for New Zealand might be negotiated. Marshall initially discouraged the idea, ‘which he did not like politically and did not imagine would be as favourable as the conditions that Britain might be able to negotiate for the Commonwealth generally’.52 Sandys, though, felt that the European suggestions for a special arrangement for New Zealand should be explored further. Marshall eventually conceded that he personally was prepared to consider this but would first need to discuss it with his government and industry leaders in New Zealand. Until then, he objected to any suggestion being incorporated in the official report of the meeting that New Zealand might agree to anything less than permanent access and unlimited quantities during a five-year transitional period. Sandys was angered and subsequently notified Marshall that he was ‘naturally disappointed that you do not feel able to confirm the Note of our Conclusions’ but that the British intended anyway to ‘go ahead with our negotiations on the general lines which we suggested to you’.53

Throughout the three negotiations between 1961 and 1971, there was a view among New Zealand politicians and officials that, had they had a free
hand, the British negotiators ‘would have sold New Zealand out as cheaply as possible. A few pounds of butter and lamb were worth sacrificing to join Europe.’54 That was a view held also by some European participants. A senior German official observed that the British were concerned at ‘the financial contribution they would have to make, and that when it came to the crunch they would not be too unhappy about abandoning New Zealand’.55 But even those who were sceptical of New Zealand’s case realised that the goodwill felt towards New Zealand among British Members of Parliament and the wider British public made New Zealand acceptance of the agreement desirable if not absolutely essential. Nevertheless, the British knew that if New Zealand was not granted acceptable transitional arrangements and, as a result, Holyoake complained publicly in Britain (as he threatened privately to do), ambivalent MPs in Westminster might well join with opponents of the EEC to veto the accession treaty. The Germans also ‘consistently recognised the political importance to the British of a satisfactory solution for New Zealand’.56

Britain’s application to join the EEC was widely discussed at the Commonwealth Prime Ministers’ Meeting in London in September 1962. Holyoake was accompanied by Marshall – the only time New Zealand was represented by both its Prime Minister and Deputy Prime Minister – and Holyoake also arranged for Nash to travel to London at government expense. There the Leader of the Opposition was provided with conference documents and briefing papers and informed and consulted on the progress of the talks.57 Holyoake was much more conciliatory than some other Commonwealth leaders. He again stated that New Zealand would support Britain’s entry, provided that Britain protected New Zealand’s vital interests, which he defined as ‘maintenance of traditional quantities with opportunity for growth’.58 If the British negotiators let New Zealand down he would feel free to campaign publicly in Britain against ratification of British membership. He confided that he was ‘privately sceptical of the “special arrangement”’ but would continue ‘to take the line in public’. While he remained ‘hopeful that New Zealand’s export income will not be placed in danger and that the country will not have to tackle adjustments and adaptations that would create political difficulties’, he did ‘not place any faith in the Six’ and regarded ‘Mr Marshall as unduly optimistic’ about their accepting New Zealand’s arguments. Holyoake had more faith in the British, and regarded their assurances ‘to extract adequate concessions for New Zealand at Brussels’ as ‘a rock to which New Zealand can cling’.59 On his return to New Zealand, Holyoake again argued, ‘I think we are in a stronger position with the British negotiating for us’, than if New Zealand had to negotiate directly on its own behalf with each of the six EEC member states.60
The British were concerned, however, that, because Holyoake ‘has not much imagination, he supposes that New Zealand’s economic needs look much the same in London as they do to the Government in Wellington’. He was ‘thinking in too simple terms’ and contemplating only two possible future scenarios. Either the British would obtain conditions fully satisfactory to New Zealand, which would be ‘a victory for his policy of moderation of faith’, or he would denounce the terms and make a public ‘declaration that acceptance would be regarded by New Zealand as a breach of faith’ on the part of the British Government. Holyoake regarded

the sympathy for New Zealand expressed in the House of Commons, in party discussions and in the press, as an important asset in reserve. If H[er] M[ajesty’s] G[overnment]’s interpretation of New Zealand’s vital interests differed too much from that of the New Zealand Government he would be inclined to open up a campaign of propaganda to appeal direct to British public opinion. He would much prefer to maintain a harmonious relationship between the New Zealand Government and H. M. G. to the end of the negotiations. But if he thought that the National Party’s prospects in the election were at risk he would be prepared to shift to a posture of attack.

After de Gaulle announced France’s veto on 14 January 1963, Holyoake expressed appreciation for the way Macmillan and the British had understood New Zealand’s vital interests, and invited the British Prime Minister, who had visited New Zealand in 1958, to visit again to discuss the situation. Holyoake made it clear that he was reluctant to travel to London himself at that time for talks unless he could ‘on his return appear to have advanced New Zealand’s commercial interests’. Macmillan responded that it would be better if the two prime ministers talked when Holyoake visited London for the SEATO Council meeting in April. He noted that ‘the considerations which led us to apply for membership still hold good’ but that there was ‘no prospect of this at present, and we cannot foresee whether or when it will be right to take up the question again’.

BRITAIN HAD BEEN humiliated by de Gaulle in 1963 but many of its politicians and officials were determined to get into the EEC eventually. Underestimating de Gaulle’s determination to keep Britain out at almost any price, it made its second unsuccessful attempt to enter the EEC in 1967. That was the year New Zealand’s wool prices collapsed and the country entered an extended period in which its terms of trade and balance of payments seriously
deteriorated. Holyoake wrote to Wilson stressing that, ‘at the present time’ and ‘given the structure of New Zealand’s economy and trade, we must have a permanent solution, that is, one which endures beyond any transitional provisions for Britain’s entry. Special arrangements for New Zealand which were no more than a phasing-out of our present access to the markets of Britain and the Six would not meet this requirement.’

The Foreign and Commonwealth Office again drafted a negotiating brief on New Zealand that was criticised by the British Ministry of Agriculture and Fisheries for understating the difficulties in accommodating New Zealand and its butter exports. While the Foreign and Commonwealth Office wanted to set 165,000 tons as a starting point – only 11,000 tons less than New Zealand actually exported to Britain in the 1967–68 year – David Evans of the Ministry of Agriculture and Fisheries predicted: ‘[W]e think we shall be forced back to the plan for importing half the volume at double the prices. Even this is not too attractive to the Six.’

After de Gaulle resigned in April 1969, the British Labour Government again prepared to negotiate entry to the EEC. Marshall almost immediately visited the EEC Commission and the capitals of the Six as well as Britain to restate New Zealand’s case. He found that the milk and butter surpluses in Europe were even greater than they had been earlier in the decade and that two of the prospective new members, Denmark and Ireland, were significant dairy producers. Marshall also discovered, however, that during the earlier two rounds of negotiation between Britain and the Six, the European member states, with the possible exception of France, had come to recognise that New Zealand had a special problem and accept that some transitional arrangements at least for butter might be necessary. In October 1969 the EEC Commission had again ‘singled out New Zealand butter as a problem which “seems to warrant special attention”’. In a meeting with the British Prime Minister, Marshall told Wilson that New Zealand was still looking for permanent, or at the very least long-term transitional, arrangements. Short-term transitional arrangements ‘would simply be the difference between strangulation and sudden death’. The British responded:

New Zealand wants a permanent arrangement to safeguard her interests. Our judgement is that there is no hope of the Six agreeing to this . . . . The realistic approach is to go for arrangements for a limited period during which New Zealand would enjoy continuing special advantages in the enlarged Community with provision for a review at the end of the fixed period . . . . The New Zealand Government have consistently emphasised their desire that any solution of their problems should guarantee the volume rather than the earnings of their present
exports, and that it should be a permanent arrangement. Neither objective seems negotiable. . .our fall-back objective may have to be to . . .maximise New Zealand earnings by preferential treatment for a decreasing volume of exports, for the longest negotiable period.68

Wilson noted that ‘it was the British consumer who would have to bear the cost of any special arrangement made for New Zealand’.69

Holyoake had formed the opinion in the 1967 negotiations, which de Gaulle had again aborted, that the British Government, and particularly Wilson’s deputy, George Brown, made ‘inadequate representation of New Zealand’s position’.70 Following the defeat of Wilson’s Government in 1970, Holyoake made it plain to the new Conservative Prime Minister, Heath, that this time he wanted New Zealand’s ‘special position’ kept to the forefront. He also expected Marshall to be kept informed and consulted throughout.71 Heath responded that he and his ministers would meet with Marshall but that they would not commit themselves to any particular way of dealing with New Zealand’s concerns and problems.72

Britain’s willingness to negotiate a special transitional arrangement for New Zealand was not simple altruism. There was considerable opposition in the British Parliament and among the British public to joining the EEC. The politicians and officials who supported entry were worried that an open and strenuous New Zealand campaign against membership would augment anti-EEC sentiment in Britain and were especially wary of Holyoake’s possible reaction. His willingness to trust Britain to negotiate on New Zealand’s behalf and to look after New Zealand’s interests was, they believed, conditional on results. Holyoake and New Zealand, in the words of O’Neill, ‘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.’73 As late in the negotiations as 24 May 1971, the British Foreign Secretary, Sir Alec Douglas-Home, also admitted to Marshall that ‘it would be impossible to get any but a fair deal for New Zealand through the House of Commons’.74

An interdepartmental committee of British officials and then a Ministerial Committee on the Approach to Europe worked through several drafts of a ‘Brief on New Zealand for Negotiations with the EEC for the Entry of the United Kingdom into the EEC’.75 It is clear from this document that the prime consideration was to get an arrangement that would not ‘create acute political and social problems in New Zealand’. The British sought continued access for New Zealand butter to the British market but were not prepared to seek permanently guaranteed quantities and earnings. New Zealand had
to be persuaded that there could be no guarantee of future access even for butter, only ‘transitional arrangements to allow [the] NZ Govt to reorganise its agriculture from smallholdings to larger farms with less emphasis on dairying’. While New Zealand was also concerned about its lamb exports, the British believed that access for that product to the EEC was already protected under a 1961 GATT agreement, subject to a common external tariff of 20 per cent.76

At one of a number of meetings between British and New Zealand officials, the New Zealanders on 17 June 1970 gave O’Neill a statement of key points New Zealand wanted the British to include in Britain’s opening statement in the EEC negotiations, but the British concluded that ‘it is not considered that the line proposed in the brief needs to be altered as a result of these talks’.77

Three weeks later, on 7 and 9 July, Marshall, accompanied by his officials, met Anthony Barber, the new British minister responsible for EEC negotiations, and British officials in London.78 Marshall spent much of the first meeting going over New Zealand’s case and the history of previous negotiations, and concluded by telling Barber that ‘a transitional arrangement was not a “special” arrangement since he assumed that everyone would be getting a transitional arrangement of some sort’.79 He also insisted that the British should try to protect New Zealand’s lamb access to the British market and oppose any restriction on quantity or too high a tariff. The British did not see New Zealand’s lamb exports as a major issue, however, and in the words of O’Neill, ‘definitely preferred to let sleeping sheep lie’ in case it provoked the EEC into considering sheep meat regulation generally. They thought that if New Zealand were prepared to pay the tariff it would get greater access and better prices for its lamb exports.80 Barber responded that ‘the best approach was a realistic one and he agreed that it would not be real to ask for a special arrangement in perpetuity. It would be more sensible to start with a long term arrangement with provision for review.’81 The New Zealanders reluctantly agreed not to press for an agreement in perpetuity but stressed that a very long transitional arrangement would be needed.

In September 1970, Geoffrey Rippon, who had replaced Barber as Britain’s chief negotiator with the EEC when Barber became Chancellor of the Exchequer, met the New Zealand Cabinet in Wellington. Holyoake, harking back to New Zealand’s original position, pointed out optimistically that he expected Britain to look after New Zealand’s interests because ‘New Zealand was like six English counties joined to – rather than separated from – the rest of the country by 12,000 miles of water’.82 He stated that, while he still trusted the British to safeguard New Zealand’s vital interests, his government was
having difficulty dealing with the demands of the Leader of the Opposition, Kirk, and other prominent New Zealanders that New Zealand should campaign publicly and fiercely in the United Kingdom against Britain’s entry into the EEC.83

In March 1971 the EEC Commission proposed that New Zealand should by 1977 be guaranteed 44 per cent of its current dairy exports in terms of milk equivalent, which was the volume of milk needed to produce a given quantity of butter and cheese. This recommendation was supported by Germany, Belgium, and Luxembourg. The Dutch and Italians wanted a somewhat more generous 56 per cent, while the French wanted no guarantee at all after 1977.84 New Zealand was understandably alarmed, though they might have been even more so had they known that the same month Galsworthy had secretly informed the Foreign Office that New Zealand would be prepared to accept less than they claimed was essential and considerably less than the British finally achieved.85

Holyoake arrived in London on 12 April 1971 for a SEATO Council meeting and also for talks with Heath, Rippon, and Douglas-Home. Heath was advised by officials in his briefing papers for the meeting with Holyoake that the British ‘have always made it clear to the New Zealand Government that, in our view, our proposals [to the EEC on NZ] are very unlikely to be fully acceptable to the Community . . . . But we are determined to get the best possible arrangements for New Zealand’s exports of butter and cheese.’86

Later in the month, Holyoake visited Paris, Bonn, and Rome. As one of the New Zealand officials involved recalled: ‘Holyoake with his uncomplicated, more forthright nationalistic approach provided something of a counterpoint to Marshall’s deft diplomacy.’87 He reminded the French President, Georges Pompidou, of the sacrifices New Zealand had made in helping to liberate France in World Wars I and II. He also pointed out that New Zealand had slipped from fourth in the world, as measured by average income, in 1960 to fourteenth by 1970 and was now below all the countries in the EEC except Italy. Consequently, New Zealand would be devastated if it lost its access, especially for dairy products, to the British market.

At a meeting between Heath and Pompidou in Paris a few weeks later, on 20 and 21 May 1971, the British Prime Minister stressed the ‘critical political importance’ for Britain of a solution for New Zealand’s dairy products. Failure to conclude an arrangement acceptable to New Zealand could make it very difficult to obtain approval in the House of Commons for British entry to the Community. The French indicated that they were prepared to be more generous towards New Zealand if the British would agree to contribute more to the Community’s finances than they had hitherto been prepared
to do. From that meeting the French tied the settlement of the two issues together, and the British were left in no doubt that the higher the percentage of milk equivalent was for New Zealand the higher would be Britain’s future contribution to the Community’s budget.

At Britain’s urging, Marshall, accompanied by Lloyd White from External Affairs and Jim Moriarty from Trade and Industry, flew to London. He was to remain there and in Europe, where he was joined by Merwyn Norrish and Terence O’Brien, from the New Zealand delegation in Brussels, from 14 May until 29 June. In the briefing papers he took to the final negotiations at Luxembourg on 21–22 June 1971, New Zealand stated that they would, without any consultation, accept 85 per cent or more in milk equivalent. Anything less would have to be discussed with and approved by Holyoake, and the minimum that would be considered was 74 per cent milk equivalent. Marshall actually stated publicly that 80 per cent was unacceptable and in retrospect recorded that the secret absolute minimum position was 70 per cent. Throughout the critical month of June a large number of secret cables went back and forth between Marshall in Europe and Holyoake, who was holding frequent meetings with senior ministers and officials and farmers’ leaders in Wellington.

Holyoake may have been somewhat frustrated that he was not in Luxembourg himself and had to leave the detailed final negotiations to Marshall. In a comment that also might have reflected his irritation at his deputy’s continued pressure, even from Europe during this time, to persuade Holyoake to retire, he told a senior colleague: ‘I rang Marshall last night – he was trying to step on his bloody backbone again . . . he would give the world away if we don’t watch it.’

At the Luxembourg meetings, France moved to 66 per cent milk equivalent – 75 per cent of butter and 20 per cent of cheese – for New Zealand at the end of a five-year transition period, with continuity for butter beyond 1977 subject to review and a unanimous decision of the EEC Council. The British reported this proposal secretly to Marshall who phoned Holyoake in Wellington and recommended acceptance. Holyoake was in his office with the Ministers of Finance and Agriculture, Muldoon and Carter, and the Chairman of the Dairy Board. After a brief discussion, they agreed that this arrangement was unacceptable and Holyoake instructed Marshall to go back and get more. Holyoake and Marshall also made public statements to the effect that the French offer was unacceptable. This rejection of what they saw as a reasonable compromise angered Rippon and O’Neill, and Rippon asked what would happen if he could not get the Six to raise the percentage. Marshall, according to Norrish, who was present,
replied that regretfully he would have no option but to take the first plane to London and to say to the media on arrival that Britain was letting New Zealand down. Rippon said: “You wouldn’t dare.” Marshall, with the well-known urbanity no longer masking the steel, said simply: “You try me.”

Rippon, who was later to confide to a New Zealand diplomat that the negotiations might well have broken down without an agreement acceptable to New Zealand, informed the Six that Britain and New Zealand would require something over 70 per cent to get New Zealand acceptance and remove the possibility of the whole EEC agreement being defeated in the British Parliament.

Early on the morning of 23 June, the Italians proposed 71 per cent, which effectively gave New Zealand 80 per cent of its butter exports and 20 per cent of its cheese exports to Britain after five years. The French reluctantly agreed to that figure. There was to be a review and right of renewal, with some degression, after five years. The pricing formula was to be the annual average of the prices obtained between 1969 and 1972. This was a little less than New Zealand’s earlier official bottom line of 74 per cent but not by much, although between 1973 and 1983 New Zealand butter exports to Britain were to fall from 165,800 to 87,000 tonnes, while cheese dropped from 68,600 to 9500 tonnes over the same period.

The New Zealanders were nevertheless worried at the inclusion of a last-minute unanimity provision in a clause relating to the review of quantities of butter after 1977. The British conceded this rider to the French at the Luxembourg negotiations on 22 June, but New Zealand did not want it written into Protocol 18 of the Act of Accession because it was seen as giving the French the right to veto the continuation of the arrangement after 1977. The British argued, however, that it also meant Britain had to agree to any alteration and that this would prevent a French-led majority in the future excluding New Zealand butter from the EEC altogether. On 17 January 1972 the British informed the New Zealand Government: ‘We expect to complete our negotiations with the Community this evening. At the time of drafting, 1930 hours on 17 January, it looks increasingly unlikely that we shall be able to persuade the Community to keep the mention of unanimity out of the Protocol on New Zealand.’

Although annoyed by what he regarded as New Zealand’s unreasonable stance during the negotiations, O’Neill later recorded: ‘In the two critical days and nights of the Ministerial meeting in Luxembourg from 21 to 23 June, he [Marshall] stood firm and went on asking for more until, in almost every respect, he got it. In my judgement, Mr Marshall was more successful
in the negotiations than anybody else.’

The British were less impressed by Marshall’s initial comments to the press regarding the settlement, and O’Neill recorded that they were ‘somewhat grudging’. Heath in fact was so concerned that he sent Holyoake a secret telegram through the British High Commissioner in Wellington. Galsworthy replied that Holyoake ‘obviously regretted Marshall’s generally lukewarm tone . . . . He had been going, said Sir Keith, to make a more positive statement and “now this has damn well happened”.’

Holyoake immediately issued a more positive press release, as subsequently did Marshall.

On 23 June 1971, Holyoake told the New Zealand Parliament: ‘I am satisfied that the result is the best which the British could, in the circumstances, get for us . . . . The review formula represents a major concession to New Zealand and a result which is highly satisfactory.’ In a television interview the next day, he elaborated:

It’s easily the best possible deal we could get, we have been fighting as you know now for ten years to get this and I do want to say at the outset that we are very satisfied with the way the British and particularly the Prime Minister Mr Heath and Mr Rippon . . . have fought valiantly and tremendously for us and there isn’t any question whatever about it, that this is the best deal they could possibly have got for us.

These statements earned Holyoake the wrath of the British anti-EEC campaigner Enoch Powell, who accused Holyoake and Heath of ‘deliberate collusion . . . to mislead the New Zealand people over the Common Market terms negotiated in Luxembourg’. Holyoake instantly replied: ‘I categorically reject his accusation.’

The British High Commission reported that the New Zealand press and public largely accepted Britain’s entry to the EEC and that there were

very few complaints and very little mourning for the “sentimental ties” of yesteryear. This is . . . a healthy and most promising reaction . . . . This augurs a much healthier, adult relationship in place of the mother-child attitudes of the past 100 years . . . . Britain’s entry into the EEC has served . . . as a catalyst to a recognition of the fact that New Zealand as “another six counties of Britain” is a notion that should have disappeared in the 1930s: that it has persisted is due as much to wishful thinking and very astute New Zealand propaganda . . . . New Zealanders may well look back on 1971 as the year in which, thanks to Britain’s initiative over Europe, New Zealand for the first time discovered her true identity.”
Another British diplomat some months later reiterated the sentiment that, as a result of Britain joining the EEC, New Zealand had found its ‘fully independent identity’ in 1971.\textsuperscript{110}

\begin{quote}
\textsc{Holyoake, Marshall,} and New Zealand did not get all they wanted out of the EEC negotiations, although the British believed that they got ‘more than they expected and more than . . . they deserved’.\textsuperscript{111} O’Neill also concluded that ‘things ended much better for New Zealand than we had dared to hope’: ‘The settlement we got for them seemed to me at the time, and seems in retrospect, almost extravagantly favourable . . . . [In fact it] may have been too favourable . . . and may operate to retard the diversification of products and markets which is in any case necessary.’\textsuperscript{112} The major reason for O’Neill’s ambivalence about the settlement won for New Zealand, however, was not that it was unnecessarily generous or might delay the country’s economic restructuring, but that it cost Britain too much in the future financial contributions it had to concede to the European Economic Community. As another British diplomat recalled, the British negotiators got ‘certainly the best deal we could get on New Zealand dairy products’ but at a cost in net contributions that were ‘an unsustainable and inequitable burden’ for Britain.\textsuperscript{113}

Holyoake was right to welcome the hard-won agreement reached at Luxembourg – and with Marshall, their officials, and the leaders of the various farmer organisations claim some credit for it. New Zealand’s strategy and skilful negotiation over a ten-year period under his leadership had finally achieved a significant victory that gave it continued preferential access to the British, and therefore EEC, market. That access proved to be for much longer than the initial transition period subject to renegotiation. Indeed, 35 years later, New Zealand was still exporting to the enlarged European Union annual quotas of about 240,000 tonnes of sheep meat, 77,400 tonnes of butter, 7000 tonnes of cheddar cheese, and 4000 tonnes of cheese for processing.\textsuperscript{114} As a New Zealand farmer as well as a politician, Holyoake would have been very proud of this legacy, the evidence of the success of his strategy and tactics in defending New Zealand’s most vital agricultural export market as Britain joined the EEC, and at a time when New Zealand was also facing many other economic challenges.
THE RELATIONSHIP between a Prime Minister and a Minister of Finance is the crucial relationship in any government, and their joint success or otherwise in managing the economy will largely determine that government’s reputation and longevity. Unlike the previous conservative leaders, Massey and Holland, or later Muldoon, each of whom took the post of Minister of Finance himself, Holyoake had no wish to be his own Minister of Finance. Instead, he delegated the detailed management of the portfolio, admittedly under his close supervision, to trusted lieutenants: first Lake, from December 1960 until his death in February 1967, and then Muldoon, until 1972. Because the health of New Zealand’s domestic economy was dependent on its trade in the international economy, much political and diplomatic effort went into economic issues and relationships and government-to-government negotiations, and these invariably involved the Prime Minister (who was also Minister of External Affairs) as well as the Minister of Finance and the Minister of Overseas Trade. Holyoake took a keen interest in what his Minister of Finance was doing and, although, like most prime ministers, he tended to support the fiscal conservatism of that minister against others in Cabinet who wanted to increase spending in their portfolio areas, he ‘was prepared to indicate that maybe the Minister of Finance should have another think about something’. He was able to act also from time to time as conciliator and arbitrator when the dispute continued. In some of those cases he sided with the spending minister, notably in Education, where Holyoake repeatedly supported greater spending than Lake or Muldoon and their Treasury advisers thought desirable.

Two other senior ministers also played prominent roles in economic policy-making and management: Shand, the Minister of Labour, and Marshall, the Minister of Industries and Commerce and Overseas Trade and also Chairman
Shand certainly believed that he could have done a better job as Finance Minister than either Lake or Muldoon – or, for that matter, the Prime Minister who appointed, supervised and, on most issues, supported them. Marshall oversaw the expansion of New Zealand’s manufacturing base; played a leading role in establishing in 1965 a limited New Zealand Australia Free Trade Agreement (NAFTA); renegotiated in 1966 a New Zealand-United Kingdom Trade Agreement, which built on Holyoake’s 1957 agreement and extended the period of duty-free access for New Zealand’s main exports to the British market; and carried out the lengthy, detailed, and ultimately successful negotiations to protect New Zealand exports to Britain when that country entered the European Economic Community.

In fact, many people were surprised when Holyoake chose Lake as his Minister of Finance in 1960. But he knew that Lake was a cautious man who would consult frequently and defer, usually, to his leader on all major issues, unlike the strong-willed Shand, who was at 49 the same age as Lake but in terms of seniority and ability had a greater claim to be given the Finance portfolio. In addition to his personality, Lake was also sufficiently junior in the ministry for Holyoake to dominate him. Before his entry into Parliament in 1951, Lake had been an accountant and Treasurer of the Canterbury-Westland Division of the National Party. He was a likeable man, much less ambitious and opinionated than either his predecessor, Watts, whose health forced him to retire at the 1960 election, or his successor, Muldoon, or Shand. His principal private secretary regarded him as ‘a pleasant fellow’ but also as ‘a lazy fellow’ and ‘perhaps not competent’. He did not always read or comprehend Treasury papers and ‘never got on top of the job’.² This was perhaps a more accurate assessment after Lake had his first heart attack in 1964. Lake was also prepared to delegate some major matters – such as the farm workers’ superannuation scheme and the introduction of decimal currency – to the two competent Under-Secretaries whom Holyoake gave him: David Seath from 1960–63 and Muldoon from 1963–66.

From time to time, Lake complained to the Prime Minister about the pressures on both himself and Treasury. For example, in August 1963 he wrote to Holyoake saying that he and his department were being overworked because they were given inadequate time to prepare reports to cabinet on the financial and economic implications of submissions to cabinet by other ministers.³ Holyoake may well have mentioned this in Cabinet and asked ministers to provide longer notice to Treasury, but only a few days later showed he was still prepared to make demands himself by writing to Lake asking him to write a letter as soon as possible to the editor of the agricultural journal Straight Furrow replying to allegations on farm finance that Holyoake
thought were incorrect. Lake was to provide Holyoake with a copy as soon as the letter was sent. Such requests were not unusual.

Lake was usually happy to seek, and take, Holyoake’s advice and frequently discussed financial matters with the Prime Minister. Holyoake was a man of his times and his financial outlook reflected the experiences of the Depression and war years. As a result, he instinctively and almost invariably favoured a ‘steady does it’ approach to economic management, and his paramount concerns were to keep taxes, interest rates, overseas debt, and unemployment all as low as possible. One senior Treasury official believed that not only did Holyoake keep a close eye on the Minister of Finance, who ‘did not have any strong ideas about the economy, or a vision for the future and what needed to be done to get there’, but also that ‘few decisions in the financial area were made without consultation between them’. Another considered that Holyoake might not have gained a university degree but was still ‘the cleverest man in New Zealand’. Nor were economic decisions made without being thoroughly discussed at the powerful Cabinet Economic Committee chaired initially by Marshall.

Henry Lang, seen by many as the most influential person in Treasury even before he became Secretary to the Treasury from 1968–77, recalled that: ‘Holyoake attended most Cabinet Economic Committee meetings, sitting at the other end of the table from Marshall. He left the running of the meeting to Marshall, intervening only when he wished to make a point, or help in reaching a conclusion.’ The interventions were low key but often decisive. On one occasion, for example, the Cabinet Economic Committee in 1967 was discussing possible tax concessions for Comalco’s aluminium smelter at Bluff. Marshall favoured concessions but Muldoon was strongly opposed. Some twenty minutes into a heated discussion, Holyoake ‘theatrically entered’ the room and, after saying, ‘Sorry I’m late Jack’, asked Marshall, who was in the chair, ‘What are we discussing? I haven’t had time to read the papers.’ Marshall then summarised the issue and the discussion to date. Holyoake, who clearly had read the papers and knew what was going on, then replied, ‘We’re going to be in trouble whatever we do, so we should make the concessions’. There was no further discussion and no doubt as to who had the final say.

MUCH OF THE Holyoake Government’s attention and energy went into securing and expanding the country’s economic base. In retrospect it can be seen that the twelve years that the second National Government was in office divides into two clear periods. The first, from 1960–66, was marked by economic growth and prosperity. The second, from the end of 1966–72,
saw deteriorating terms of trade, slower growth, rising inflation, and the breakdown of the industrial arbitration system and the setting of wages through General Wage Orders. It was purely coincidental that the earlier period coincided with Lake’s tenure as Minister of Finance and the much more difficult second period with Muldoon’s.

New Zealand’s prosperity and overall economic growth during the first half of the 1960s were based on the prosperity of all sectors of the farming industry. Numbers of sheep, beef cattle, and dairy cows grew, and there were major changes in the dairy industry, with fewer and larger farms and herds, growing use of milking technology, and a greater diversity of processed products. Yet farmers were concerned that, while they needed to be internationally competitive, their costs continued to rise, partly because of the protection of New Zealand industry and partly because of an overvalued exchange rate.

Britain’s impending membership of the EEC, with its feared adverse effect on the New Zealand economy, was also a dark shadow over the entire period of Holyoake’s premiership from 1960 to 1972. Even without that threat, there had been, since the 1950s, ongoing concern about New Zealand’s long-term access to the British market in the face of increasing agricultural protectionism by Britain and especially after ‘the British government secured reluctant acquiescence to quotas on New Zealand’s dairy exports’ in 1961.9 Holyoake admitted to farmers in May 1961 that, with wool and dairy revenue both down, the Government was ‘very concerned’.10 A few weeks later, Marshall pointed out that 95 per cent of the ‘meat and dairy products, which account for over half of our export earnings’, were endangered by doubts about continued access to Britain and sharply fluctuating prices.11

However, the major and more immediate problem was New Zealand’s almost continuous balance of payments deficit throughout the 1960s. As one economist has noted, New Zealand has always been a ‘balance of payments restrained economy’ in which

the sustainable level of output and employment is constrained by the balance of payments, in the sense that foreign exchange revenue from exports (and prudential borrowing) sets the level of imports, which, in turn, constrains domestic economic performance. Practically, an increase in export revenue will in turn increase imports, output (GDP), and employment.12

Borrowing could cover a current account deficit, but Holyoake was not keen to do so for that purpose, and excessive use of the facility would damage the country’s financial credibility. This led to successive New Zealand governments exercising exchange control through the Reserve Bank. The broad aim
of exchange control was ‘to ensure, while the demand for overseas funds exceeds the supply, that overseas income accruing to New Zealand residents is channelled into official reserves and that those reserves are allocated as equitably as possible to those requiring them, having regard for the need to meet essential payments’. Restraining imports, as the Government did initially, threatened domestic employment and, without price control, fuelled inflation. Thus the longer-term logic was to increase export earnings, in a time of falling overseas prices, by increasing the quantity of exports and seeking new markets; and in those days the pastoral industry was seen as the only major option, hence the Agricultural Development Conference of 1963–64. There were also various other shorter-term problems, most notably inflation, fuelled at least partially by government expenditure and rising wages, the latter resulting from labour shortages at a time of considerable economic development.

Holyoake’s personal approach to the economy was based on a number of simple beliefs. One was that farming was the backbone of the New Zealand economy, and that ‘if the farmers are happy, the Country will be happy. And it is good for New Zealand.’ Holyoake never questioned that agriculture was essential to the country’s exports, balance of payments, ability to import, and to fund the domestic economy. As a result, he and his government involved themselves constantly in agricultural decisions relating to both production and marketing, albeit sometimes indirectly and in consultation with producer boards such as the Meat, Dairy, Wool, and Apple and Pear boards.

Throughout his career, Holyoake always identified himself as a farmer as well as a politician. This duality was illustrated when a farmer deputation waited on him in the late 1960s to impress upon the Prime Minister the difficulties the farming community was experiencing. A farmers’ spokesman, Jim Bolger, who had not yet become an MP, recalled how he was

just warming up to my topic . . . when Sir Keith reached down and pulled a large manila folder out of his bottom drawer. On opening it he said, in his distinctive way, that he didn’t need convincing as here were his own farm accounts and if things didn’t improve his son Peter would be broke. There was little left for me to say after that. I don’t know what was in the folder, what I do know is the tactic totally defused what could have been a very difficult meeting.

Another deeply held belief was that governments should be consciously frugal in spending income taken from taxpayers or reluctantly borrowed by the state. This attitude towards wasteful expenditure applied particularly to the spending of parliamentarians and government departments. Holyoake
believed in what his Department Head termed ‘Spartan efficiency . . . a culture of parsimony’. The Prime Minister, for example, thought that there was too much costly writing of unnecessary reports in government departments and suggested that much of the information collected and processed could be found elsewhere or, if not, was of insufficient value to warrant the expense of collecting and processing it. On one occasion, when being pressed to approve the buying of a new frigate for the Navy, Holyoake pointed out: “That frigate has got to be paid for by carcasses of lamb and cartons of butter provided by my farmers in Pahiatua.” Nor was that the only time Holyoake made such a statement when discussing government expenditure. He was also always reluctant to increase either direct income tax or indirect sales taxes or to move a greater proportion from direct to indirect taxation, even though Treasury, the Monetary and Economic Council, and the Ross Committee set up by the Government to consider the tax system all advised it to do the latter, especially during the late 1960s. One of the Government’s major moves to scrutinise, restrain, and even cut public expenditure was the creation of the Public Expenditure Committee of the House.

Thirdly, he favoured cautious policies, not radical strategies, or, as he often remarked, a ‘steady does it’ approach. One of the Government’s economic advisers recalled that Holyoake ‘regularly and forcibly reminded Harry Lake and others of Nordmeyer’s political fate after his so-called “black budget”. This attitude had an important inhibiting influence on the willingness of the Government to make radical change in the tax structure or stabilisation policy in the early 1960s.’ Holyoake’s Government was also much more conservative in deregulating and dismantling import controls than had been the Holland administration, which had, at least initially, tried to pursue more free-market policies in the early 1950s than did Holyoake’s, despite some moves in that direction, during the 1960s. Partly that was the result of his desire to maintain full employment and partly to conserve foreign currency reserves. Holyoake was a product of his upbringing, deeply affected by the unemployment and hard times of the Great Depression, and what that had meant to individuals, families, and communities.

Fourthly, Holyoake favoured private ownership and private enterprise, rather than state ownership and government regulation. But he also favoured competition over monopolies, whether state or privately owned, and had no qualms about the state supporting and, on occasion, regulating private enterprise rather than simply adopting a laissez-faire approach and the automaticity of a completely free market.

And fifthly, Holyoake was always prepared to consult on the economy with the leaders of Federated Farmers, the Manufacturers’ Federation, and the
Federation of Labour. His door was also open informally to a small number of influential businessmen, called ‘the Cabal’, among whom the most prominent and possibly most influential was Cliff Plimmer. Plimmer, who was the managing director (1952–67) and chairman of directors (1953–70) of the New Zealand-wide stock and station agent Wright Stephenson, was involved with a diverse range of other companies involved in retailing, manufacturing, construction, banking, and publishing, which sometimes gained advantage from having the ear of government and particularly the Prime Minister. The authors of the history of Wright Stephenson describe, for example, how the relationship ‘benefited Wright Stephenson’ during 1961 and 1962 through a campaign to manufacture Morrison bicycles in New Zealand in preference to importing Raleigh bikes from the United Kingdom. Plimmer also lobbied Holyoake and Lake, with whom he was not impressed, more generally for tax reductions, especially for people on higher incomes, and for policies to reduce what he regarded as over-full employment, which made finding seasonal workers difficult. Other members of the business community who appear to have been linked to the Cabal included Ken Campbell of the engineering company Cable Price, of which Plimmer was also a director; Rod Weir of another stock and station agency Dalgety’s, who also was a major land agent and auctioneer; John Andrew of the National Bank; Jim Francis, a stockbroker; Jack Butland of Butland and Rothmans industries; and several members of the Todd family.

Thus, the links between politics and the economy were very close during the Holyoake years, as indeed they had been for many years before and were to be subsequently. New Zealand was a small and intimate society and it was almost impossible to have a detached debate, especially on the economy, without personalities and vested interests intruding. Networking and lobbying were integral parts of public policy formation, and Holyoake not only knew many influential personalities but, if he did not, certainly knew someone else who did. Because New Zealand’s economy was so regulated, the leaders of the major pressure groups – farmers, employers, manufacturers, importers, bankers, trade unionists – and also individual businessmen – all continually lobbied ministers and senior public servants, and the Prime Minister in particular.

The Prime Minister was not above asking for cooperation and favours from those who were usually suppliants either. On one occasion, for example, he rang Sir James Fletcher, who when talking with others sometimes referred to the Prime Minister, who usually had a cigarette in his hand, as ‘ol Holysmoke’. Fletcher recalled that in 1970 the Union Steam Ship Company was for sale and the Government, fearing an Australian company would buy
it, insisted that there should be 50 per cent New Zealand ownership. Peter Gordon, the Minister of Transport, tried to raise the money from New Zealand businessmen but fell £1 million short, even with government taking a 20 per cent shareholding that it would later on-sell. Holyoake rang Fletcher at home and asked him to contribute, and when Fletcher proved reluctant the Prime Minister asked if there was anything he could do to change his mind. After consideration, Fletcher mentioned that, unlike Forest Products and the Caxton paper mills, his company Tasman had never received an export incentive, despite years of negotiating with the government and its officials for one. Holyoake said to leave it with him and came back to Fletcher within an hour. Fletcher provided the contribution needed to purchase 50 per cent of the Union Steam Ship Company and Tasman received export incentives that were worth substantially more than that sum in each of the succeeding years. The Cabinet Transport Committee was, incidentally, split on the proposal, with Muldoon bitterly opposed. Gordon appealed to Holyoake, who stopped by Gordon’s office and said, “We’ll do it.” There was no further argument from Muldoon.

In 1961, Holyoake asked Plimmer if he would ‘find a position with the company [Wright Stephenson] for his son Peter, as a year or two’s commercial experience would be good for him’. Plimmer recorded in his diary, ‘I told him it would be very difficult but I would have a look’, and subsequently arranged for Peter to be employed at the Putaruru branch of Wright Stephenson. Plimmer informed the manager there that ‘there was an element of politics in this matter, and if at any time [Peter] Holyoake was considered to be redundant, the head office would carry a portion of his salary’.

While there is no suggestion that Holyoake personally benefited in any major way from his business contacts, he was certainly not averse to accepting small Christmas gifts from some of the businessmen with whom he was acquainted. Sir Bernard O’Connell, for example, sent him cartons of liquor, as did Sir Bryan Todd ‘a parcel of Christmas cheer’. Butland, who suggested to Holyoake and Muldoon the slogan ‘I promise you a Government you can trust’ for the 1975 ‘election to get rid of the Labour Government’, regularly sent him a case of wine and a couple of cartons of Rothmans cigarettes. In return, Butland had a standing invitation to use Holyoake’s bach at Kinloch whenever he wished.

However, on at least one occasion late in his career, Holyoake may have let his friendship with Butland cloud his judgement and involve him in a matter from which he perhaps would have been wiser to distance himself. Butland and the cigarette company Rothmans, with which Butland was associated, contacted Holyoake, who was then Minister of State, in 1976 to complain
that a competitor, Philip Morris, might have breached the Gaming Act by marketing cigarettes in packs containing banknotes. At Butland’s request, Holyoake met with representatives of Rothmans and then wrote to the Minister of Police, Alan McCready, about the matter. He took the issue up also with the Prime Minister, Muldoon, and the Minister of Justice, David Thomson, and also distributed a note on it to other cabinet members. Thomson told Holyoake that the matter was solely one for the police to handle. McCready subsequently informed him that Philip Morris would be prosecuted and Holyoake notified Butland. It is not entirely clear what this matter had to do with the Minister of State.

In an interview he gave in 1969, Holyoake summarised, in a somewhat oversimplified way, his approach to managing the economy and constructing the Budget. He conceded that Budgets, which involved a billion and a half dollars, were, by the 1960s, much more complex and required much more sophisticated work than those involving only $60 million when he had come into Parliament first in 1932. Budget planning started about eighteen months ahead of when it would come into force and took into account import licensing schedules, which were announced in March. The Minister of Finance and Treasury had to consider: ‘How many sheep are going to be killed, how much wool will they grow, what will be the price for butter, meat, every other damn thing – do you know that last year [1968] we were just one farthing out in our estimate for wool and we did this 18 months before?’

THE DOMESTIC economic recovery in late 1958 and 1959 did not continue, and another drop in the butter price, coupled with an election-year surge of imports in 1960, meant that Holyoake and National, on taking office again, were faced with another serious current account deficit and a fall in overseas reserves. Further measures had to be taken. Trading bank advances were tightened and extra import licences suspended. The debate over import licensing versus tariffs continued throughout the 1960s. A Tariff and Development Board was established to oversee a new tariff regime from July 1962 but import licensing also continued and, indeed, exporters received bonus import licences as export incentives in 1963, thus making the system of regulation more multilayered and complex. The Government made it plain to the Board that any reform of import licensing or tariffs needed to take into account the protection of New Zealand industry, especially that involving added value to New Zealand’s primary products.

In his first major speech in Parliament after the 1960 election, Holyoake, ignoring the fact that 1958 had been a more difficult crisis for the then Labour
Government than 1960 was for the new National administration, warned that New Zealand was confronted with ‘the greatest economic crisis it has faced since the worldwide slump of the 1930s’. He blamed this predicament partly on a drastic drop in the prices paid for wool and butter exports and partly on gross over-importing under the previous Labour Government. New Zealand was not only earning less overseas exchange, and spending more, but there was also a serious inflation problem internally that needed to be dampened down by tighter credit controls. He wanted a steady control of the economy with fluctuations of boom and bust levelled out. Drastic measures such as those in Nordmeyer’s ‘Black Budget’, however, were to be avoided if at all possible. As one economic historian has concluded, Holyoake ‘instead chose to ride out the storm with the help of renewed government borrowing overseas’ and by deciding ‘to join the International Monetary Fund so that the fund’s short-term borrowing facilities could be available to New Zealand . . . [and] Holyoake’s gamble paid off’.

New Zealand had not joined the International Monetary Fund and World Bank in the 1950s, but it had become evident, especially after the 1957–58 crisis, that the IMF could make loans available more quickly and cheaply than those from other sources and that ‘private lenders used the IMF’s willingness to lend as an indication of creditworthiness’. Membership of the IMF and World Bank would also reduce New Zealand’s almost total dependence on Britain as a source of overseas loans. Holyoake and Lake, with the full support of Treasury, got Parliament to approve New Zealand joining the IMF in 1961, although some National MPs, notably Muldoon, the new MP for Tamaki, had to be persuaded to vote in favour.

Export prices recovered, imports were restricted, and the rest of the period 1961–66, with Lake as Finance Minister, despite inflationary pressures, was relatively prosperous because of the improved terms of trade. Holyoake accepted that in the longer term, however, the base of the New Zealand economy had to be broadened, and his government sought to encourage economic growth and diversification and also to maintain full employment. To obtain ongoing expert research and advice, a Monetary and Economic Council was set up in 1961. In an effort to get input and agreement from the various interest groups, an Export Development Conference was held in 1963 and an Agricultural Development Conference in 1964. With considerable state assistance, a local iron and steel industry was established with a mill at Glenbrook in South Auckland and using the country’s iron sands. An aluminium smelter was built at Tiwai Point in Southland, with the first exports of aluminium in 1971. The construction of major hydroelectric power schemes, such as Tongariro, Manapouri, and Waitaki, and a Cook Strait power
cable were pressed on with. An oil refinery was built at Whangarei and oil and gas were discovered in Taranaki. The forestry industries established in the 1950s were expanded in the South Waikato and the Bay of Plenty. At the same time, there was a dramatic investment in education, particularly secondary and tertiary, with existing universities being rebuilt and two new ones started. By 1967, however, when Muldoon replaced Lake, wool prices had dropped about 40 per cent, the external debt was rising, and the Budget was becoming much more difficult to balance without increasing taxes or cutting expenditure. This was a watershed between the relatively prosperous growth years of the first half of the Holyoake era and the much more difficult latter half.

ONE LEGACY FROM the 1957–60 Labour Government was a plan to stimulate manufacturing for import substitution rather than for export. A British firm, Smith and Nephew, was encouraged to build a new cotton mill at Nelson and the Government undertook to extend the main trunk railway line to Nelson City. In an agreement of 12 August 1960, the company was guaranteed up to 80 per cent of the New Zealand market for various cotton products and 60 per cent for other fabrics. This market share would come from a combination of domestic manufacturing and imports. While creating employment and saving foreign exchange it would also, however, create a semi-monopoly situation.\(^4\) The new National cabinet and caucus were split over this scheme. Some local clothing manufacturers, as well as Federated Farmers, were concerned that the arrangement, which included import protection, would force them to buy more expensive local cotton from the mill and lobbied National MPs against it. The Canterbury backbench MPs McLachlan, Walker, and Pickering, the North Island farmer MPs Sheat and Sim, and the Aucklander Muldoon were particularly vocal against the project in caucus. In Cabinet the conflict led to a serious difference of opinion between Marshall, the Deputy Prime Minister and Minister of Industries and Commerce and Overseas Trade, and Shand, the Minister of Labour. Shand declared: ‘The time has come when sick industries must die and not be maintained by artificial means . . . it will be a happy day when industry is sufficiently competitive and there is no longer a welfare state for industries.’\(^4\) Marshall responded: ‘I would take the very opposite view and say that sick industries should be nursed back to health’; and he also believed that the agreement should be honoured, even if a previous government had signed it.\(^4\) The party organisation was also divided, with one Dominion Executive member warning Holyoake that ‘the cotton mill is threatening to tear the party asunder’ and suggesting that Marshall should perhaps resign.\(^4\)
A number of bitter caucus meetings between October 1961 and January 1962 culminated in two days of debate on 11 and 12 January. The Prime Minister asked every MP to state where they stood on the issue. One historian has suggested that, although Marshall and a majority of the other ministers wanted to honour the agreement and go ahead with the mill:

Caucus was allowed its head primarily because of the particular leadership style of Mr Holyoake, who developed a highly successful technique incorporating the whole parliamentary party into his decision-making process. He actively sought opinions from his caucus members and attempted to have issues thrashed out at this level.

Another commentator has remarked that Holyoake ‘let his colleagues debate to the point of exhaustion’ as a means of managing both the caucus and the resolution of the issue. Finally, Holyoake declared that he personally would close the Nelson cotton mill down the next day but would leave the decision to Cabinet, which would take into account the views expressed in caucus. Cabinet met at 7 p.m. the same day. On 13 January, Holyoake announced that the Government had advised the company of its wish to terminate the agreement. It was cancelled forthwith and neither the mill nor the railway was constructed. Half a million pounds was paid in compensation to the British firm. Labour’s deputy leader, Skinner, suggested Holyoake had nursed a grudge against the Nelson district since it had voted him out of Parliament in 1938 and that this was his revenge. But, as the historian of the Nelson region has commented, this allegation ‘was perhaps far-fetched’ and there is certainly no evidence to suggest that the cancellation of the cotton mill and railway was a result of any long-standing malice on Holyoake’s part.

During the early 1960s, the Holyoake Government did recognise the need for diversification of New Zealand’s export products and its markets, particularly as unrestricted access to the British market became more restricted by the introduction of quotas, notably for butter from March 1962. Britain’s repeated attempts to join the EEC after 1961 lent added urgency to this diversification, which had started before 1960 and was to continue after 1972. Prior to the Second World War, the British took 80 per cent of New Zealand’s exports, but that ratio was down to 50 per cent by the early 1960s, 40 per cent by the late 1960s, and under 20 per cent by the end of the 1970s. The United States, Japan, and Australia were obvious alternative markets if New Zealand could negotiate access to them, and trade with all three grew in the 1960s.
Nevertheless, despite a growing sense of interdependence in security matters between New Zealand and Australia during the 1940s, 1950s, and early 1960s, Prime Minister Menzies and most other Australian politicians and officials did not think New Zealand was really very important compared to themselves in the general scheme of things. The Australian governments of Holt (1966–67) and Gorton (1968–70) were somewhat better disposed towards New Zealand during the later 1960s. Nevertheless, during the last years of the Menzies era, five years of negotiations ended on 31 August 1965 with the signing of the New Zealand Australia Free Trade Agreement (NAFTA), which came into effect from the start of 1966. This agreement had been negotiated largely between Marshall and his officials and John McEwen, the Deputy Prime Minister of Australia, and his officials. However, NAFTA caused some tension between Marshall and the Under-Secretary of Finance. Muldoon ‘aggressively told Moriarty [the Secretary of Industries and Commerce] “my manufacturing friends in Auckland said you’ve sold us out”’. When Moriarty offered to resign if he did not have the Government’s confidence, Marshall, his minister, angrily ‘put Muldoon down’.  

The United States was strongly opposed to GATT approval of NAFTA and the British were less than enthusiastic, especially when it led to the raising of tariffs on British paper exports to New Zealand. Although NAFTA laid the basis for the development of trade between the neighbouring countries, its impact at first was, as one observer has noted, ‘limited because most of the commodities named initially were already freely traded and both countries were cautious in agreeing to additions’. Trade between the two countries did grow but was to do so much more when freed up by a new and more comprehensive Closer Economic Relations (CER) agreement, which built on and replaced NAFTA in 1983.  

During 1964, 1965, and 1966, the Government also prepared for the introduction of decimal currency. Officials and a Decimal Currency Board carried out the detailed work under the supervision of Muldoon, who had been appointed Under-Secretary to Lake after the 1963 election. One early controversy was over whether the major unit of currency should continue to be called the pound or changed to the dollar. Eventually, the dollar was chosen, but not before Holyoake had advocated his personal preference for the term ‘zeal’, which he thought was more independently nationalistic than either of the two terms associated with the British and American currencies. However, the design of the new coins caused even greater controversy. Early in 1966, their design was released to the public and the reaction was very negative. Muldoon, who was in Australia, commented flippantly that ‘it doesn’t matter what’s on the coins so long as you have enough of them’.
Holyoake publicly disagreed with Muldoon, and when the Under-Secretary returned to New Zealand the Prime Minister phoned him and told him: ‘[T]he press would ruin me [Muldoon] if I could not get out of this. I think he was only mildly exaggerating. We were all worried stiff.’ With the Prime Minister’s approval, Muldoon announced a nationwide poll to select the coins from all the designs considered and the controversy was defused.

IT HAD SOON become evident after 1961 that the second National Government was not going to move too decisively or radically to restructure the economy or to arrest the economic drift that had been characteristic since World War II. Imports were still restricted and locally produced goods expensive, and there were only cautious attempts to restructure the New Zealand economy away from the staple farming products sent to the British market. Although, in 1961, government departments were ordered to review legislation and regulations over the previous 25 years with the intent of removing all unnecessary bureaucratic restriction, little in fact was rescinded. The new administration did honour its election promise to reduce taxation, but Holyoake was not prepared to risk an electoral backlash by significantly cutting government expenditure on social services including benefits. Nor was he prepared to dampen demand by increasing indirect taxes and government charges, as Nordmeyer had done in 1958. From 1960–63, he had a majority of twelve seats in Parliament, but seven were held with majorities of less than 400 votes and so political expediency outweighed economic rationality.

Another election promise made in 1960 was to abolish compulsory trade union membership, established by Labour in 1936 at the same time as compulsory arbitration in industrial disputes had also been reintroduced. Although the first National Government elected in 1949 had introduced bills in 1950 and 1951 to make union membership voluntary, opposition from both the Federation of Labour and the New Zealand Employers’ Federation had led to the Government abandoning the proposed legislation. Farmers had always opposed compulsory trade unionism but became particularly negative and angry during 1959 when freezing workers ignored the arbitration system in favour of strike action. This resulted in National again promising in 1960 to introduce voluntary unionism. Predictably, the unions and the employers – the latter fearing industrial instability – again opposed the move. As one authority has pointed out, farmers and urban employers, ‘the two bulwarks of the National Party’s electoral constituency were, not for the first or last time, at loggerheads over industrial relations’.

Holyoake was somewhat ambivalent on the issue because, although he
sympathised with the farmers, he also wanted to maintain the arbitration system and industrial peace and stability. He was happy to leave the matter entirely to Shand, the Minister of Labour, and ‘played no significant role in the development of the union membership legislation of 1961 nor in its presentation and justification to the government caucus’. He also refrained from commenting publicly on the matter. Shand, who was seen by many farmers and employers as being too influenced by the FOL’s leaders, first Walsh and then Tom Skinner, eventually prepared a system of unqualified preference in which workers would have to join a union if a union and an employer negotiated an award giving preference to union members – in effect, a closed shop or workplace restricted to union members. Even though some members of the National cabinet and caucus saw Shand’s compromise as an abject failure to honour the election promise, Holyoake eventually supported his minister and the legislation was enacted.

The six Lake Budgets between 1961 and 1966 were marked by what one economist has termed ‘blandness’. They reflected ‘consensus politics and consensus economics. Steady as she goes’, and were preoccupied with increasing exports and economic growth. It was a period of economic expansion and Holyoake was willing to use New Zealand’s external reserves to facilitate that growth. But as Muldoon later observed: ‘Some risk was involved and it was this risk-taking which found us at the end of 1966 in a vulnerable position when, at the end of that year, three days before the General Election, the wool price collapsed.’ The policy did not sufficiently look to the future and the possibility that commodity prices for the pastoral exports, which in 1966 contributed 91 per cent of New Zealand’s export revenue, might fall; that as a result there would be a serious deterioration in New Zealand’s terms of trade; and that there might need to be some radical restructuring of the New Zealand economy.

This prospect was, though, evident to some observers. In his annual report to the Commonwealth Relations Office, the British High Commissioner in Wellington, at the end of 1961, observed that Holyoake and his ministers ‘are too much immersed in domestic politics’. They displayed ‘cowardice’ and ‘allowed themselves to be pushed about by vocal pressure groups’. This trait was evidenced by the Government’s retreat, in the face of union and employer opposition, on its election promise to abolish compulsory unionism and in the ‘exaggerated tenderness’ Holyoake had always shown for the dairy farmers, ‘who are strong, organised and vocal, and influential in many marginal seats’. As a result, Holyoake and his government ‘have conducted themselves as if there was always an election the following week’, were ‘very timid about appearing to be a yard ahead of public opinion’, and ‘have failed to grasp the
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nettles of the need to take unpopular measures to restore the internal and external economic equilibrium of New Zealand.\textsuperscript{64}

It is certainly true that, during the early 1960s, Holyoake’s government showed little vision or courage in its restructuring of the economy, although it did initiate and oversee an almost unprecedented expansion of the nation’s infrastructure and substantial growth in traditional agricultural production. The domestic expansion generated by an export boom in 1963–64, however, created a rise in imports over the following eighteen months and New Zealand’s healthy balance of trade surplus of £73 million in the year ending March 1965 fell to only £11 million in the year ending March 1966, the beginning of an election year.\textsuperscript{65} The country’s overseas reserves were similarly reduced. The situation was worsened by the drastic fall in wool prices in late 1966. In the face of rising prices, some newspapers had become critical of the Government as early as September 1964 for not acting decisively enough. Truth, for example, under a large headline – ‘Act or Go, Mr H.’ – claimed: ‘New Zealand is facing economic crisis. Its head is buried in the sand of ineptitude and inertia, the Government is steering the country to chaos both at home and abroad . . . . Take instant action, Mr Holyoake, or resign your Government.’\textsuperscript{66}

Determined not to offend interest groups and risk losing votes, the Government did not take strong measures to counter inflation, which admittedly with the advantage of hindsight was much lower than was to come in the 1970s and 1980s. Nor did it seek to hold, let alone cut, government expenditure, or encourage greater productivity through labour reforms. It did attempt by less drastic means to improve a deteriorating balance of payments situation by limiting imports to save overseas currency reserves, by increasing and diversifying exports, and by fostering the development of New Zealand manufacturing, even though much of that sector was viable only because of considerable protection. Holyoake, rather than Lake, oversaw this strategy, and it was the Prime Minister, not the Minister of Finance, who introduced a major caucus debate on the economy in October 1964, first giving a lengthy review of economic developments since 1960, and then suggesting what should be in a public statement on the current recession and inflationary trends and the steps being taken by the Government to address them. A motion that indirect taxes should be raised was defeated, with only nine MPs voting in favour.\textsuperscript{67}

In a discussion of Budget matters at caucus on 21 May 1965, Munro asked: ‘[A]re we dealing adequately with growing inflation?’ In reply, Holyoake concentrated instead on New Zealand’s growth rate, which he claimed was the ‘highest in the world’. New Zealand had adequate overseas investments and IMF loans available if necessary and, he told the caucus, ‘any overseas
borrowing will be for national development in New Zealand’.\textsuperscript{68} Inflation, however, continued, and Treasury, the Reserve Bank, and the Monetary and Economic Council all warned during 1966 that it was getting out of control and that the Government needed ‘to implement a firm policy of economic restraint’ including ‘firmer control over its own expenditure’. It also needed to increase taxation and reduce internal demand because ‘a rapid deterioration in the balance of payments could lead to a critical external situation’.\textsuperscript{69} Faced with the forthcoming election in November, however, Holyoake and Lake decided to downplay the seriousness of the situation and cover both internal and external deficits by drawing on foreign exchange reserves and restraining credit where possible. As Lake argued, while ‘we are confronted with a deficit in our balance of payments . . . international reserves exist to get the country over short-term problems such as these which have arisen while we are building up export potential’,\textsuperscript{70} Holyoake, however, told his confidant Plimmer that privately he ‘had reprimanded Lake for letting the country’s financial reserves in London fall below 50 million pounds’.\textsuperscript{71}

Shand was one minister who was deeply concerned that National was still not taking sufficiently bold steps to address New Zealand’s weakening economy, especially the deteriorating balance of payments problem. On 3 June 1966, he wrote to Holyoake telling him: ‘I feel I must make my position quite clear. I believe that to bring down a budget this year without making some increases in indirect taxation is to act quite irresponsibly. The course you propose is fraught with grave danger to the country, to the party and to the members of your cabinet.’\textsuperscript{72} Shand believed that Holyoake was ignoring ‘the economic arguments which have been so clearly and forcibly presented by Mr Lake and the Treasury officials’, with which Shand and the IMF concurred, to increase tax by a comparatively modest amount on such items as petrol and motor cars ‘to bring home to the public the seriousness of the crisis we face’ and which would help ‘restore our economy to a reasonable state of balance’. He feared that the monetary measures, such as a credit squeeze, Holyoake favoured to reduce demand ‘will only succeed in doing so if they are so harshly applied as to cause severe and widespread hardship and loss, and I should add to cause deep seated bitterness against the Government’.

Shand then went on to argue that if the Government’s advisers were correct, as Shand considered they were, but Holyoake continued to ignore their advice, then the country would end up ‘virtually in the hands of the receivers’. The National Party, whether ‘we survive the election or not . . . would be regarded by most of our people . . . as unfit to govern’ and it ‘might well be twenty years before our kind of people are trusted again’. He
reminded the Prime Minister that he and his ministers had sworn a solemn oath to give the best advice they could to the Governor-General. Were it to be revealed that they had ignored the official advice they had received over recent months, and – ‘exposure . . . would be inevitable were a change of government to come’ – then that ‘would condemn us at best as being reckless of our responsibility’.

Furthermore, he had ‘thought seriously whether for my own good name I should tender my resignation to you. [But] I cannot bring myself to do so for we are all in this boat together’, and the resignation of a senior minister without explanation would ‘be extremely damaging to the Government’. However, Shand went on to tell Holyoake, because ‘we are all in this together you should not use your very great standing in the eyes of the members to impose your will upon us. It is my belief that without the great influence you wield a substantial majority of our colleagues in Cabinet and Caucus would agree with me.’ He ended by pleading with Holyoake to take ‘firm action’ and defend the tax increases on the grounds that they were essential because of the high level of development, the high cost of defence, and the deterioration of the international financial market, which made borrowing difficult. Such courage in election year ‘would be widely acclaimed’, though he admitted that ‘an election taking place in an atmosphere of deteriorating exchange balances in which the Government says it will take whatever steps may be necessary does not offer a very rosy picture’.

The plea fell on deaf ears. Holyoake and Lake continued to defer any radical response to the economic warnings because of the forthcoming election and persuaded Cabinet to reject Shand and Treasury’s advice. There is little doubt that the Prime Minister took personally his colleague’s trenchant criticism.

NATIONAL SURVIVED the 1966 election despite the deteriorating economy, but within weeks wool prices collapsed. Since 1952, the Wool Commission had had the power to purchase and stockpile wool which failed to reach a minimum price at annual auction on the open market. It now found itself having initially to buy over 80 per cent of the wool offered for sale. By the end of the season the Commission had been forced to buy in and store 645,786 unsold bales of wool – just over one third of the total produced in 1966–67 – at a loss of some $60 million in overseas earnings. This situation dismayed Holyoake not only because of its effect on the economy but also because it marked the collapse of a system that he perhaps more than any other had been responsible for establishing fifteen years earlier when he was Minister of Agriculture. It was to take until 1972 to sell the stockpile. A 40 per cent drop in
the price of wool exports, which generated 40 per cent of export receipts, was a palpable blow to the economy. Except temporarily for the world commodity boom in 1972–73, wool prices did not recover, and there was a tendency for other pastoral export prices also to fall relative to import prices. Thus, the final five years of the Holyoake era saw slow economic growth and high inflation, and this ‘stagflation’, as it was dubbed, was compounded by the British entry to the EEC and the oil shocks that were to follow in the 1970s after he had retired as Prime Minister.

With the 1966 election out of the way and with urgency needed to counter the wool price crisis, the Government belatedly accepted that it would need to be more decisive in combating inflation and reducing government expenditure. The Treasury’s historian notes that the resulting cuts were ‘driven more by Holyoake than by either Harry Lake . . . or the Treasury’. Holyoake and Lake told caucus on 10 February 1967 of their concern and suggested moves to dampen consumer demand by removing subsidies on butter and flour; reducing funds for state advances housing loans; increasing state rentals; raising postal, telephone, and telegraph charges; and tightening credit and the availability of foreign currency.

However, Lake’s sudden death on 21 February from a heart attack, the last of a number he had suffered over the previous three years, created a problem for Holyoake. The most obvious successor as Minister of Finance was Shand, who certainly had the ability, knowledge, and seniority for the position, which he also made it plain he wanted. But as his letter some months earlier to Holyoake had demonstrated, he favoured a much more radical approach to the economy than the Prime Minister was comfortable with. Moreover, the position of Minister of Finance would have strengthened Shand within cabinet and caucus as a rival to Holyoake in the policy debates and as a potential challenger for the leadership. Shand’s enemies in caucus, such as Scott, also lobbied against his appointment. Holyoake, therefore, offered the finance post to Marshall, who refused, preferring to remain as Minister of Industries and Commerce and Overseas Trade. Determined that he would not appoint Shand, Holyoake chose Muldoon, Lake’s 45-year-old former Under-Secretary, whom the Prime Minister had not promoted to Cabinet after the 1966 election but whom he had belatedly added as Minister of Tourism six days before Lake died. Somewhat surprisingly, Shand was the only minister to seek Muldoon out and offer his congratulations and support, though he qualified the latter by adding that it would be only forthcoming as long as Muldoon pursued conservative economic policies. Holyoake indicated that he would continue to keep ultimate though indirect control over economic policy by giving his new Finance Minister the eighth and lowest seat on the Government front
bench and leaving him at the bottom of the cabinet rank order. Muldoon later recalled that, for the first six months he was Minister of Finance, he had to meet daily with the Prime Minister to discuss finance, and even after that initial period they continued to meet fortnightly. Muldoon also observed that ‘the general thrust of economic policy at that time was a policy of restraint rather than policies to promote growth’.

Caucus met on 2 March and, after respects were paid to Lake, held a wide-ranging discussion on the economy. After fifteen other MPs had expressed their opinions, Muldoon advocated a series of measures that would be ‘directed at consumers’ rather than producers such as farmers, who would ‘take the most severe knock in income’ as the result of the fall in overseas prices for their exports. The specific proposals increased indirect taxes, including those on spirits, beer, tobacco, petrol, and overseas travel, and resembled Nordmeyer’s actions in his ‘Black Budget’ nine years previously – a fact not lost on some MPs. There were also to be cuts in government expenditure, especially subsidies. During the discussion that ensued, Holyoake was sceptical about the wisdom of increasing indirect taxes and making serious cuts in expenditure and argued instead that, unfortunately, he believed that the ‘only way of taking money out of circulation without increasing the cost of living is increased direct taxation’, a view that would not have been shared by many economists of the day. The Prime Minister’s view, however, was echoed and endorsed by most of the nineteen MPs who spoke after him.

The debate continued throughout April, with Holyoake telling caucus that, while he wanted ‘to stabilise the economy’, National ‘should not overdo it’ because of the ‘psychological effect’ on the nation. Finally, it was agreed that Muldoon could introduce, on 4 May, a mini-budget incorporating a range of increased indirect taxes and government charges, sweetened by some incentives to exporters. The use of a mini-budget, defensible in that it addressed the economic problem immediately rather than delayed action until the annual Budget, also meant that the June Budget would not need to be so draconian, although one economist did believe in retrospect that it was still ‘blacker than Nordmeyer’s Black Budget of 1958’. When asked to comment, Nordmeyer simply stated: ‘I bestow on the Government the charity of my silence.’ The rest of the Labour Opposition under Kirk, however, was unable to exploit the 1967 Budget in the way and to the extent Holyoake had managed so successfully to do in 1958.

In September and October, Muldoon travelled overseas to attend meetings of the Commonwealth Finance Ministers and the IMF and World Bank. He also sought to arrange loans in Britain and from the IMF, partly to cover an existing large sterling loan that was falling due. Export receipts had dropped;
the New Zealand economy was slowing down; the costs of invisibles were increasing; there was a domestic credit squeeze; the building industry was running down; there was a slowdown in expenditure on government projects; and unemployment was on the rise.

As one response to the 1967 crisis, Treasury advised an immediate devaluation of the New Zealand currency. Holyoake, who had some concerns that devaluation would increase costs and fuel industrial ferment, called his senior ministers, Marshall, Shand, and Hanan, to a secret meeting at his home. He then contacted Muldoon in Rio de Janeiro to tell him that the four had decided to accept the Treasury advice. Muldoon, always reluctant to devalue, attempted to persuade Holyoake to do nothing until he had returned to New Zealand; and warned, somewhat surprisingly, that if New Zealand devalued that might well trigger a devaluation of the British currency. When Muldoon said he would resign if New Zealand devalued in his absence, Holyoake agreed to defer the decision until his Finance Minister returned to Wellington. In the event, New Zealand did not devalue until Britain did so in November, with New Zealand going somewhat further than the British and devaluing by 19.45 per cent to Britain’s 14.3 and to parity with the Australian dollar. As one economist has observed: ‘[T]he devaluation of November 1967 was followed by a greater growth of exports than of imports and there were hopes that the foreign exchange constraint had been overcome.’ That apparent improvement was partly due to widespread slaughter of livestock, which gave a temporary boost to export quantity at the cost of slowing down future growth of production, and partly due to an increase in the export of manufactured goods to Australia during the late 1960s and early 1970s because of the 1967 devaluation of the New Zealand dollar relative to the Australian. But hopes of a longer-term recovery were already faltering when the first substantial rise in the price of oil, in the early 1970s, again dramatically and adversely affected New Zealand’s balance of payments. Although in the short term the 1967 devaluation partially compensated farmers for the fall in pastoral export prices, that was somewhat offset by the concurrent devaluation of the British pound and also by the stimulation of inflation.

THE ECONOMIC crisis of 1967 and the ongoing inflation provided a less than ideal context for tax reform, particularly a shift from direct to indirect taxation. A few months before the 1966 election, the Government had set up a Taxation Review Committee under the chairmanship of an Auckland accountant Lewis Ross. The Ross Committee reported in 1967 and recommended a cut in direct taxation rates, an increase in indirect taxation, and the payment of all
company tax on a PAYE basis. In 1968, Muldoon revised the tax rate structure, although direct income tax still provided about two thirds of tax revenue. The rate on incomes over $12,000 was 67.5 per cent, a percentage Muldoon was later to raise temporarily when he imposed between 1 December 1970 and 31 July 1971 a temporary 10 per cent surcharge on all individual income tax rates. These levels of tax on higher incomes, and the Government’s reluctance to shift some of the tax burden from income to spending by an increase in indirect tax, made it very difficult for Holyoake after 1966 to portray National as the party of lower taxes as he had done so effectively in the early sixties.

The steady rise in consumer prices over the years had been partly offset for wage and salary earners by General Wage Orders made from time to time by the Arbitration Court under regulations designed in 1953 to promote economic stability. In December 1967, the Federation of Labour submitted an application for a General Wage Order of 7.6 per cent, to compensate for a rise in consumer prices of 6.7 per cent over the previous year. By a margin of two to one – Judge Blair and the employers’ representative against the union advocate – the Court, arguing the priority of economic stability, decided in June 1968 that ‘in present economic conditions a general wage order should not be made’. This ‘Nil Wage Order’ outraged the trade unions. There was widespread industrial action as a result, and some employers unilaterally gave a 5 per cent wage increase. With industrial chaos looming, the Government supported the unions and employers taking the issue back to the Court. The Court subsequently granted a 5 per cent General Wage Order when the employers’ and union representatives on the Court combined to outvote Blair on the new application. An angry Muldoon described the agreement between the unions and the employers as ‘an unholy alliance’ and the decision to ratify the 5 per cent award as damaging the Court and the wage-fixing process as well as the Government’s fight against inflation.

Shand attempted to amend the regulations to make the Court put more weight on changes in retail prices when making General Wage Orders, thus hopefully strengthening the arbitration system and preventing a repetition of the Nil Wage Order. Although Holyoake had supported Shand in the discussions that led to the unions and employers going back to the Court, he was not happy about amending the regulations as Shand proposed. Cabinet rejected the proposal, with Muldoon and Marshall, who chaired the meeting in Holyoake’s absence at his sister’s funeral, leading the opposition to the Minister of Labour. Muldoon and Marshall were especially concerned that excessive General Wage Orders would jeopardise the Government’s anti-inflationary measures of 1967 and 1968, and Muldoon thought: ‘We’d been sold out by the employers.’
Even though he had some sympathy with Shand’s wish to maintain industrial stability and the arbitration system, there was no way that Holyoake was going to pursue a course of action that undermined National’s farming vote at the 1969 election and perhaps even beyond. The Prime Minister sided with Marshall and Muldoon and declared that ‘no law-abiding person would support the view that an amendment should be made because one decision of the Court was unpalatable to one side’. Shand himself appreciated that both the amendment he proposed and the cooperation between employers and unions in raising wages would be unpopular with many National supporters, especially farmers. He noted in a memorandum that ‘Federated Farmers will hold protest meetings all over the country’ and the ‘National Party conference will be a shambles, with violent criticism of the government from farmer members and delegates representing districts where farmers are a dominant interest in the party’.93

The failure to adopt Shand’s proposed amendment may well have been the final straw in destroying the existing arbitration system. Although after Shand’s death in 1969, Marshall, as his successor as Minister of Labour, tried to reform the system, industrial relations became even more what one industrial relations historian has described as ‘tripartism or corporatism . . . in which the government, the FOL and the NZEF worked together’. Muldoon also switched his criticism of Shand to Marshall as the struggle became one not just between the Ministers of Finance and Labour over the effects of wages on the economy but also over which of them would succeed Holyoake as National’s leader. After 1968, Holyoake’s Government failed to sustain or reform the arbitration system to which Holyoake himself had been committed throughout most of his tenure as Prime Minister. The damage done to the Arbitration Court and the General Wage Order system in 1968 led to more chaotic, market-driven wage setting and a considerable rise in real wages, especially after the Kirk Government came to office in December 1972.95

IN 1968 AND 1969, the Government brought together representatives of the major interest groups in the public and private sectors in a National Development Conference, building on the previous conferences on agriculture and exports in the early 1960s. The NDC was suggested by Muldoon and Lang. Well chaired by Marshall, and with considerable input from the economists Frank Holmes, Bryan Philpott, and Jim Rowe, and the Secretary of the Department of Industries and Commerce Jim Moriarty, among others, it was a comprehensive attempt to involve all major sector groups in the indicative planning of the New Zealand economy and to create
a consensus on economic policy direction for the future. It was also hoped that a combination of factors such as the recent devaluation, tax incentives, and import licensing incentives tied to exports could create the psychological as well as physical conditions for an increase in more competitive manufacturing and a breakthrough into manufacturers seeking export as well as domestic markets.\(^97\)

Holyoake supported the NDC, which he claimed to have had in mind himself for quite some time, not only because it was consistent with his pluralistic, consensual style of government but also because it gave National publicity in the run-up to the 1969 elections and countered the Labour Opposition’s calls for longer-term forward planning. The NDC was to be a centrepiece of National’s 1969 and 1972 campaigns. He also hoped it would provide a forum at which the endemic clash between free-trade rural interests and protectionist urban interests could be reduced if not resolved. Within the National Party, as within the country as a whole, there was a never-ending debate among farmers, manufacturers, and importers, with Holyoake and the Government caught up in the middle. Everyone wanted economic development, but there was a great diversity of views over the exact kind, the means, and at what price. Holyoake realised that there would have to be some ‘horse-trading between the parties’ to get an NDC resolution and that that would create ‘some problems for Government’ and ‘will test the ingenuity of Government’ in the future when it had to get the details implemented. He appreciated that targets from time to time might be ‘undershot’ or ‘overshot’ as circumstances, demands, and opportunities changed and the Government adjusted to them, but the guidelines would be there so that New Zealand would no longer simply be ‘jumping hurdles as we come to them’.\(^98\)

Some observers were less complimentary about what one has termed ‘a huge talkfest’ at which the ‘participants heard what they wanted to hear’ and which eventually achieved little.\(^99\) Others thought that the NDC strongly influenced the Government’s strategic thinking in terms of New Zealand’s major structural economic problems, as evidenced by low productivity and an unsustainable balance of payments deficit.\(^100\) The Conference emphasised the need for New Zealand to put considerably greater resources into accelerating export growth, not only from traditional pastoral products such as wool, meat, and dairy, but also from manufacturing, horticulture, forestry, and fishing. Holyoake, Marshall, and Muldoon made export growth, always important, their top economic priority after the NDC. Muldoon’s 1969 Budget included new export, forestry, and tourism incentives, tax reductions for research and modern plant, and measures to increase productivity as well as production. The NDC also recommended the establishment of an Economic Planning
Council, which Muldoon subsequently set up, both to improve longer-term economic policy formulation and to educate public opinion and raise the standard of public debate on the economy. Sector councils were also created.

Nevertheless, while Holyoake and his key ministers were willing to adopt some of the recommendations of the NDC, they were reluctant to accept others or advice from the Monetary and Economic Council and the World Bank that the structural problems in the New Zealand economy required more radical policies, including the reduction of protection, regulation, and taxation. They were nostalgic for the more prosperous and relatively easier economic times of the 1950s and early 1960s and were reluctant to adapt radically to new economic realities, which they believed erroneously were cyclical and not long-term. Instead, they preferred one unanimous recommendation from the NDC that: ‘The manufacturing sector should be accorded a level of protection sufficient to promote steady industrial development, increasing manufacturing exports and full employment.’ In a significant concession to the economic reformers, however, the carefully drafted recommendation did add that ‘the system of protection should be flexible’ and that ‘import licensing should be replaced by tariffs as the main measure of protection . . . within a reasonable time’. Muldoon subsequently referred to this recommendation as ‘a notorious . . . compromise’ that ‘the manufacturers, in the cold light of day, thought had gone too far’. Holyoake, Marshall, and Muldoon all later believed that this limited commitment to liberalisation, by antagonising the manufacturers as well as the trade unions, was a major factor in the defeat of the National Government at the 1972 election.

ALTHOUGH THE economy recovered reasonably well from the recession of 1967–68, the following years 1969 and 1970 were still difficult economically for the Government, and New Zealand’s terms of trade did not improve until late 1971. Rapid and high inflation in both production costs and consumer prices persisted and substantially eroded the gains Muldoon achieved through his fiscal policies and through devaluation in 1967 and 1968. In 1970, Muldoon introduced a ‘payroll tax’, which was unpopular with both employers and unions and which, in retrospect, he admitted was ‘a mistake’. The acute shortage of workers, especially skilled tradesmen, also contributed to a high staff turnover, wage inflation, and widespread industrial strife. Holyoake found himself ‘hankering after the past’ and favouring personally a return to the old Industrial Conciliation and Arbitration Act procedures in a mildly amended form. Uncertain overseas markets and prices, especially with Britain poised to enter the EEC, rising costs, and drought worried and
materially harmed many farmers. The terms of trade for traditional pastoral exports had been moving steadily against New Zealand for the previous five years and diversification and greater volume could not adequately compensate. Imports also continued to grow and were in 1970 at record levels, partly because the Government was continuing to move from direct import licensing to tariff protection. The Government found it much harder to satisfy farmers, manufacturers, and wage and salary earners in these more difficult economic years.

In November 1970, in an effort to combat inflation, the Government announced a price freeze, which was replaced in February 1971 by a complex system of price justification. A Stabilisation of Remuneration Act was also passed, setting up a Remuneration Authority to enforce existing wage agreements and to approve any increases negotiated above 7 per cent. The details of this legislation led to another clash between Muldoon and Marshall over the list of exemptions to the 7 per cent limit. Muldoon and Treasury were opposed to a list of exemptions proposed by Marshall after consultation with the FOL. However, when the Bill went to the House it included Marshall’s proposals because, as an incensed Muldoon told a senior Treasury official, ‘when it went to caucus everyone was in favour of Muldoon’s position except two – Marshall and Holyoake – and Holyoake got his way’.¹⁰⁷ That maximum of 7 per cent was soon regarded widely as the minimum, rather than the maximum, by many unions and even employers, and led – as Muldoon had feared – to a wage-price spiral situation. This led American observers to conclude in August 1971 that

New Zealand’s economy is in trouble . . . mainly due to the downturn in demand for its agricultural products, and to inflation. In 1970 prices rose 10 per cent and wages increased by 15 per cent. Legislation was adopted to restrain wage increases to 7 per cent a year, and an income tax surtax of 10 per cent was imposed last year. Strict budgetary control has brought stability, and the budget adopted in June 1971 removes this surtax, but New Zealand faces serious problems with the looming entry of Britain into the EC.¹⁰⁸

Some New Zealand political historians, such as Robert Chapman, have concluded that ‘Holyoake’s greatest feat as Prime Minister was the slowing down of every process which, if speedily dealt with, might have represented change and political harm’.¹⁰⁹ This modus operandi delayed and eventually made more urgent and more difficult necessary economic restructuring. Had Holyoake pursued a more vigorous reform of the New Zealand economy during the period 1960–67, when Lake was Minister of Finance,
the difficult adjustments in the second half of his term as Prime Minister from 1967–72, when Muldoon took over the portfolio, would probably not have been so trying, although clearly the prime causes of the downturn in New Zealand’s terms of trade were outside any New Zealand government’s control. Alternatively, of course, it can be argued that, if the wool price had not collapsed at the end of 1966, Holyoake might have got away with the cautious, even timid, economic policies of the earlier years. Certainly, after 1966, Holyoake’s ‘steady does it’ approach to the economy was, in hindsight, not the best strategy for preparing New Zealand for the effect on its economy of the, at that time, largely unforeseen oil shocks of the 1970s. However, by March 1972, when the Government was forced to impose a further price freeze, Holyoake was no longer Prime Minister, having stood down and been replaced by his deputy Marshall a month earlier amidst widespread doubts that National could win a fifth successive election later that year.
From Prime Minister to
Minister of State, 1972–77

POLITICAL JOURNALISTS had been predicting Holyoake’s impending retirement from around mid-1967. The speculation was well founded and it was probably not a coincidence that, from that time, Holyoake initiated a habit of calling in at the end of the evening and having a drink with a number of younger ministers: Muldoon, McKay, Gordon, and MacIntyre.\(^1\) To this group, he expressed his growing irritation with the pressure that Marshall was putting on him to retire and also discussed it privately with Muldoon at the frequent meetings the Prime Minister and Minister of Finance had together.\(^2\)

Marshall was the obvious successor and certainly wanted to be Prime Minister. However, he became increasingly impatient as Holyoake showed no sign of handing over before the 1969 election. In December 1968, Marshall took the matter up in a conversation with Holyoake, who then asked his deputy to ‘do some “scribbling”’.\(^3\) In response, Marshall wrote a letter to Holyoake arguing that ‘the winning of the next election [was] not going to be easy’ and that leadership would be a major factor. He told Holyoake:

> I think you have led us well since 1957 . . . . But there is now widespread and freely expressed criticism of you personally. I have consistently rebutted it and I think nearly all your colleagues do so – we have a good sense of loyalty in the team. But this criticism is coming to the surface too often for comfort [and] the question we have to decide is whether the current criticism is now such as to affect our chances of winning the next election . . . . I don’t know whether the same criticisms are made of me. I’m told they are not but people don’t usually tell us these things to our face.\(^4\)

Marshall concluded by suggesting that a secret public opinion poll should be
done ‘at once’ for the party, asking: ‘Who would you prefer as Prime Minister? Mr Holyoake or Mr Marshall’ and ‘At the next election would you vote for the National Party if Mr Holyoake were leader[,] if Mr Marshall were leader[,]’. Holyoake was so annoyed that he ripped the letter up and threw it in the wastepaper basket. Yet, on reflection, after talking with his daughter Keitha, he recovered it, sellotaped it together, and then showed it to a number of people including Stuart Masters, the Chairman of the Auckland Division of the National Party.5

Holyoake did not agree to Marshall’s request for a poll but instead took a straw vote in caucus, distributing a piece of paper to each member and asking them to write ‘yes’ or ‘no’ in answer to the question should he lead the party at the 1969 election or not. After collecting the papers himself and examining them he announced that he would carry on as leader, much to his deputy’s disappointment, as well as that of Marshall’s supporters both in caucus, such as Munro, and in the party organisation, such as the able Wellington Divisional Chairman, George Chapman.6

Holyoake went on to win a fourth term at the 1969 election, but most observers believed that National was very lucky to have won and would almost certainly lose in 1972. A mood of pessimism became evident within the National Party, both inside and outside Parliament. By the end of 1970, for example, Murray Hunter, the Chairman of the party’s Canterbury Division, was stating that ‘support for the Party seemed to have dropped alarmingly, especially in the Country areas . . . . The Prime Minister was aware of the position.’7 By early 1971 there was general agreement within the Canterbury Executive that the party was ‘probably at its lowest ebb with declining support from business people such as farmers and professional and business men’.8 Inevitably, the question of who would lead National in 1972 persisted.

Sir Arthur Galsworthy, the British High Commissioner in New Zealand, reporting on the results of the 1969 election to the British Secretary of State for Foreign and Commonwealth Affairs, observed that the result was a ‘real personal achievement for the Prime Minister. To find a precedent for four successive general election victories for one leader it is necessary to go back to the beginning of the century when Richard John Seddon achieved a similar success.’ Galsworthy added, however, that Holyoake, although claiming ‘to be fitter than ever’ and having ‘no intention of retiring’, was likely to step down as leader of the party in about eighteen months’ time and that the ‘principal contenders for the succession would be Mr Marshall, Mr Muldoon and Mr Talboys’.9

Marshall would, in the opinion of Galsworthy and many others, be the ‘most obvious and least controversial’ candidate. He was ‘well liked by both
colleagues and the Labour Opposition’ although was ‘thought, however, to lack the fire and rugged temperament expected of a party leader in New Zealand’. It was little wonder, however, that Marshall sometimes appeared tired. Holyoake was not fair to his deputy in the allocation of portfolios after 1969. Not only did he have the responsibility for much of the detailed lobbying and negotiation involved in defending New Zealand’s British market as Britain prepared to enter the EEC in 1970 and 1971, yet he was expected also to cope domestically with the constant pressure of the Labour portfolio that had taken such a toll of the able and energetic Shand. This really was expecting far too much, especially from a man who had had a heart attack. And being Minister of Labour also brought him, as it had Shand, from time to time into stressful conflict with the Minister of Finance, who was also emerging as a potential successor.

Muldoon was ‘ambitious and active’, had been ‘exceptionally prominent during the election campaign’, and ‘it might be thought that Mr Holyoake has been grooming him for supreme office’, observed Galsworthy. But he also warned the British Government: ‘There are, however, many National supporters who believe that Mr Muldoon as Prime Minister would be disastrous. He has a reputation for being ruthless, vindictive and egotistical.’ Despite that, public opinion polls saw him as a much more effective politician than any other National MP, including Holyoake and Marshall.

In the High Commissioner’s opinion, Talboys was ‘very well placed to become Prime Minister of New Zealand, if not during the present term of Parliament then possibly later in the 1970s’. But Talboys, despite his fine physical appearance, intelligence, warm personality, and undoubted oratorical skills, lacked sufficient personal ambition and the ‘killer instinct’ necessary to seize the top job, as indeed subsequent events were to prove. A fourth possible contender mentioned in the report was Shelton, the very able and respected Minister of Industries and Customs, but he lacked charisma and, at 64, his age also told against him.

Galsworthy’s reports were supplemented by detailed analyses from two other members of the British High Commission in Wellington, Derek Tonkin and Ian Mackley. In June 1970, Tonkin wrote two reports on National’s leadership to the Foreign Office. He saw the Government as being ‘in a state of some disarray’, with Holyoake enraging his officials in the Ministry of Foreign Affairs and still suffering from the deaths the previous year of Shand and Hanan, ‘both of whom were intelligent, enlightened and liberal personalities’, as well as hard-working and effective ministers. Holyoake had been created a Knight Grand Cross of the Most Distinguished Order of St Michael and St George in the Queen’s Birthday Honours and this had led to
renewed speculation about his possible retirement. However, on 13 June, Sir Keith had told a press conference:

I have never at any time given any credence to the thought that I might retire or when I might retire. I have had no retirement plans and I have none now. I give an absolute and positive denial of any thought whatsoever that this honour now conferred on me by the Queen will change in any way my views on the matter or has affected my thinking or actions whatsoever.11

Then, in November 1970, Tonkin told the Foreign Office that, despite Holyoake’s public denials, he would probably retire before the next election and that Marshall, Muldoon, Talboys, and McIntyre were the four most likely contenders for the succession.12 One reason why Holyoake was reluctant to retire was that he was not sure the National Party had found ‘an acceptable successor to him’. Tonkin observed: ‘Reports from throughout the country indicate that Mr Muldoon is very much a rising star . . . . Sir Keith is however astute enough to know that Mr Muldoon’s accession to the Prime Ministership might produce disharmony, even serious discord, within the National Party.’ In Tonkin’s view:

Mr Muldoon does not go down well with journalists, although he cuts a striking figure on television . . . . “Muldoonism” and “Muldoonites” are terms which have already acquired currency in New Zealand. They are used to describe Muldoon’s philosophy of anti-intellectual, materialist aggressiveness and its supporters. Muldoon is an intelligent man, but he is ambitious, occasionally intemperate and possibly vindictive.13

By the end of 1970, Galsworthy and Tonkin were both reporting to the Foreign Office that Holyoake had ‘a crisis on his hands’.14 A public opinion poll in December of that year gave Labour 51 per cent electoral support compared to National’s 35 per cent. The economy was suffering from serious inflation and industrial unrest. New Zealand was becoming very concerned about Britain’s probable entry into the European Economic Community and its effect on New Zealand dairy and meat exports to the British market. The National Government appeared to have ‘forfeited a large measure of the confidence of the farmers and of much of the business community, their two main props’. One reason for this drop in support was the ‘failure of Sir Keith Holyoake’s administration to get to grips with – indeed to take any significant action about the main problems facing New Zealand . . . until they reach crisis proportions’.15 Five cabinet ministers, including Holyoake, who had a prostate
operation in late October, had been in hospital and then recuperating at the end of 1970. Holyoake was also, in Muldoon’s words, ‘clearly not himself and doubtless in a good deal of pain’ for some months before he went into hospital, although he made a good recovery. According to Galsworthy, Kirk, the Labour leader, although seen as ‘a one-man band’, continued ‘to develop as a political figure of considerable potential’ and the Labour Opposition as a whole was much more vigorous than in the recent past. In 1969, for example, ‘the House divided on only four occasions, remarkable as that may seem. In 1970 the Opposition insisted on 279 divisions in the House, far more than the total three-year life of any previous New Zealand Parliament; and the total number of hours sat was well in excess of anything that has been known since 1939.’ This was the ‘longest and most arduous Session in recent years’.

Once again, reported the High Commissioner, although Holyoake was now the senior Commonwealth Head of Government and ‘I rather suspect that he will be in no hurry to step down, provided his health holds out’, there were ‘considerable rumours that the Prime Minister will announce his retirement at the next National Party Conference in July of 1971, and speculation about the future leadership of the party when he does’. While Galsworthy still thought Marshall was ‘the most likely successor . . . at 58, and in only moderate health, Mr Marshall would be unlikely to play more than a caretaker role’. As a result:

In the longer (possibly even the shorter) term, the contestants for the succession seem likely to be Mr Muldoon, the energetic and aggressive Finance Minister; Mr Brian Talboys, who was a popular Minister of Agriculture for some years but has lost something of his reputation in his present post of Minister of Education; and Mr Duncan MacIntyre, the individualist Minister of Forests, Maori and Island Affairs, who is more likely to appeal to the younger generation in the National Party.

In a separate, detailed, and confidential letter, Tonkin wrote at the same time to Ken Kelley of the South West Pacific Department at the Foreign and Commonwealth Office. He summarised another poll, published in the New Zealand Herald on 29 December 1970, which also showed that the National Government’s share of the popular vote had dropped disastrously to 35 per cent compared to Labour’s 44 per cent and that there was a significant rise in the number of younger New Zealanders who responded that they would not bother to vote at a general election. Tonkin believed personally that there was ‘a yawning generation gap in New Zealand’ between, on the one hand, ‘a somewhat paternalistic, autocratic older generation holding fast to the virtues of New Zealand’s traditional pioneering spirit, family life, with more
than a touch of anti-intellectualism and lack of interest in culture, a society in which women are treated as second class citizens’ and, on the other hand, ‘a younger New Zealand generation who are taking increasing opportunity to go overseas . . . and are returning to New Zealand somewhat critical and dissatisfied with the state of affairs in their country, and this extends to the political scene’.

One bright spot for National, however, was that another poll in the New Zealand Herald two days earlier had shown that ‘Muldoon maintains the consistent lead which he has held for some two years now over all other personalities as “the most effective person in political life today”’. Marshall had ‘improved very considerably in stature, while Sir Keith Holyoake has slumped badly. No doubt much of the earlier support for Sir Keith has been transferred to Mr Marshall’, who ‘has a very substantial lead over Mr Muldoon among public opinion generally as the best political personality to lead the National Party at the next General Election’. In Tonkin’s opinion, Holyoake ‘should easily be able to resist any pressures on him to retire, if he wants to’ and

I would not be entirely surprised if Holyoake decides to stay after all. . . . And as one cynic observed to me: whenever Sir Keith has had the option of doing something positive or not doing anything at all, he has always chosen to do nothing; if he feels he has the option to retire or not to retire, you can be quite sure he will choose not to retire!

The British diplomat concluded: ‘Prime Ministers seldom give up power unless they have to. . . . Sir Keith could almost certainly ride out any pressures on him if he really wants to. His decision may well be influenced by whether or not he thinks his party can win the Election [in 1972].’

If Holyoake did decide to go, then, because of the experience he had suffered when succeeding Holland as leader in 1957 only a short time before that election, he would want to give his successor at least six months before the 1972 election. But Holyoake, the British observers believed, was also aware that, while Marshall was almost certain to succeed him in the short term, the longer Holyoake delayed his retirement, ‘the less likely Marshall is to inherit the leadership’ and the more likely it was that Muldoon might be able to win. For their part, Muldoon and his supporters were a little uncertain about what would be best. If Holyoake stayed until after the election, Muldoon could probably beat Marshall, because many of Marshall’s supporters, who belonged to an older generation, would not be standing again in 1972. On the other hand, if Marshall, who was 59 and with health problems, took over before the election, ‘he would not last long in the leadership especially if he
were to lead his Party to defeat in the forthcoming election’. If Holyoake went and Muldoon could not beat Marshall, then Muldoon’s supporters would prefer an interim leadership from Marshall rather than a compromise third candidate such as Talboys or MacIntyre, either of whom ‘might remain leader of the Party for a considerable time once elected’.

Three weeks later, Mackley wrote to Kelley to say that Holyoake might stay on as Prime Minister not only because of concerns about who his successor would be but also in hope of ‘the possibility of even higher office . . . say Governor General’, although he thought Holyoake’s long dominance of the political scene would be a problem in making such an appointment.  This was an interesting, if qualified, prediction, coming some six years before Muldoon’s controversial appointment of Holyoake to the viceregal post in 1977.

Eight months later, Tonkin wrote another report on the National Party’s leadership situation. He observed that ‘Sir Keith Holyoake enjoys being senior Commonwealth Prime Minister rather too much at the present to step down from the leadership, especially while the succession is unclear’, and seemed to have made it ‘generally known that he was very willing to continue as Prime Minister’. Tonkin then gave his own opinion of Muldoon as a possible alternative to Holyoake or Marshall as National’s leader:

For what it is worth, my own view is that Muldoon has no substantial support in the National Party caucus. I think he does a good job as Finance Minister but, if he were to become Prime Minister, it is likely that considerable tensions would be unleashed and the consequences would not be good for New Zealand. Most people are aware of this and, I feel, do not believe that Muldoon has the makings of a Prime Minister . . . . Muldoon has always struck me as a comet without a tail. He is always good for publicity. But if you ask me to name any member of the National Party caucus whom I consider to be a committed Muldoonite, I would be hard pressed to provide a name.

A fortnight later, Mackley suggested that Holyoake was hanging on too long for Marshall to succeed easily as leader and that there was a risk that MacIntyre and Talboys might well challenge Marshall for the succession.  Muldoon, who was supporting Holyoake, appeared to have ‘for the present, put himself outside the Pale’ but would not want to see Marshall, MacIntyre, or Talboys become leader because all three would set themselves the task of preventing Muldoon succeeding them. Only if National was voted out of office at the 1972 election was there the risk of ‘a reactionary coup within the party to make him [Muldoon] Leader of the Opposition – a job he would perform with great verve’.
By the end of the year, however, the High Commission in Wellington was recognising that, if Holyoake retired, the choice of successor would probably be between Marshall and Muldoon. Holyoake was still Prime Minister when R. A. Daniell, the Acting British High Commissioner in Wellington, submitted his annual report at the start of 1972. Unlike Galsworthy, Tonkin, or Mackley – or an earlier High Commissioner, Cumming-Bruce – all of whom reported at length and with considerable inside knowledge and insight about New Zealand politics, Daniell’s report was relatively brief and descriptive. His one reference to the forthcoming succession to Holyoake was, however, a more accurate prediction than either Tonkin’s or Mackley’s earlier ones discounting Muldoon:

The question of the succession to Sir Keith Holyoake (who many believe will soon announce his retirement from the Leadership) split the Cabinet into factions centring around Mr Marshall (the hero of the day at Luxembourg and the man who finally dealt effectively with the wildcat Seamen’s Union) and Mr Muldoon (the younger and tough-minded Minister of Finance with proven success in his job).

Daniell was right in limiting the succession battle to Marshall and Muldoon, but there would probably have been no succession at all before the 1972 election had Holyoake chosen to fight to retain the leadership.

‘GENTLEMAN JACK’ Marshall had been Holyoake’s deputy since 1957 and was the only minister apart from Holyoake to have served in every National Cabinet since 1949. Indeed, Marshall, Norman Shelton, and John Rae were the only survivors besides Holyoake of the Cabinet of 1960. Understandably, therefore, Marshall was impatient to replace Holyoake as leader. He was not completely confident, however, that he had the numbers to do so. The ideal time for a change of leader from Holyoake to Marshall would have been at the National Party’s 35th annual conference in Dunedin at the start of August 1971. Marshall’s public reputation was high because of the successful EEC negotiations only weeks before, and Muldoon was having trouble with the farming sector. Marshall also had considerable support within the party organisation, though not from Ned Holt, the party president, who was seen as a Holyoake loyalist. Holt, who came from the Hawke’s Bay, was the only farmer ever to head the party organisation and had been President since 1966. He had a low-key approach and was happy to defer to Holyoake, giving that prime minister probably more dominance over the party organisation than at any time in its previous history, a situation that particularly concerned those who believed that caucus should always be accountable to the party
organisation and through it to the party’s wider membership. 26 Marshall’s supporters decided that replacing Holt with the much more dynamic Chapman would send a signal to Holyoake that he should retire, and at the Wellington Divisional Conference in 1971 Chapman won that division’s nomination for the presidency against the incumbent, who came from the same division. This was the first challenge to a sitting president in the party’s history.

Marshall again tried to persuade Holyoake, at a caucus meeting a week before the Conference, to stand down. Several days prior to the meeting, he had suggested that Holyoake should announce his retirement at it. 27 Holyoake declined to do so, and when caucus met, according to Muldoon: ‘Marshall put forward a carefully constructed brief showing why and how a change at that time could be made smoothly and effectively. Keith followed and indicated a contrary view, based principally on the fact that to change the ministry while the House was sitting was bad tactics.’ 28 Munro then supported Marshall, but most other speakers backed Holyoake as long as he chose to remain the leader. At one point, the debate became so noisy that Holyoake sent Alf Allen out of the room to check that members of the press down the corridor outside could not hear Gordon’s raised voice. 29 The discussion lapsed when Holyoake suggested that the leadership issue should be deferred until February 1972 and caucus agreed.

In his argument to Holyoake and again to caucus, Marshall had claimed that he ‘knew that the president and the divisional chairmen were in favour of an announcement at the conference’ that Holyoake was retiring. 30 He may have hoped to drive a wedge between Holyoake and Holt by suggesting that not only Chapman but also Holt wanted Holyoake to retire and that the outcome of the presidential vote would not be favourable to Holyoake, whichever way it went. Holyoake telephoned Holt, who rejected Marshall’s comments, and the Prime Minister told his deputy and the rest of caucus so. Marshall fired off an angry letter to his leader stating:

At Caucus this morning I said that Ned Holt had said to me that in the interests of the Party you should retire and that this should be announced at the Conference . . . . This morning you said that you had spoken to Ned Holt on the ’phone and he had denied this. You gave me the impression – and I now find that some other members of Caucus got the same impression – that you accepted Ned Holt’s word. If this is so I take the strongest exception to it. I must ask you to let me know whether you believe me or Ned Holt. If you do not accept my word we must confront Ned Holt together. 31

Holyoake clearly chose to believe Holt, and Holyoake’s supporters leaked the
dispute between himself and Marshall, including the difference over Holt’s allegiance, to the press, with the *Otago Daily Times* reporting it in detail on the eve of the Conference under the headline ‘Mr Marshall Fails to Oust Prime Minister’. Many political journalists continued to suggest, however, that Holyoake would step down at the Conference, after 35 years as an MP and having been Prime Minister in five of the previous six Parliaments, unless the Conference delegates made it very plain that they wished him to remain. The presidential vote between Holt and Chapman would give delegates the opportunity ‘to affirm that they, like many of the parliamentary caucus, would prefer to have him at the helm when the party faces a general election in 1972’.

At the Conference, the powerful Auckland Division, whose chairman Masters had future presidential aspirations of his own, threw its weight behind Holt, as did many rural delegates from throughout the country, who by then saw Chapman’s challenge as part of a wider attempt to oust not only a farmer president but also a farmer prime minister. Holyoake encouraged his Pahiatua delegates to let it be known that he saw the challenge as being a reflection on his own leadership and that Holt continued to have his unqualified support. In the event, Holt was re-elected President, holding the office until after Holyoake had retired as leader and the party had lost the 1972 election. When the vote was announced, Holyoake turned to Roy Johnston, a former private secretary to and admirer of Shand, who had become one of the key organisational figures in the Wellington Division and the man who had moved Chapman’s nomination, and facetiously commented: ‘Pretty dull sort of conference, Johnny.’

Holyoake’s address to the 1971 National Party Conference was a sombre one. He told the delegates:

> We live in a turbulent, nervous, worried world. There is ferment and turmoil and violence everywhere. Wars and threats of wars and rumours of wars . . . . The building up of colossal armaments by the superpowers . . . internal strife and fratricidal wars . . . nationalism and racialism . . . the revolt of youth . . . the sit ins-the sit downs-the love ins-the hippies-the go slows-the strikes . . . uncertainty and ferment in international relations, in trade and in financial affairs . . . these are the most difficult times in which to govern.

However, after painting this bleak picture he argued that the National Party and Government were stable and responsible influences at such a time of instability and, by implication, suggested that it was not time for a destabilising change of the leadership of either the party or the government of the country.
As Laking subsequently commented: ‘Holyoake’s problem was that the times were changing . . . . He was concerned to have New Zealand stay on an even keel and the way to do that was to have him continue in office.’

The speculation about a change of leadership before the next election did not die away after the Conference, however, and neither did Marshall and his supporters’ attempts to persuade Holyoake to go. Holyoake was later to acknowledge that his decision not to retire in mid-1971 also allowed tensions to grow ‘between possible contenders for the leadership and even for Cabinet rank’. At a meeting of Holyoake’s own Wellington Division on 24 November 1971, Chapman moved a motion expressing concern at the Government’s activities such as instituting payroll and dividend taxes. He reported that it was very difficult to get business people to donate to National Party funds, and five motions critical of Holyoake’s Government were carried. The next day, one delegate wrote to Holyoake about the meeting and said that he was ‘truly disgusted with the events leading up to and including the Resolution that followed. Speaker after speaker decried the leadership, and encouraged by the Chairman. The Chairman finished the meeting by saying we wouldn’t have a hope of winning the next election unless there were changes at the helm.’

In December 1971, Marshall and some of his supporters, including Adams-Schneider, Hight, and predictably Munro, again raised the leadership question in caucus. Holyoake, with the support of Muldoon, had the matter deferred until February 1972, but made it plain that if he chose to go he wanted to let his successor have more time before the next election than Holland had given him. One journalist correctly observed of the situation:

Sir Keith gives the impression that he would like to stay on if he could be sure that the National Party would win again – making it five times in a row and putting Sir Keith in the history books as the country’s longest-serving Premier. But with the rural regions in a state of revolt because of poor prices for sheep meat and wool, and manufacturers unhappy with taxation policies and uneasy industrial relations, the main props of National Party support are sagging.

During the Christmas and New Year holidays, Holyoake agonised over whether or not to retire. Shortly before the first caucus in 1972, he came down to his kitchen in Pipitea Street late one evening dressed in pyjamas and dressing gown. His daughter Diane and her husband Ken were there. As he often did, he made himself an evening snack – a large sandwich made of raw onions and cold sausages. As he wandered out he casually announced that he had decided to step down as Prime Minister at the next caucus.

At the caucus meeting on 2 February 1972, Holyoake did indeed announce
that he was willing to retire, ‘taking with him the aura of unpopularity due to difficult times’ and giving a new leader a chance to win the election later that year. Talboys immediately suggested that members vote secretly ‘yes’ or ‘no’ whether Holyoake should retire. Carter countered by proposing a three-way ballot among Holyoake, Marshall, and Muldoon. Eight other MPs – Alf Allen, Gair, Adams-Schneider, Tolhurst, Tombleson, Jack, Schultz, and Harrison – then said that they were not prepared to support any kind of vote until Holyoake had clearly indicated that he wanted to step down as leader. At this point, Holyoake intervened and said that he could not accept the blind loyalty of his colleagues. He had thought long and hard about his decision over the Christmas and New Year period and discussed it with family and several close colleagues. He had decided that ‘in the best interests of the party as a whole’ he should retire. However, he did not tell caucus that he had also been persuaded by supporters such as Alf Allen, his trusted former chief whip, that National was unlikely to win the 1972 election, although he still had sufficient votes to remain leader if he wished; Holyoake would be better to retire after four victories than end his long-running tenure as Prime Minister with a loss. Five more MPs – Holland, Shelton, Luxton, Rose, and Thomson – then said that they would not ask Holyoake to step down, but again he confirmed that he wished to retire as leader and this time his decision was accepted.

WHEN HE RETIRED as National’s leader, Holyoake was the third-longest-serving New Zealand prime minister after Seddon and Massey, and only Ward had exceeded his length of service as prime minister and minister combined. Holyoake refrained from expressing a clear preference on who his successor should be, although he clearly had private reservations about his deputy. Talboys suggested that MPs write either ‘Marshall’ or ‘Muldoon’ on a piece of paper and this was agreed to. According to Lapwood, the Chief Whip, who with Harrison, the Junior Whip, counted the vote, Marshall defeated Muldoon by ‘about 4 or 5 votes’ in a secret ballot. Talboys and MacIntyre chose not to stand for the position and supported Marshall, while Holyoake voted for Muldoon, who was subsequently elected deputy leader unopposed. After the new leader was selected, it was significantly Muldoon, not Marshall, who formally expressed on behalf of caucus its appreciation to Holyoake for his leadership of the National Party and the country over so many years. Holyoake then emerged from the meeting and announced to the waiting journalists that caucus had ‘finally bowed’ to ‘his very strong wish to retire’. Munro was one of those who had worked long and hard to replace Holyoake with Marshall, whom he confidently believed would reward him
at last with a cabinet post. He was devastated when the new leader wrote to him saying:

I have not been able to include you in the new Cabinet. I did ponder on your claims, which so far as capacity, experience and powers of intellect go are substantial. I felt in the end that with four of our colleagues retiring at a younger age than you it would be incongruous and would undermine the impact of the younger and alert and active team which we are now presenting if you were included . . . . I do feel sorry that the opportunity for you has come too late.54

The fact that Holyoake did not retire from politics after giving up the leadership but remained as Minister of Foreign Affairs in Marshall’s new Cabinet undoubtedly worsened Munro’s disappointment.

In a revealing interview following his decision to step down as Prime Minister, Holyoake dismissed suggestions that he would be remembered as a great prime minister. He told a reporter: ‘I am not a brilliant man. I can never claim that.’ However, he hoped that his ‘judgement is good and that I am well-balanced’, and added: ‘[Because] I have been here for a long time . . . . I must have assimilated a lot of knowledge and the sort of reactions that flow from one set of circumstances and that come to you automatically when another set of circumstances arise.’ Yet he had ‘no hankering . . . . that my name should loom large in history’ and thought that the public would forget him within a short time, although ‘I am still human and would like to be thought well of, of course, whether it is today, tomorrow, or when it is, and after I am gone’.55 Others who had supported the National Party disagreed and, as the industrialist Sir Woolf Fisher wrote, thought: ‘The period during which you held office were years of great development for New Zealand . . . . You made a tremendous contribution in so many areas of our national life and your work in the field of foreign affairs will be long remembered.’56

At the 1972 National Party Conference later that year, Holyoake thanked the party, which ‘has become my love and my life’, for the privilege of having led it for fourteen and a half years, the last eleven and a half as Prime Minister.57 During that time, he claimed, New Zealand had made great progress domestically and had become more mature in foreign affairs. He thanked his wife, Norma, for attending ‘many hundreds of meetings’ with him, where she had listened patiently ‘to her husband make the same kind of speech and tell the same jokes and give the same answers to questions and listen[ed] to the same boos and jeers and sometimes cheers’. Turning to the change of leadership five months earlier, he told the delegates: ‘There was a small group in the party who were impatient . . . . They wanted the change in the middle
of last year’s session of Parliament . . . . The scheming and intrigue went on and caused some disruption in the party.’ Despite this implied criticism of the Marshall faction, he then praised his successor, observing: ‘I have always said that Jack Marshall would make a grand PM and after five months in that position all the party and the people of New Zealand recognise him as a grand PM and Leader.’ But Holyoake’s endorsement was not unequivocal, because he immediately went on to indicate that he saw Marshall as an interim leader by praising even more warmly the two MPs seen as the most likely alternatives to him, especially if National lost the forthcoming election. Muldoon was ‘a brilliant young man with a first class brain and judgement. He has tremendous ability and energy. As a Minister of Finance he is in world class.’ And, Holyoake reminded Conference: ‘I have always said that Brian Talboys is PM material . . . . He is about the most powerful debater in Parliament. He has the experience and ability needed for promotion when required.’

As subsequent events were to reveal, Holyoake decided shortly after the 1972 election, even if he had not already done so privately before it, that Marshall should be replaced by Muldoon and Talboys.

SOME OTHER OBSERVERS certainly did see Marshall as an interim leader until after the 1972 election and National’s almost inevitable defeat. Mackley, still underestimating Muldoon’s potential support, continued to tell the Foreign Office in London that he saw MacIntyre as Marshall’s eventual successor, although Talboys was also still a possibility. He also commented on Holyoake’s continuing influence, noting that the former leader ‘still had considerable (and perhaps disruptive) influence in shaping party policy . . . it is doubtful whether the new leadership will wish for much longer to tolerate his continuing attempts to dominate Government policy’. There were rumours that the former prime minister might ‘soon be shunted off to London as High Commissioner, but we rather doubt whether this will in fact happen’.

Galsworthy was back in New Zealand for the election later in the year and on 3 November 1972 wrote to Sir Alec Douglas-Home, the Foreign and Commonwealth Secretary, analysing at some length the political scene at the start of the election campaign. According to the British High Commissioner, National had certainly strengthened their standing in the country in February of this year by replacing Sir Keith Holyoake with Mr Marshall. He is calm, unruffled and courteous (‘Gentleman Jack’), has cultivated a liberal image during the last six months, and will attempt to charm the electorate with the kind of assurances (rather than firm
promises) it has come to expect. He will doubtless point to the value to the country of an experienced team, and will be able to draw on the example and talents of his deputy, Mr Muldoon, whose meteoric rise from the backbenches in 1960 to his present position at the comparatively early age of 51 has been due in no small measure to his aggressive energy and his ability to sense what public opinion wants.

While Marshall and Muldoon were ‘two contrasting personalities who are known to have had little time for each other’, Galsworthy believed that they had also shown an ability to cooperate in the interests of their party.

Although Galsworthy thought that ‘another National victory seems just more likely than not, the election of Labour as the Government cannot be discounted, especially if their campaign for a “real change” catches on’. The election would to a large extent be ‘a contest between personalities rather than policies’. Kirk’s ‘stature has increased and his personality has matured . . . and most voters would accept him as a viable alternative Prime Minister’. Indeed, although Kirk had a ‘suspicious personality’, was more bitter towards Britain over the EEC deal for New Zealand than were National, and ‘would probably be a somewhat less easy man for us to work with than Mr Marshall’, Galsworthy predicted that, if elected, Kirk would be ‘a Prime Minister who would soon command a good deal of respect outside New Zealand, as well as within, for his considerable personal abilities, and a man with whom, though we might have some tough talk at times, we could do business’. 62

Muldoon had enjoyed relative success in managing the economy through difficult times from 1967, so that, by 1972, despite farmers getting relatively low prices for wool and lamb, the country as a whole was quite prosperous. Holyoake and Marshall’s success in retaining access to the British market for dairy products after Britain entered the EEC removed a major concern and brought credit to the Government, especially the new National Party leader. The Bluff aluminium smelter went into production in 1971, timber, wood chip, and pulp and paper exports rose considerably, and the first shipment of iron sand was made to Japan. The decision to withdraw New Zealand troops from Vietnam partly, but certainly not completely, defused that very divisive issue. Muldoon in his 1972 Budget reduced taxes and raised benefits.

Nevertheless, the period 1969–72 had been hard for National. The death of Shand and the loss of his Marlborough seat in the by-election shortly after the 1969 election had been followed by public opinion polls throughout 1970 and 1971 that gave Labour a clear margin over the Government. The Cabinet was clearly ageing and ailing and there was a general air of exhaustion about it. The uncertainty over whether or not Holyoake would retire and who would succeed him had also been debilitating. Inflation persisted and was very bad
in 1970 and 1971, though somewhat less so during 1972. Industrial relations, particularly the Government’s attempts to hold wage increases through a Stabilisation of Remuneration Act, caused repeated problems. In November, the Government deregistered the Seamen’s Union after an eight-day national strike that had been preceded by repeated stoppages over the previous two years. Farmers, despite an improvement in overseas prices and the EEC settlement, were depressed and worried by increased killing, freezing, and freight costs, high interest rates, and a new British levy on lamb, while their incomes remained relatively static. National also failed to recognise and respond to growing environmental concerns, particularly in the South Island. The change of National’s leadership from Holyoake to Marshall in February 1972 appeared to restore the initiative to National, but by the end of the year Labour was surging back. Social Credit had almost destroyed itself by a bitter civil war earlier in 1972 and a new Values Party, formed shortly before the election largely around an environmental programme, tended to take votes from across the traditional political spectrum, thus not markedly affecting the balance between the two major parties.

Most predictions forecast a close outcome to the election. Instead, the result was a landslide against the Government – or, as one observer suggested in retrospect, an earthquake, on the grounds that one normally had warning of a landslide. The number of seats in Parliament at the 1972 election had been increased to 87 by the creation of three new ones. Labour won 55 of them and National 32, with Labour gaining 16 seats and National losing 13 compared to the result three years earlier.

Holyoake personally distanced himself somewhat from the result, despite the fact that, although Marshall was the leader for the campaign, the election was in many ways a resounding rejection of the government Holyoake had led for all but a few months of the previous twelve years. He told one party stalwart that the results were ‘a very serious setback to the Party’, but added: ‘I have to inform you that I played no part in the preparations for the election and very little in the campaign itself outside my own electorate.’63 He was, though, prepared to admit that it was not surprising that National lost in 1972, because, ‘looking back perhaps the wonder is that we won the 1969 elections. . . . This year we started behind but went steadily back. We lost and lost badly’; unlike 1969, when ‘we started behind but gradually improved’. Labour’s 23-seat majority was tremendous but, argued Holyoake, ten of those seats were held with majorities under 1000 votes, and ‘that means we have to change only 500 voters in every electorate to become the Government again . . . our target is 1975’.64 Holyoake was not the only one, however, who doubted Marshall would be the man to do it.
After the election, the British High Commissioner concluded that, while ‘some powerful pressures were at work in New Zealand before and during the campaign to bring about such a change’, one major factor was that ‘Mr Marshall, who has lived in the shadow of Sir Keith Holyoake for 15 years, failed to convince the nation of his abilities as a leader. Mr Kirk was accepted as a potentially effective leader.’ In Galsworthy’s opinion, Marshall ‘ran his campaign on a note of unrelieved pedestrian dullness’ which confirmed the image he had built up over the previous fifteen years ‘of an able negotiator and a trusted but uninspiring lieutenant rather than a dynamic leader. Even his triumphant return from Luxembourg could not alter this image . . . his dry, unemotional and legalistic approach during the campaign did not give the impression of leadership.’ Nor could Muldoon, who had ‘made such a strong impact during the 1969 election . . . pull it off again’ in 1972. In Galsworthy’s opinion: ‘The country finally made up its mind that it was time for a change, largely out of sheer boredom with National.’ He lamented particularly the defeat of MacIntyre, ‘a capable, humane and highly experienced Minister who even 18 months ago was thought to be a likely future Prime Minister but now, at 58, may be eclipsed from the political scene’. The loss of MacIntyre was especially regrettable because it removed from Parliament one of the people who might have been a replacement for Marshall, because Galsworthy believed that ‘there are few people here who believe that Mr Marshall will ever again be New Zealand’s Prime Minister; and it would not be surprising if, sometime during this next three years, National were to look for a younger and more dynamic personality to lead them in the next elections’. He concluded: ‘In opposition Mr Muldoon, the former Minister of Finance, is likely to be a particularly formidable opponent [to the new Labour Government].’

The High Commissioner’s report on the 1972 election was accompanied by two insightful, confidential analyses on Labour and on National, written by Mackley. While Mackley observed that ‘Labour’s landslide win at the polls gives the Party no room for complacency about their re-election in 1975’, partly because they held so many seats with majorities under a thousand votes which were vulnerable to a swing of 3 per cent or less, he felt that National also had a very serious problem because of New Zealand’s changing demography. Although National had remained the farmers’ party, the rapid pace of industrial development it had encouraged during the 20 years after 1949 had led to a drift to the cities and the expansion of the larger provincial towns where Labour had polled so well in 1972. Of fifteen seats which embraced small- and medium-sized country towns and which had tended in the past to be National seats, twelve were now in Labour hands and the other three were intensely marginal National ones. In Mackley’s opinion, National would be
'doomed to permanent Opposition' unless it ceased to be primarily a ‘farmers’ (Country) party’ and broadened itself into a ‘rural (Liberal) party’.

In order to contest the middle ground of politics and appeal to younger and non-traditional supporters, Mackley believed ‘National’s hopes for the future will have to depend more on new leadership, not readily identifiable with the old’, and opined: ‘I cannot imagine Marshall campaigning more than once, if that, as Leader of the Opposition. In spite of his undoubted qualities he has always been regarded as a stopgap appointment in succession to Holyoake, and I suspect National will want to restore their image with a younger, more widely acceptable man.’ The problem was that, in Mackley’s opinion, the most likely alternative would not be widely acceptable.

The obvious choice is Muldoon – but his credentials are hardly first class. Not only has he made enemies during his climb to the top, but also the hardheaded Party managers must be wondering after his dismal performance in the election campaign (some say he actually wanted National to lose) whether he has the charisma to do the trick. I strongly doubt whether Muldoon could ever win an election for National, especially against such a gifted and adroit politician as Kirk.

Gordon and Talboys, who were both 51, the same age as Muldoon, might well be better alternatives to Marshall, although MacIntyre would still have been Mackley’s favourite had he not lost his seat at the election. Or: ‘A good outsider, because he is so young (46), is the rather nasty but undoubtedly competent Gair.’

In his own report after the 1972 election, Galsworthy concluded that it had marked the end of the Holland/Holyoake era that since 1949 had been ‘an era of security and increasing prosperity, but also of gradual social change, especially increasing urbanisation . . . . National towards the end were too tired and rigid to respond to new pressures and needs.’ He thought it unlikely that National would be lucky enough to see a Labour Government self-destruct again after a single term, as it had in 1957–60 with its 1958 ‘Black Budget’, and predicted that Labour would probably remain in office for at least six, and possibly for nine, years.

Of course, the British High Commissioner could not foresee that Muldoon, with the support of Holyoake, Talboys, and Gair, would overthrow Marshall in a coup on 4 July 1974; that Kirk would die unexpectedly on 31 August 1974; that there would be a drastic downturn in the New Zealand economy; and that, in a dramatically changed New Zealand political and economic landscape, Muldoon would be propelled into the prime ministership at the 1975 elections.
KIRK AND THE Labour Government elected in 1972 had a very comprehensive manifesto and the majority to implement it. On the economy, Labour had criticised National’s handling of inflation and rejected its defence that inflation was to a very large extent the result of external factors outside the New Zealand Government’s control. Labour now moved to control rents and government charges and to halt price rises. The latter objective was difficult because the Government was also committed to remove restraints on wages and abolish the Remuneration Authority. It also undertook a programme of regional development including freight subsidies.

In other policy, Labour had committed itself to abolish compulsory military training; lower the voting age to 18; increase low-interest housing loans for lower-income people; legislate for three weeks’ minimum annual holiday for workers; extend the jurisdiction of the Ombudsman to local authorities; include non-earners in the no-fault Accident Compensation Scheme; introduce a universal compulsory wage-related superannuation scheme; and improve hospitals and schools, including pre-schools. Increased expenditure on these policies would come not from increased rates of personal tax but from economic growth, Labour promised somewhat optimistically.

In foreign policy, Labour had pledged to recognise Communist China, withdraw New Zealand troops from Vietnam, Malaysia and Singapore, try to stop French nuclear testing in the Pacific, and express itself more independently in foreign affairs, including in the United Nations – all things that Holyoake had also been working towards. The British certainly believed that New Zealand under a Labour Government would be ‘psychologically less oriented towards Britain and Europe than the present long-standing National Administration’ and that this would ‘accelerate the natural process of weakening the traditional, sentimental ties that have linked the two countries’.

AFTER GIVING UP the leadership, and especially after the 1972 election, when National found itself again in Opposition, Holyoake found he had time on his hands. But first he had to find somewhere to live. With the change of government he lost his official residence in Wellington where he had lived for so many years. As he told a friend: ‘Our residence was in a complete mess over Christmas time as we were packing up and vacating Pipitea Street. By Christmas Day we had an empty, bare and bleak looking place.’ He wrote to another acquaintance thanking him for a generous Christmas present and commenting that it had been a ‘scramble for us following our defeat in November’:
Can you imagine my changing to a new office with 12 years accumulation of papers and no office staff whatsoever to help me? Amidst all this, Norma and I have been house hunting. We have looked at over 50 houses and are not settled yet. We are living temporarily in a small flat and still hunting for something suitable within our finances.\(^{69}\)

Eventually, he and Norma found and purchased a house at 52 Aurora Street in Wellington, which was to be their home for the rest of their lives except for the three years they lived in Government House.

Various people approached Holyoake proposing ways in which he could occupy the spare time they now perceived him as having. John Murray, minister of St Andrew’s Presbyterian Church on the Terrace, of which Holyoake and his wife were nominal members, wrote saying that the church ‘would be happy for you to become active in the life of the congregation’, because ‘you have not been active with us for some time’.\(^{70}\) Holyoake replied that, while it was true that he and Norma were not active, they found that the ‘years are creeping up on us and our energies’ and ‘Sundays are usually the only times we have for rest and recuperation and even then I invariably have a lot of study and paper work to do. But believe me, we are with you in spirit.’\(^{71}\)

He was also asked to endorse various products. One of the few he was happy to agree to support was the publication *New Zealand’s Nature Heritage*, published by Hamlyn. He agreed to a payment of $3,000, which he donated towards the creation of an environmental award.\(^{72}\)

A number of people suggested that he should write his memoirs. At first he was reluctant, and told one correspondent that he had not ‘at this time’ decided to write ‘any memoir’, partly because he thought people ‘understandably . . . wish to look ahead and not backwards’.\(^{73}\) In 1974, however, just as Muldoon’s first memoir *My Way* was about to be published by A. H. and A. W. Reed, David Elworthy, Reed’s chief editor, wrote to Holyoake suggesting a memoir called *The Holyoake Years*. It could be written either by Holyoake himself or in collaboration with another author. Holyoake was less negative than earlier and responded that, although he had ‘never seriously considered writing an autobiography’, he would ‘be interested in the second proposition . . . co-operating with an author to record the happenings during the time in which I led the National Party’.\(^{74}\) Although Reed did not go ahead with the project, this exchange eventually did lead to the publication three years later of *The Holyoake Years*, a well-informed and very readable book. It was written and published by Ross Doughty, a Feilding businessman who had been a National Party candidate in 1972 and 1975. Holyoake assisted as a source, making available his papers, scrapbooks, and photographs and giving
interviews. He also read through sections of the book as Doughty completed them and ‘took the liberty of correcting a few factual mistakes’. Conrad and other family members and acquaintances also helped with information and opinions. By the time the book was published, however, Holyoake was no longer a politician but had moved on to a new and quite different role in public life as Governor-General.

AT THE FIRST National Party caucus after the 1972 election disaster, Holyoake observed that the National MPs could ‘blame no one for our defeat but ourselves’. The remaining National MPs tended to divide into two groups, one led by Marshall, Talboys, and Gair, which advocated a ‘rebirth’ or fundamental reform of the party’s policies, personnel, organisation, and image, and a second led by Muldoon and Gordon, which was more conservative and maintained that there was nothing fundamentally wrong with the National Party as it was. Muldoon argued that the ‘average bloke will say that the new Government has got to be given a fair go’, but he believed it would get itself into trouble and allow a hard-working and aggressive National to come back into office in three years’ time.

Both approaches drew criticism from Holyoake, who recalled the way he had successfully attacked Labour’s 1958 ‘Black Budget’ and destroyed the second Labour Government after one term. Kirk had written to Holyoake after the 1972 election thanking him for a telegram of congratulations but adding that Kirk had ‘no doubt that you will be doing your best to make the next three years interesting . . . across the floor of the House’. Holyoake certainly intended to do so, and argued in caucus that there should be an immediate, sustained, no-holds-barred attack on Labour and specifically its leader Kirk, whom Holyoake argued was ‘our problem’ and whom National had to cut down ‘on every occasion’, including by linking him to the communists through his support of one-party African regimes. A one-man government was easier to shoot down than a strong team, and Holyoake did not believe this Labour Government could survive if Kirk was discredited. The Opposition had to be ‘brutal – for another twelve months totally destructive’. National could start thinking about policy but should not make it during those twelve months when it should try to ‘be everyone’s friends’. At subsequent caucus meetings during 1973, Holyoake reiterated this advice and pressed his colleagues to target and discredit Labour’s weakest ministers.

Kirk’s dominance over Marshall continued beyond the 1972 election. While Marshall worked quietly and systematically behind the scenes with the party’s new President, Chapman, and new Director, Barrie Leay, to renew the
organisation, rethink the policy, and rebrand the image, Kirk and Labour rode roughshod over the National Opposition in the House. The feeling grew that only Muldoon could match Kirk in the House and on the hustings.

If Holyoake had been privately unenthusiastic in 1972 about Marshall succeeding him as leader, by 1973 and 1974 he was openly critical of his successor as well as prepared to tell colleagues so on a one-to-one basis. He also let it be known that he saw Muldoon as a better counter to Kirk. Marshall responded by telling caucus that it should move a motion expressing confidence in him as leader at the forthcoming National Party Conference. Holyoake commented that the party was ‘never entirely content with any leader’ but that Muldoon rather than Marshall would be better able to deal with the leadership question if it were to be raised at the Conference. In the event, Marshall gave a very good address to Conference, which drew from Holyoake the cryptic comment: ‘We’ve just lost the next election.’ Those who heard the remark took it to mean that Holyoake believed that Marshall had consolidated his leadership but could not win the 1975 election.

Holyoake decided to offer himself again for nomination for Pahiatua at the 1975 election and told his electorate AGM of the decision in April 1974. He suggested that in advertising the fact publicly the National Party should quote from his electorate chairman’s annual report to the AGM, which said that people inside and outside the electorate were saying, ‘We need that man’, Holyoake. The same month, Holyoake heightened the sense of crisis in the National Party and helped undermine Marshall’s leadership still further by stating publicly that if National lost the 1975 election it would be torn asunder and its surviving members might have to ‘pull ourselves up from the roots and start again’ as they had in 1935.

By June, Muldoon’s core supporters, who had never really accepted his defeat by Marshall in 1972, had been joined by some of Marshall’s former allies, including Talboys, Gair, Gordon, and Adams-Schneider, who though they still preferred him personally to Muldoon believed that a leadership change was both necessary and inevitable. Among those who now supported Muldoon were also a number of MPs who would have preferred to change from Marshall to Talboys, but as one of them subsequently recorded, the ‘mood was there several times for Talboys towards the end of the Holyoake and during the Marshall eras’ but although ‘I am sure he would have ousted Marshall . . . Talboys didn’t want to go head to head’. Muldoon had no such reservations when approached by Gair and Frank Gill and asked to challenge the incumbent. Gill and Logan Sloane then organised Muldoon’s support. The two whips, Lapwood and McLachlan, who should have alerted Marshall, were also strong Muldoon supporters. Marshall still had considerable support
within the party organisation but he had lost his majority in caucus. Talboys and Gordon, both of whom Marshall incorrectly assumed still supported him, informed him that if he contested a leadership ballot he would be overwhelmingly defeated and Marshall chose to stand down at the caucus meeting on 4 July rather than force a vote. Eight days later, Muldoon was elected leader unopposed, with Talboys becoming his deputy.

When Muldoon had first challenged Marshall for the leadership in succession to Holyoake in 1972, he had asked Holyoake for his support. Instead, Holyoake had replied: ‘Have you got the numbers, my boy?’ When Muldoon said he did, Holyoake responded: ‘I don’t think so.’ In 1974, when Muldoon canvassed Holyoake again, the former leader repeated his earlier question. When Muldoon again answered in the affirmative, Holyoake on that occasion stated: ‘I think you have too.’

The role of Holyoake in the 1974 leadership change was neither impartial nor passive. He started to advise individual MPs, who visited him in his office in the library wing of Parliament, that he personally preferred Muldoon to Marshall and that he believed National would win in 1975 with Muldoon but lose with Marshall. When Marshall became aware of the challenge he approached Holyoake for support but was devastated when Holyoake admitted that he was already aware of it and would not be supporting him. Marshall believed that his fifteen years as Holyoake’s deputy had earned him his former leader’s loyalty, but Holyoake felt no such obligation because he did not think Marshall had supported him as fully as he should have and also because he had pressured Holyoake to retire.

Holyoake was the only MP who let slip to the press that there might be a change of leadership in the days leading up to it. Despite all the meetings and discussion at the party’s Dominion Executive and caucus, the Press Gallery appeared oblivious. On the night before the 9 July caucus meeting, a large group of MPs and journalists were drinking in the room of one of Muldoon’s most committed supporters, McLachlan. Holyoake, who was present, hinted that the journalists should expect a change in leader. Nearly all the journalists present treated the remark as a joke except for one, from Radio Windy. On its 9 a.m. news bulletin the next morning it correctly predicted that Marshall would be replaced that day.

One of Holyoake’s senior colleagues and admirers believed in retrospect that, ‘[i]f he had had any inkling that things were going to work out the way things did’ ten years later, ‘he wouldn’t have been as enthusiastic as he was’ about Muldoon becoming leader. Talboys added, however, that, ‘within the knowledge at the time I am sure that he was right’, as Talboys also believed he was, in preferring Muldoon to Marshall in 1974.
MULDOON HAD replaced Marshall largely because their caucus colleagues wanted a tougher leader to counter Kirk. On 31 August, only seven weeks later, Kirk unexpectedly died. With National bitterly divided over its leadership change and in the wake of the emotion caused by Kirk’s death, Labour would probably have won a snap election without too much difficulty. Labour’s new leader, Rowling, however, decided not to call one, despite the wishes of some other senior Labour MPs. This gave Muldoon over a year to consolidate his leadership, campaign effectively throughout the country, and help demolish Rowling. At first, Muldoon privately saw Rowling as a man who ‘speaks his mind’ and who could be ‘a dangerous opponent’, but Holyoake rebuked him every time he said something complimentary in caucus about Rowling. Holyoake insisted that the Labour leader, although ‘a nice little bloke’, should be dismissed as ‘not impressive’ and as a ‘schoolboy in a man’s job’, and should be ridiculed by the National MPs at every opportunity. He repeatedly urged his colleagues to ‘laugh at Rowling. We’ve got to brand him as an inoffensive and ineffectual Prime Minister.’ He demanded that Muldoon and the other National MPs remember that ‘the story is that “Wallace Rowling is a disaster”’.95

Holyoake found his consensual approach to politics was not suited to the irreconcilable differences over a number of non-economic issues that emerged in society during the 1970s and which were to be found not only in the wider electorate but also within the National Party’s own caucus and organisational membership. In the months leading up to the 1975 election, Holyoake sought to defuse controversy and prevent the party collectively, or even its individual MPs, being seen to take positions on issues that he believed would exacerbate divisions within New Zealand society. With Venn Young and Jim Bolger, for example, he tried unsuccessfully to delete from the manifesto a section dealing with Pacific Island immigration. He also wanted homosexual law reform, which he acknowledged he had ‘always been against’, referred to a committee of inquiry so that MPs would not be forced to vote on the issue before the election. On abortion, a similar ‘conscience issue’, he recommended that MPs should ‘run for cover’. In contrast, on the latter two issues, Muldoon recommended that MPs should be upfront and should have the courage of their convictions, although they should not speak for the party, only ‘answer for yourself’.96 Although he had no trouble dealing with women and Maori generally, Holyoake was also uncomfortable when challenged by feminists attacking male chauvinism and patriarchy or Maori advocating a greater official status for the Treaty of Waitangi, and usually tried to avoid both.

Together with Gordon, Holyoake found himself in a minority of caucus on whether or not National should promise a ballot on voluntary union membership in its forthcoming election policy. Although Holyoake
understood why a majority of his colleagues, including at that time Muldoon, were opposed to compulsory membership of a trade union, he suggested that a policy to make it voluntary ‘wasn’t worth stirring the pot’ and mobilising union support for the Labour Party. Holyoake also clashed with Muldoon on another major policy matter. This was tax deductibility for local body rates on non-commercial, owner-occupied dwellings. Holyoake opposed that proposal because he was becoming increasingly ‘concerned about the cost of our policies’, the difficulty in funding policies related to farming, and the tax farmers had to pay already. The former leader and farmer was not impressed when Muldoon responded that ‘this is not a farmers’ party’, that it would be a ‘fatal blunder to accept farmer thinking’, and that ‘we can’t buy farmers over and over again’. Muldoon reminded Holyoake that there was only one really expensive policy in National’s 1975 manifesto and that was National Superannuation.

While the National Superannuation policy was certainly attractive to older voters, the outcome of the 1975 election was probably largely determined by the damage done to the incumbent Labour Government by the first oil shock in October 1973 and a downturn in New Zealand’s terms of trade after 1974. The collapse in economic growth around the world, coupled with escalating prices for imported oil and declining prices for agricultural imports, shattered the New Zealand economy. Stagnating domestic growth, rising inflation, and increased wage demands and industrial strife all further undermined the Labour Government’s economic strategy, social agenda, and political credibility. Rowling also proved unable to fill the gap left by Kirk’s death, although at first it was not clear that Muldoon was a much better electorate asset than was the new Labour leader.

Holyoake appreciated that Muldoon’s abrasive style continued to irritate many National as well as Labour supporters, and told one old friend from Nelson, who had written critically of National’s new leader: ‘Your comments regarding Mr Muldoon’s attitude in some spheres of his activity are very pertinent and . . . I am hopeful that you will see a considerable change in the coming months.’ Another friend and correspondent with whom Holyoake exchanged views on Muldoon throughout the latter part of 1974 and 1975 was Sir Jack Butland. In January 1975, for example, Holyoake told Butland that he believed ‘the party will rally behind Muldoon as a team and I am now more convinced than ever that we can win the next election’. Butland replied that he still had ‘some grave reservations’ about Muldoon, despite having seen the ‘great success’ he was having at his meetings, including ‘one overflowing in Taupo on a bleak rainy night’. He believed that Holyoake was ‘the only one who could influence him to tone down a little’, because, although Muldoon
was intelligent and what he was saying about the economy was correct, there was a generally negative consensus about ‘the amount of personal abuse that he is using’.101

For their part, Labour realised that Muldoon might be a formidable opponent, but they also believed that if his negative characteristics could be highlighted many ambivalent New Zealand voters might reject both him and the National Party. They also believed that, partly because of National’s sustained and unfair personal campaign against Rowling, the electorate did not appreciate their leader’s positive qualities. The result was a very controversial ‘Citizens for Rowling’ campaign – or, as National saw it, a Citizens against Muldoon crusade. A number of prominent New Zealanders – most but not all Labour sympathisers – banded together to endorse Rowling publicly.102

Although Holyoake had initiated and persistently advocated in the National caucus a drive to destroy Rowling’s personal credibility, he appeared genuinely enraged when Labour tried to defend Rowling’s reputation by contrasting him favourably with Muldoon through the Citizens for Rowling campaign. In a spirited defence of Muldoon and scathing attack on Citizens for Rowling, he declared at an election meeting he held in Muldoon’s electorate of Tamaki, that, ‘in his long political career he had never witnessed such poisonous and vitriolic attacks as those being made against Mr Muldoon . . . scurrilous and insidious character assassinations’.103 He called on ‘ordinary New Zealanders to flood Mr Muldoon’s office in Parliament Buildings with telegrams of support’.104 In the following days, over 5000 such telegrams supporting Muldoon were received from all over the country, many with multiple signatures.

Holyoake also wrote personally to some of those who were critical of Muldoon, including the businessman Sir Jack Harris and his wife Pat, who had been active in the National Party up to and including the 1972 election. Sir Jack had become one of the first and most prominent Citizens for Rowling. While hoping that their ‘personal relations will remain on a friendly level’, Holyoake told Harris: ‘You appear to have committed yourself against Rob Muldoon, I think unjustifiably, but that is your privilege in our democracy.’105 The Citizens for Rowling initiative could not derail National’s campaign, and nor could anything else. Despite their huge majority, Labour crashed to defeat and National swept back into office at the election on 29 November. National won 55 seats to Labour’s 32 – the exact reverse of the result three years earlier.106 Holyoake returned to the Cabinet as Minister of State, a new position dealing largely with visiting foreign dignitaries, and ranked number 10 in the cabinet rankings, the same position he had held as Minister of Foreign Affairs under Marshall three years before. In Muldoon’s words, Holyoake’s role in Cabinet
after 1975 was that of an experienced ‘adviser’ to the new National Party Prime Minister and Government.  

Holyoake continued to defend Muldoon publicly and privately, not only at the time of the 1975 election but in the months that followed. Many National as well as Labour supporters were critical of the new Prime Minister, though most recognised his ability. What many did not like was what they described as his ‘abusive’, ‘overbearing’, and ‘bullying’ manner. Holyoake was frequently asked to use his influence to moderate Muldoon’s behaviour. Invariably he replied courteously and often at some length but always defending the Prime Minister. For example, typical of his responses was one in which he said:

I have the greatest confidence in Mr Muldoon and his leadership, and I can assure you that the image which his opponents are endeavouring to create is far from a true representation of the man and his abilities. Nevertheless, I appreciate that you have been influenced by the image created by others and will draw the concern you have expressed to him on an appropriate occasion.

Whatever private misgivings he might have had about Muldoon, Holyoake remained in public statement and private correspondence the new Prime Minister’s staunch defender.

Observers close to both men believed that, in return, Muldoon ‘loved Holyoake’, who was genuinely ‘Muldoon’s God’ and from whom he learnt much of his political skill. But the two men’s personalities and management styles were quite different; and while Muldoon might have tried to emulate his mentor, he had much less successful outcomes. The values, perspectives, policies, and tactics he shared with or had learnt from Holyoake in the 1960s were increasingly inappropriate, or even counterproductive, in the much more serious economic situation Muldoon found New Zealand and himself in during the late 1970s and early 1980s. The Holyoake era of consensus politics, with a prime minister who always sought majority approval for what his government did and who detested serious division and instability, was well and truly over. The rest of the century would be marked by radical change and deep divisions, as well as by politicians who, unlike Holyoake, did not believe that they needed prior approval through an electoral mandate for the major policies they carried out when in government.
CHAPTER EIGHTEEN

 Governor-General, 1977–80, and the Final Years, 1980–83

HOLYOAKE CONTINUED to have a great deal to say in cabinet and caucus after he stood down as Prime Minister. While he admired him, it was clear to others that after the 1975 election Muldoon would have felt more comfortable chairing Cabinet and leading the Government without the presence of his mentor. There had been a suggestion for some years that Holyoake might become Governor-General and, indeed, the matter had been raised prior to the 1969 election when Marshall had suggested Holyoake should step down as leader and it had surfaced again in early 1971. This would certainly be a way of getting the former leader out of Cabinet and Parliament in a way that seemed to honour, not discard, him. Traditionally, when a new Governor-General was required, the New Zealand Government wrote to the Queen and asked if she had someone in mind and when she suggested names would approve one. Holyoake had made it plain that he thought the Governor-General should be a New Zealander rather than a British aristocrat or soldier. As a result, Sir Arthur Porritt, who had been born in New Zealand though having spent his adult life in Britain, in 1967 became the first New Zealand-born Governor-General. The process of choosing a Governor-General then changed, with the New Zealand Government making a suggestion and the Queen confirming it. The post was becoming vacant in 1977 with the retirement of Sir Denis Blundell, the first Governor-General appointed on the nomination of the New Zealand Government. One of Holyoake’s cabinet colleagues recalled that Gair ‘tentatively proposed Holyoake’ as a possible new Governor-General after Muldoon had reacted negatively to an earlier suggestion that Marshall should be offered the position. Muldoon was happy to recommend Holyoake’s appointment to the Queen and did so, though for a three-year term rather than the normal five.
Holyoake himself had never shown openly any great interest in becoming Governor-General, although as early as April 1971 one senior political columnist, and former editor of the *Dominion*, had said that Holyoake ‘would like the next Vice-Regal appointment’.5 As Prime Minister, Holyoake had been somewhat disparaging of the largely ceremonial office and its holders. When he became Governor-General himself, he confided in his secretary that none of those who had held the office before had ‘turned out to be great friends’ of his, probably because of the built-in ‘job antipathy’ between prime ministers and governors-general – prime ministers tried to erode the power of governors-general and vice versa.6 Holyoake had always found it difficult to accept the Governor-General as his constitutional senior and he had also not been able to separate the office from the personality of its incumbent. He found it uncomfortable as Prime Minister having to go to Government House as the Governor-General’s guest, and would often arrive late for appointments. A long-time Official Secretary to the Governor-General even believed that on occasions Holyoake would get his chauffeur to drive twice around the Basin Reserve to avoid arriving on time at Government House. When he did finally arrive he would often say to the secretary: ‘Have you managed to get rid of any of these staff yet, Williams?’ Holyoake always believed that, with an internal staff of eighteen, including an administrator, a butler, secretaries, aides, a lady-in-waiting, footmen, and kitchen workers, and as many more Ministry of Works staff looking after the gardens and grounds, there were far too many staff in Government House paid for by the New Zealand taxpayer. He would then jovially address others assembled and waiting: ‘Is everyone waiting for me?’7

Of the governors-general during Holyoake’s term as Prime Minister – Lord Cobham 1957–62, Sir Bernard Fergusson, 1962–67, Sir Arthur Porritt, 1967–72, and Sir Denis Blundell, 1972–77 – the two whom Holyoake seems to have had the least in common with were the two from Britain, Cobham and Fergusson.

Cobham was well educated and loved the Classics. He spoke Greek and did so with the Greek Ambassador at a viceregal luncheon. Holyoake, who was present as Prime Minister, was not impressed, according to the Government House Comptroller at the time.8 It was plain from later discussions he had with Holyoake that the Prime Minister thought Cobham was ‘a bit of a smart-alec’, and as a result a ‘bit of one-upmanship used to go on’ between them and relations between the pair were ‘not particularly good’. Holyoake was even less impressed with the continual procession of aristocratic personal visitors from England that Cobham hosted, and believed that a Government House, paid for by the New Zealand taxpayer, should not be used for such purposes.9
Fergusson was a military man and the fourth member of his family to hold the post of Governor-General of New Zealand. His father and both his grandfathers had held the office before him. He was a tall man with a large moustache and sometimes wore a monocle. He had a very distinguished military record, was a prolific author, and was active in the Presbyterian Church. He also spoke Maori, and he and his wife, Laura, were arguably New Zealand's most popular ever viceregal couple. They were accompanied to New Zealand by their young son George, who had a dog named Tig. It never really adapted to urban life and took to wandering off from Government House. On one occasion, Holyoake arrived at Government House for a meeting and out of his limousine jumped Tig. The Prime Minister had recognised George’s dog outside Parliament Buildings on the other side of Wellington, had called him and then given him a lift back home.

Fergusson irritated Holyoake in 1964 by his disapproval of the New Zealand Government granting full self-government in association with New Zealand status to the Cook Islands. The Governor-General appeared to side with those of Holyoake’s colleagues, such as Hanan and Riddiford, who were also opposed to the action and wanted the Cook Islands to federate with New Zealand or at the very least to delay any action for some years. Fergusson objected to the proposed Cooks constitution including a provision that the Queen’s representative in the islands would be the future New Zealand High Commissioner. He told the New Zealand Government that it had ‘infringed the Royal Prerogative’ by not first consulting the Queen. Holyoake simply responded that ‘there was no clear answer’ to Fergusson’s concerns. The Prime Minister then used his own political dominance to get the constitution adopted although only after a three-hour debate over the third reading of the Cook Islands Constitution Bill of 1964 in the House. Fergusson also queried a bill restructuring the Ministry of Defence and asked for an amendment requiring the Chief of the Defence Forces to continue to report directly to the Minister of Defence rather than, as was being suggested, through the Secretary of Defence.

Thereafter, relations between Holyoake and Fergusson were somewhat strained, and on one occasion, after Holyoake had left a function at Government House, Fergusson told his secretary: ‘I don’t give a damn what he thinks of Bernard Fergusson but I care a hell of a lot what he thinks of the Queen’s representative and he must treat that representative with the courtesy that is due to that office just as he would the Queen.’ Fergusson later put these thoughts down on paper and showed the letter to David Williams, his Official Secretary, who cautioned against sending it to the Prime Minister. After reflecting overnight, Fergusson heeded this advice.
Holyoake’s antipathy to Fergusson was exacerbated by comments made by the Governor-General at a farewell lunch given in his honour by the Government in October 1967. Fergusson referred to the ‘Sovereign’s right to advise and warn and to be kept informed’ and then added that ‘he had only rarely exercised the rights to advise and warn. To Mr Holyoake he said: “On each of these few occasions – not half-a-dozen in all – you have been the epitome of courtesy and patience.”’

Holyoake did not immediately respond, but then a letter appeared subsequently in the newspaper suggesting that Fergusson’s comments suggested ‘a constitutional encounter of some gravity’ and that the circumstances needed to be recorded for New Zealand’s history. When Holyoake’s Press Secretary said that the Prime Minister did not wish to comment on either the remarks or the letter, the Evening Post said that he was refusing to reveal what warnings he had received and the television current affairs programme Gallery decided to prepare a programme on the office of Governor-General. The Head of the Prime Minister’s Department suggested that Colin Aikman, a recognised authority on constitutional matters, should prepare a general statement on the relationship between Governor-General and Prime Minister, but Holyoake, who said he could not ‘recall the half-dozen occasions’, declined that advice and asked Laking to send a message to Fergusson requesting him to specify the occasions to which he had referred. Fergusson was in Israel on his way to Istanbul and then Rome, but Laking did not wish to involve the British Embassy in Israel. Instead he contacted McIntosh, then New Zealand’s Ambassador in Rome, and after explaining the background to the situation asked him to act as intermediary.

Needless to say, Fergusson was surprised when, on entering a church in Jerusalem, he was handed a letter by the minister asking him to ring McIntosh in Rome. He did so through the British Embassy, which the New Zealanders had been at pains to bypass. Fergusson then wrote a lengthy letter of explanation to Holyoake, saying that he should perhaps have left out that passage from his speech, which had been either misunderstood or misreported. He explained: ‘My whole purpose was to emphasise both the closeness of the Sovereign and the Sovereign’s representative and the Sovereign’s representative to the Sovereign’s Government, and also the closeness of both you and me to each other during the five years of our blissfully happy association.’ He added: ‘[T]he only constitutional matters of which I ever presumed to offer you advice were over the Cook Islands Constitution and the structure proposed for the Ministry of Defence by the then Minister . . . . On neither occasion was there the remotest friction between us.’

There the matter might have rested had it not again been raised in a book on the 1969 election, which suggested that Holyoake had made ‘private
comments on one or two members of the Royal family’ that ‘suggest he finds the Royal charm only skin-deep. Similarly, though he accepts that Governor-Generals are necessities, his adulation of one or two recent incumbents would be a good deal short of that of the average New Zealander.’19 Subsequently, Fergusson’s comments again appeared in the London *Evening Standard*. Fergusson cabled Holyoake immediately, declaring that ‘the incidents themselves are pure fantasy. I deplore more than I can express any suggestion that relations between you and me during my five years as Governor-General were less than perfect.’ Holyoake replied that he regarded the matter as closed.20 Perhaps significantly, however, Fergusson, who became Baron Ballantrae in 1974, was first nominated for his life peerage not by Holyoake but by Marshall, a few weeks after he replaced Holyoake as Prime Minister and some four years after Fergusson ceased to be Governor-General.

ON 7 MARCH 1977, the Queen, who was visiting New Zealand, announced that Holyoake would be New Zealand’s new Governor-General. He would resign immediately from the Cabinet and from Parliament, which he did in a letter to the Speaker on 9 March. Holyoake understood the relationship between a Prime Minister and a Governor-General well and appreciated that his new position would be largely symbolic and ceremonial, without any real political power, to which he had been accustomed in his earlier positions. But he was delighted, nevertheless, with the appointment and indeed was so emotional that he burst into tears when the Queen signed the warrant in the Executive Council.21 According to the Prime Minister’s Press Secretary, Holyoake regarded the appointment as ‘the cream on the cake’ of his career.22 Holyoake’s gratitude to Muldoon for recommending his appointment to the Queen may well have influenced his comments when he gave his farewell address to the National Party’s caucus. Referring sequentially and favourably to all the leaders, except Marshall, he had served under since entering Parliament – the ‘much under-rated’ Forbes, the ‘charming’ and ‘charismatic’ Coates, the ‘ebullient, strong, vital’ Holland – he reserved his warmest praise for Muldoon, ‘the most brilliant man with whom I have been associated in Parliament in 40 years’.23

Nevertheless, there were many in New Zealand who strongly disagreed both with Holyoake’s assessment of Muldoon and also Holyoake’s appointment as Governor-General. Although Muldoon stated that the appointment would, ‘I am certain, be warmly welcomed throughout New Zealand’, it was not.24 The Labour Party was incensed, not only by the selection of Holyoake, though that was bad enough, but also by the fact that Muldoon had delayed notifying
the Leader of the Opposition until half an hour before the controversial appointment was announced publicly.25 The press was also unenthusiastic and ambivalent about Holyoake’s transformation from long-time partisan political leader to the symbol of constitutional impartiality and national unity. At a press conference in Holyoake’s office after the announcement, one journalist challenged: ‘Sir Keith, you’ve been a politician for a great many years. What makes you think you can put that to one side for the non-political office of Governor-General?’ Holyoake snapped back: ‘What makes you think I can’t?’26 The question, however, was one many were asking and which was not going to go away. Even some National MPs, such as the Deputy Prime Minister, Talboys, who had been overseas when the decision to nominate Holyoake was made but who believed on principle that ‘priests and politicians should not be Governor-General’, disagreed with the precedent of appointing any politician, no matter how distinguished, as head of state.27

Numerous letters poured in both to Muldoon, protesting about the appointment, and to Holyoake, asking him to decline it. Of the 232 negative letters filed by Holyoake, many were reasoned arguments. Most did not attack Holyoake personally but suggested that his, or any politician’s, appointment, particularly if they were a former party leader, was inappropriate as a symbol of the nation’s unity. Even if he tried to be non-partisan many would not see him to be so. For example, he was reminded that ‘the Governor-General represents the Queen and the Throne. A party member owes loyalty to a party.’28 Professor Jack Northey, of the University of Auckland’s Law School, in his letter of dissent, made similar points and referred to his doctoral thesis at the University of Toronto on ‘The Office of Governor-General of New Zealand’.29 Peter Elworthy, the President of South Canterbury Federated Farmers, and brother of the National MP Jonathan Elworthy, told Holyoake that, ‘without exception everyone I approached opposed the appointment in principle’, although ‘not one has had anything but complimentary words to say about you as an individual’. Holyoake had said, not completely accurately it should be noted, that of 800 letters he had received, only ten opposed the appointment. Elworthy wrote that that ‘proportion is quite reversed by the feeling here’. To which Holyoake replied: ‘I am surprised that the reaction is as considerable as you state.’30

Other correspondence, often anonymous, was very nasty. Holyoake, for example, was told: ‘Do us all a favour. Drop Dead. We do not want you.’31 Another letter, which contained white feathers, told him that these were ‘your war decorations’ and that this was ‘just another reminder that old soldiers never die . . . we don’t forget either . . . . We will hound you till the end of your days this is just a feather next time we catch up to you we intend to add
the tar.’32 Yet another asserted, ‘you dotty old man, you are not fit to be our 
next governor’.33

One of the more rational letters, which asked Holyoake to reconsider and 
decline the appointment, came from a historian at Waikato University, Dr 
Laurie Barber. Barber referred to an Australian precedent when the Australian 
Labor Party had nominated W. J. McKell, the Labor Premier of New South 
Wales, as Governor-General of Australia. The then Liberal leader, Robert 
Menzies, had objected that the ‘appointment would, by reason of Party 
political convictions, be distasteful to a large section of Australian citizens’ 
and ‘must inevitably weaken the symbolism of the governor-generalship, 
and therefore of the Crown which it represents’. The Governor-General 
needed to be seen to be neutral. Barber told Holyoake that, although he had 
no doubt that he would do his ‘utmost to fill that office with dignity, zeal 
and impartiality’, his previous role as ‘a Minister in Mr Muldoon’s Cabinet’, 
and very long involvement as a National Prime Minister and Minister before 
that, made him ‘seem somewhat less than neutral’.34 If Labour won the 
next election, the precedent would have been established for making ‘the 
high office of Governor-General . . . a political football’ and degrading the 
governor-generalship by making it ‘the direct product of the party politics of 
the country’. Future historians would certainly see it this way and, therefore, 
‘in the best interests of the unity of New Zealand’, Barber pleaded with 
Holyoake to decline the office.

Holyoake immediately responded to Barber but said that, although he 
appreciated ‘the frank manner in which you have made your representations’, 
had no need to reconsider. Apart from the ‘tremendous volume of mail 
and messages of support and congratulations’ he had received: ‘I gave very 
careful consideration to the invitation . . . and to the very points to which you 
refer in your letter. My decision to accept the position was made with what 
I consider to be full awareness of the implications and possible reactions of 
some people in the community.’35 In his reply to others, Holyoake added: 
‘I am confident that I shall be able to discharge the duties of the Office in a 
manner which will not call for any criticism.’36

All the same, the public disapproval continued for several months and 
the major arguments against the appointment were summarised in a 
statement prepared and published in June by the Public Issues Committee 
of the Auckland District Law Society.37 In commenting on Holyoake’s ‘quite 
unprecedented’ appointment, the Committee argued that a former party 
leader ‘cannot bury his past and become a symbol of national unity’ and 
therefore could not carry out the ceremonial role of Governor-General. 
There would also be problems in carrying out the constitutional role if the
Governor-General had to act, as Sir John Kerr had in Australia only two years before, when there was no clear majority in Parliament and the Prime Minister recommended a dissolution to force a new election. The Committee suggested that ‘it is difficult to believe that in a constitutional crisis, Sir Keith Holyoake would be perceived as wholly impartial, even though he tried to be’. And a third role that could be difficult would be that of the Governor-General as chairman of the Executive Council. All the other members were members of Cabinet, and if the Governor-General gave advice it would be awkward for members of his own party, who had previously deferred to his leadership, or embarrassing if the other members of the Council came from another party Holyoake had spent his life opposing.

Holyoake, of course, also received numerous letters of congratulation on his appointment from friends and others. The 948 positive letters he received meant that his correspondence on the issue of his appointment ran almost exactly 4 to 1 in his favour. The congratulations came from colleagues and personal friends, from well-known businessmen, from journalists, from branches of the National Party and Federated Farmers, from local councils, churches, from service, racing and sports clubs, and from many Maori, including Sir John Asher, the Tuwharetoa leader with whom Holyoake had conducted a frequent correspondence over the years. Another prominent Maori leader, Whina Cooper, cabled that she was: ‘Delighted. Very delighted indeed. My heart is filled with joy. May the Good Lord guide, lead and bless you always as you carry your duties in this high office.’ The publisher David Elworthy, the brother of Peter and Jonathan, and who perhaps not coincidentally had been trying to persuade Holyoake to write his memoirs, observed:

I noted with some amusement that my twin brother, Jonathan, was one of the five Government MPs to express reservations [but] even if there is some controversy over the constitutional aspect I am sure that the majority of New Zealanders agree that you and Lady Holyoake will perform the job most admirably.

Holyoake responded warmly to those who wrote supporting his appointment. For example, he told his former Chief Whip and Speaker, Alf Allen: ‘Friendship is the greatest treasure in life and complete understanding, affection and loyalty between two men is a prize beyond the value of rubies. You and I have always been rich indeed.’ He was even more fulsome, though in similar vein, in his reply to the Labour Party MP and Vice-President, Gerald O’Brien, who was on the point of being rejected by the Labour Party:
Members of Parliament come and go and usually are soon forgotten and this is accepted with the best of grace by most of us. Such good fortune as I have enjoyed comes to few men and I have been privileged to serve my fellow New Zealanders in many capacities over a long period. Mostly I felt that I should have served them much better than I did but I did my humble best with whatever ability my Maker gave me. Whatever positions one may have held the greatest riches one will ever possess is the friendship and respect of those with whom and for whom you have worked. To have the friendship and respect of those with whom you have argued and debated over the years is something special.

Meanwhile, Muldoon tried to defuse the public outcry by comparing Holyoake’s appointment to that of John Jeffries, a prominent Labour Party activist and Citizen for Rowling, whom Muldoon’s Government had appointed to the Supreme Court the previous year. The Prime Minister argued that people should be appointed to such positions because of their quality and ability, not their political persuasion, and suggested that the media and other critics of the Holyoake appointment, who had not criticised Jeffries, demonstrated a double standard.

However, one of the Government’s major official advisers, Patrick Millen, the Secretary of Cabinet and the Executive Council, disagreed with both the appointment and the way in which it had been made. In his opinion, the Leader of the Opposition should have been consulted, not simply informed, and in time for him to have made his objections privately, and not, as had occurred, publicly at the last minute, causing concern not only to Holyoake but also the Queen. Without the Prime Minister’s knowledge, Millen prepared a secret paper on the issue and sent it to Buckingham Palace, where the Queen herself considered it. Subsequently, when Muldoon next visited London the Queen’s Private Secretary gave him new procedures for the future appointment of a Governor-General, including early consultation with the Leader of the Opposition. Millen later claimed that Muldoon never found out that those procedures were almost exactly the same as the ones Millen himself had recommended to the Palace.

AFTER HIS APPOINTMENT was announced but before he took up his post as Governor-General on 26 October 1977, Holyoake made a speech on ‘The Relevance of the Monarchy and the Role of the Commonwealth’ to the Victoria League in Auckland, in which he reflected on the role of the monarch, and by implication that of the Governor-General as the monarch’s representative. The speech revealed that Holyoake did hold some reserva-
tions about partisan politicians filling the post of head of state. After saying that he believed that ‘the most important thing that the Crown does is to provide a symbol, a figurehead with whom all New Zealanders can identify’, he stated:

Every nation needs to have something which all its citizens can look to with pride as representing their fundamental beliefs and values. A nation is divided into sectional interests – by religion, by politics, by occupation, by culture – but the Monarchy provides a focus which unites these interests. In Republics they attempt to fulfil this need through the office of the Presidency. The problem with such an elected office, however, is that while it may represent the majority of the people, it can never represent all of them in the way that Her Majesty can. A President is elected by sectional interests and to some extent he must serve them.

Accompanied by Norma and the Governor-General’s secretary, Jim Brown, Holyoake travelled to London to receive his commission from the Queen on 13 October 1977. He told Brown that he thought he was too old to fly directly to Britain and would prefer to go with stopovers via Singapore, Rome, and Paris and then return via Los Angeles and Sydney. Singapore was very humid and in the hotel room Holyoake stripped to singlet and shorts. When Brown answered a knock on the door he was confronted by a stranger in shorts, a luau shirt and jandals asking for Holyoake. Before Brown could ask what the man wanted a voice behind him boomed out: ‘Come in, Mr President.’ Holyoake and the President of Singapore then proceeded to sit down for a chat over a bottle of gin, with Holyoake still very informally attired.45

In London they stayed for four days with Sir Douglas Carter, the High Commissioner and former National Minister of Agriculture, who hosted a dinner for Holyoake attended by Lord Alfred Robens, Lord Fred Peart, and Lord Louis Mountbatten, and by former governors-general and their wives and the widow of Lord Cobham. In nominating the guests he wanted invited, Holyoake told Carter that he was ‘sorry my nominees are all Lords. I simply grew up with them before they were elevated.’ When they got to London the Queen met Brown in her office and the first question she asked was what public comment there had been in the press about a previous Prime Minister becoming Governor-General.46 Holyoake and Norma later lunched with the Queen and Prince Philip at Buckingham Palace.

The trip home to New Zealand was tiring and the party arrived late in Sydney. Brown slept in but at 5.45 a.m. Holyoake shook him awake, saying, ‘It’s time to get up and milk the cows’. Holyoake wanted Brown to get up and help him find a cup of tea.
Some 50 placard-waving protesters, who not only heckled Holyoake but also tried to chant down the Prime Minister, marred the formal swearing-in of Holyoake as Governor-General in Parliament House grounds. The situation was not helped by Muldoon commenting: ‘Every dog has to have fleas that let him know that he is a dog.’ At the formal lunch which followed, Holyoake admitted: ‘In my wildest dreams I never at any time thought that I would be invited to represent Her Majesty the Queen as Governor-General.’ His pleasure was undoubtedly diminished by Rowling announcing that, because the appointment had been ‘blatantly political’, he would decline an invitation to a banquet at Government House and that he and Labour would ‘participate in formal situations’ but boycott all social occasions hosted by the new Governor-General.

HOLYOAKE’S APPOINTMENT as Governor-General made things difficult for his friend and predecessor, Blundell, who had held the post from 1972 to 1977, after earlier having been appointed by Holyoake as High Commissioner to London from 1968 to 1972. Blundell feared that the appointment of a politician to succeed him was asking for trouble when half the country was obviously against it. Many people and organisations, including city councils dominated by the Labour Party, continued to ask him to do things for them after his term as Governor-General ended because they did not want to invite Holyoake, whom they regarded as too political. Blundell always declined but found the ongoing situation extremely embarrassing.

One of Holyoake’s daughters had advised against accepting the appointment, not only because she did not think the role really suited her father but also because she was concerned for his health. He was 75 and had some time before suffered a stroke at Kinloch, where alone in the bach he had lain on the floor all night unable to move, although he did manage to pull the covers off a chair to keep warm. It was also well known that Holyoake did not particularly relish protocol or long formal occasions, and his family felt that he would become frustrated by the viceregal existence. Their misgivings were well founded. Even though he would only accept a three-year term, rather than the usual five years, his years as Governor-General were not the happiest of his life, although he carried out his duties with a calmness and dignity that muted the earlier criticism of his appointment. Even those most critical of it grudgingly conceded that he did the job well, though they hoped that the precedent of appointing a politician to the post would not be repeated.

As Governor-General, Holyoake’s diary was full two years in advance and he had limited independence and little say or choice in what he did, where he
went, or whom he met. He had to lean over backwards to be seen as apolitical, which was hard after a lifetime of open partisanship, but he contained himself very well. Holyoake quickly found that his time as Governor-General was taken up with numerous formal occasions, usually about fifteen a week, as an analysis of his diaries indicates. He opened the Parliament and on Monday afternoons presided over meetings of the Executive Council, of which he had been a member for so many years. He chaired the Rhodes Scholarship Selection Committee and various other trusts. He conducted royal investitures and handed out Duke of Edinburgh and Queen’s Scouts, Guides, and Boys and Girls Brigade awards. He visited schools and the children’s wards in hospitals. He opened A & P shows, flower shows and cat shows, and pensioner housing. He attended civic, church, and sports functions, was guest of honour at centenary balls and celebrations, opened conferences, received foreign diplomats and distinguished overseas visitors, and held various dinners for cabinet ministers, diplomats, honours recipients and other VIPs. He gave occasional and uncontroversial lectures on politics and government at Victoria University of Wellington and went to opera, choir, orchestra, and ballet performances. However, the functions he probably enjoyed most were the race meetings, especially at Trentham. There were also important visitors from overseas who were accommodated at Government House during Holyoake’s term as Governor-General: the Queen and Prince Philip, Princess Anne, the Duke and Duchess of Kent, and President Walter Scheel of Germany. He was also repeatedly involved in the chore of welcoming, meeting, hosting, and farewelling the King and Queen of Tonga.

On one occasion he was asked to attend a conference of Pentecostal churches in New Zealand. Their most prominent leader was the Reverend James Worsbold of Wellington, the President of the Apostolic Church, a member of the Labour Party in Island Bay, and a self-appointed, unofficial chaplain to MPs of all parties. Holyoake asked Adams-Schneider, a former Open Brethren and Baptist lay preacher, for advice and subsequently invited Worsbold for morning tea at Government House. Holyoake told him that, while he would attend the conference, he wanted ‘absolute dignity in the service’ because he thought that the charismatic form of worship might be too exuberant for the dignity of the viceregal office. After he attended the function in Auckland, he confided to Adams-Schneider that ‘it was a magnificent service, we were uplifted by it’, and subsequently Worsbold and Holyoake continued to meet each other periodically ‘up to almost the moment he died’.

Holyoake was used to dealing with people and tried to have a word with everyone at official functions and investitures. He was also used to writing speeches. He took some time, however, to settle into the protocol, which
he found somewhat tedious, even unnatural. Prior to Holyoake’s arrival at Government House, at formal functions guests would be lined up in two rows. The Governor-General would go up one side and his wife the other and try to talk to each person as they passed. When the viceregal couple reached the end there would be a drum roll and the men would bow and the women curtsey. The first time this happened with the Holyoakes, Keith stopped and talked with anyone he knew and ‘the whole thing fell apart’. After that there was no more bowing or general curtsey, and functions became much less formal. Female staff, however, still tended to curtsey first thing in the morning and last thing at night for some time after Holyoake moved into Government House, a practice which he never really appreciated.53

Although his staff recalled that Holyoake particularly looked forward to and, indeed, ‘revelled in ministerial dinners’, which were held each year in the Government House ballroom, his son-in-law felt that Holyoake was never keen on long formal dinners because he believed that ‘no-one needed more than seven and a half minutes to eat a meal’.54 It came as no surprise, therefore, that he frequently tried to lighten viceregal dinners. On one occasion he bought all the ministers attending a bag of sweets and distributed them as he welcomed the guests.55 At another formal dinner in Government House, Holyoake was discussing gardening with Laking’s wife Pat. All conversation stopped around the table when Keith’s booming voice inquired, ‘And how’s your leukaemia, Pat?’. The reference should have been to ‘luculia’, a beautiful plant, which Holyoake knew the Lakings had in their garden, and the confusion was caused solely by the Governor-General’s sense of humour, not by any deficiency in his vocabulary or knowledge of plants.56

There were numerous other stories that highlighted Holyoake’s informality as Governor-General. On one occasion he requested the installation of a handle on the wall above the bath to help him get out of it. The maintenance men duly arrived and asked where it should be put. Holyoake, in formal morning clothes and on his way to a function, hopped into the empty bath, sat down, raised his hand up and said, ‘Put it there’.57 He also did not always leave the answering of the doorbell or phone to his staff but did it himself if he was nearby.

One of Holyoake’s favourite drivers before he became Governor-General was John Hateley. Although the Governor-General had his own chauffeur, Holyoake sometimes preferred to ring the Public Service Garage and get Hateley to drive him. On one occasion he phoned and asked Hateley to take him from Government House in Wellington to Kia Ora. When Hateley arrived, the aide first tried to send him away and then, when Holyoake turned up and confirmed he had sent for the car, opened the back door for the Governor-
General. Holyoake told him to close it because, ‘I don’t sit in the back with these boys, I sit in the front’. On arriving at Dannevirke, Holyoake and Hateley lunched with Keith’s son and daughter-in-law on sausages, mashed potatoes, peas, gravy, and ‘beautiful’ home-made bread and then had a look around the farm. As the driver recalled: ‘That was an experience with an LTD. It would take you a week to clean it when you got back to Wellington.’ Holyoake then asked his son, ‘Got any fresh meat?’, and on receiving the answer ‘Yes’ asked for two sides of mutton and some turnips and fresh potatoes to be loaded into the back of the ministerial limousine. When they got back to Wellington, he called for the aide and told him to put the meat in the fridge. The aide grabbed both sides of meat out of the car, but as he entered Government House with them Holyoake called out, ‘Where do you think you’re going with both of them? One of them’s for Johnny’, and a side of meat was put back in the car for the driver. Colonel F. B. Bath, the Comptroller of the Household at Government House from 1974 to 1983, also recalled Holyoake as a man of the land who ‘delighted in bringing produce from his farm’ to supplement what was available from the Government House kitchen.

According to his drivers, Holyoake, who disliked anyone who put on airs and graces, put his aides down on other occasions. Another driver, George Mulder, once brought Holyoake back to Wellington from Kinloch. When they got to Government House, Holyoake insisted that the driver have lunch with him and took him to the dining room and told Mulder to sit on his left. An aide piped up, ‘Your Excellency, that’s where I sit’, to which Holyoake replied, ‘You mean that’s where you did sit’.

Holyoake could get impatient and occasionally ‘roared at the servants who scuttled around’ and some of the junior staff were a ‘bit scared because he sounded off’. The senior members of the Government House staff, who worked closely with him, however, remembered the Holyoakes, ‘whom we loved with all our hearts’, with considerable respect and affection. His secretary, for example, recalled: ‘He was a lot of fun. I enjoyed working with Sir Keith.’ And he was always considerate of the staff, especially when they were working late. Lady Holyoake was described as ‘the mother of everybody’ and very concerned about the welfare of the staff. She also insisted on taking over, with the help of the Comptroller’s wife, all the floral arrangements in Government House and the two women did all the flowers themselves. Each Christmas the Holyoakes put on a party for their staff and their families in the ballroom, with gifts for the children. They usually had their own family Christmas dinner on a Saturday evening a week prior to Christmas, before leaving for Kinloch the following day and spending most of January there.
The family frequently visited Keith and Norma at Government House, as did some of his business and farming friends. Keitha lived there for a time with her parents and Norma often had others of her children and grandchildren for tea on Sunday nights. There were trips away to Kinloch, where Holyoake spent long weekends as well as major holidays with Norma doing various chores around his bach. During his term as Governor-General, Holyoake had an accident at Taupo. He fell off a ladder while cleaning the gutterings and ended up in Taupo Hospital. For months afterwards he suffered back pain and difficulty walking and was forced to use a walking stick to get around the house. Indeed, the pain was such that for a time he would not come down for meals but ate them in peace and privacy at a table set upstairs in his bedroom. He was reluctant to use the stick publicly because he did not want to be seen as a ‘half-cripple’, and at cocktail parties and other official functions would put the stick aside, invariably suffering further pain in consequence.

Of more concern, though, was a minor heart attack Holyoake suffered in the drawing room of Government House in Auckland. This caused him to cancel his engagements for several days, but he instructed his secretary to say he was indisposed with the flu. His family and staff had to look after him carefully, as he slowed down after the attack and also had some trouble walking. Although Holyoake did not want anyone outside his doctor and immediate family and staff to know about the heart attack, his secretary wrote a confidential letter to the Queen’s Private Secretary advising her. The next time the Queen visited she asked Holyoake how he was and Her Majesty subsequently apologised to Brown for ‘letting the cat out of the bag’. When an angry Holyoake confronted Brown, his secretary replied that it had been his duty to keep the Queen informed.

Holyoake also experienced a number of mild strokes while he was Governor-General, the first few of which he managed to hide from the public and did not even at first admit to the family. When he nearly crashed while driving up the Desert Road and started slurring words, however, his family did become aware and stopped him driving himself. At least one of Holyoake’s staff thought that trying to do the job of Governor-General when he was ageing and not well ‘killed Sir Keith’. At the end of the day he would be so tired that he ‘would almost stagger upstairs’ and it was clear that he had ‘nothing more to give’. His eldest daughter recalled that the strokes ‘did affect his personality and temperament . . . and really he didn’t enjoy the last year or so at all. He was glad to see it come to an end.’
IN APRIL 1980, A FEW months before his term as Governor-General ended, the Queen announced that she was creating Holyoake a Knight of the Garter. Founded in 1348, this is the oldest Order of Chivalry in the world. Granted solely on the Queen’s own initiative, the Order is restricted to the monarch, the Prince of Wales, and 25 Knight Companions. A vacancy had occurred as a result of the assassination of Lord Louis Mountbatten. Holyoake was only the second New Zealander to be made a Knight of the Garter and the first for services to New Zealand. He was hosting a dinner for businessmen at Government House in Auckland when the butler called him from the table. Norma was worried when Holyoake absented himself, and asked the butler what was wrong. She was told the Palace was on the line for the Governor-General. After the dinner guests had left and they had gone up to their own rooms, Norma asked her husband what the Palace had wanted. Holyoake replied that the Queen had made him a Knight of the Garter and then commented: ‘I didn’t ever really think the Queen liked me all that much.’

The Queen installed Holyoake at a ceremony at Windsor Castle in June. He was not well during the visit to London and arrangements were made for him not to take part in the procession of Garter Knights but to join it at St George’s Chapel. Holyoake was put out by having to sit with two other infirm knights by a side door to the chapel and wait for the procession to arrive. In the Queen’s Birthday Honours, announced a few days before, Norma became a Dame Commander of St Michael and St George ‘for public services since 1935’. This was the highest royal honour awarded to a woman resident in New Zealand and, coupled with her husband’s, was unique. The Queen invested Norma in a private ceremony at Windsor immediately prior to the installation of her husband to the Order of the Garter. In October 1980, both Keith and Norma Holyoake were also awarded the Queen’s Service Order, only the second time that had been awarded to a couple.

Holyoake retired as Governor-General on 27 October 1980. The state ceremony and luncheon to farewell him was held only an hour or so after Muldoon had survived a coup against his leadership, largely because his deputy Talboys declined to stand against him. The function ran more than an hour overtime, because, as one official observed, Holyoake ‘just kept talking and talking – but it was his day’. His wide-ranging address included observations on the sixteen elections he had contested during his career – ‘Can you imagine anyone so silly?’ he asked, adding that three or four were enough but ‘seven is madness, ten and you need to consult a psychiatrist’. He also remarked somewhat flippantly on his relationship with the Queen and her family – ‘The Queen lent me one of her garters – and I’ve still got it’. He made several references to Muldoon, observing that he did not believe he would ever change his
personality. In also acknowledging the controversy over Muldoon’s selection of him as Governor-General three years before, he commented, ‘Whoever appointed me had a lot of guts’.75

HOLYOAKE WAS NOT well during the last three years of his life. After stepping down as Governor-General he returned to his home at 52 Aurora Street, where he still enjoyed working in his garden and also holidaying at Kinloch. He kept watch with some sadness on the travails of both Muldoon and the National Party during the early 1980s. His son-in-law Ken Comber lost his seat at the 1981 elections. Holyoake was angered by Sir John Marshall, who as a television commentator showed obvious pleasure when, early on election night, it had looked as if the Government would be defeated. He asked Comber dryly if he had heard ‘the rumour that the Labour Party has approached Jack Marshall to see if he will consider standing for them in Ohariu at the next election’. Ohariu was the only seat National still held in Wellington. When a gullible Comber responded, ‘Where would a rumour like that start?’, his father-in-law replied mischievously, ‘Oh, here . . . and there’.76

In 1983, after having had hypertension for ten years and having suffered minor strokes for three or four years, which progressively weakened him, Holyoake was incapacitated by a major stroke. At first, for about three months, Norma and Diane looked after him at home. Finally, on 17 October he was readmitted to Wellington Public Hospital rather than the private Calvary Hospital nearby, which many other politicians preferred. He could still walk short distances with the aid of a tripod walking stick and could converse with hospital staff. Some, at first, thought he might be rehabilitated after surviving his earlier strokes. One young nurse, rostered to look after him in his single room opposite the nurses’ station in the somewhat rundown general medical Ward 5, found her patient to be a ‘nice, kind man with a sense of humour’. He called her his ‘little angel’ and often joked with and teased her. On one occasion, she was giving him a sponge bath when the doctors came through on their rounds. She told him she would return and ‘finish him off after they left’. When she returned to the room, Holyoake’s voice boomed out, ‘Help! Help! She’s come to finish me off!’77 Although mentally still alert at first, Holyoake suffered several more strokes and contracted pneumonia. By then, he was bedridden, had lost the power of speech, and was unable to feed himself. After almost two months in hospital, he died in his sleep at 3 a.m. on Thursday 8 December 1983. Norma, Diane, Keitha, and his son-in-law Ken were at his bedside.78 Comber immediately rang Muldoon, who after offering his condolences, said that there should be a state funeral. That was held in
Wellington Cathedral on Tuesday 13 December. Muldoon gave the eulogy to a man he described as ‘the greatest political figure of our time’. A service of thanksgiving was subsequently held at Westminster Abbey in London on 20 February 1984.

Just over a year later, Norma suffered a heart attack and died on 18 December 1984 at the age of 75. This was only a fortnight before she was to have unveiled a memorial to her husband at Kinloch. On New Year’s Day 1985, some 500 people attended the opening of the memorial, now to both Keith and Norma Holyoake. It was set next to the beach at Kinloch, overlooking Lake Taupo and the mountains of Ruapehu, Tongariro, and Ngauruhoe to the south. Funded by donations of $7,000 from local people, it consisted of two concrete bench seats, inset with Takaka marble from Motueka, between two plinths. One, with a sundial on it, was dedicated to Norma, the other to Keith, with some of his ashes buried underneath and the rest scattered over the Kinloch valley. On Kiwi Keith’s memorial was engraved the statement, ‘A founder of Kinloch he loved this place’, and a Maori inscription that translated read, ‘My eyes forever towards the mountains of my beloved Aotearoa’.
INTRODUCTION

4 Chapman in McLeay 1999, p. 177.
5 Sheppard 1998; 75 people were asked to participate in the survey but only 30 did so.
6 Marcia Stenson, cit. ibid., p. 83.

ONE: THE YOUNG KIWI, 1904–31

2 Doughty 1977, pp. 6–31, has considerable and very interesting detail on Keith Holyoake’s antecedents, much of it obviously provided by members of the family, including interviews with Keith himself, but Doughty did not footnote the sources.
4 See Doughty 1977, p. 11.
5 Holyoake to D. Flanagan, Co-operative Union Ltd, Holyoake House, Manchester, 23 October 1957, Holyoake Papers, 1814, 76/2, ATL.
6 Ibid. And also Fergus Holyoake in Marlborough-Golden Bay News, n.d., Comber Papers.
7 Laura Holyoake, Songs and Poems, Riwaka, Nelson, 1902. A copy is in the Keitha Holyoake Papers.
8 Markwell 1998, for biography of Esther Holyoake.
9 Buschart 2006, p. 204.
11 Keith had an older brother, Conrad (born 1897), and an older sister, Muriel (born 1900), and subsequently four younger brothers: Oscar (1905), Claude (1907), Harold (1911), and Neil (1915). Conrad became a Post and Telegraph divisional manager, Muriel a teacher, Oscar and Claude school principals, and Harold and Neil farmers.
16 Holyoake address, opening new Taueru School, cit. Wairarapa Times Age, 4 April 1966, unsorted press clippings, Holyoake Papers, 82-51, 43, ATL.
18 Ibid.
26 Ibid.
28 Ibid.
29 Holyoake: Gilmore, 18 November 1967.
30 Ibid.
32 Dominion, 23 January 1969.
34 Keith Holyoake, speech to the Motueka Fruitgrowers’ Association, 1977, Holyoake Papers, 82-51, 17, ATL.
35 Templeton and Eunson 1969, p. 34.
37 Holyoake to Gavin Wilson, 9 March 1977, Holyoake Papers, 82-51, 17, ATL.
43 Keitha Holyoake: author, 8 March 2006.
44 All in Holyoake Diary 1931–56, Keitha Holyoake Papers.
45 Eunson 2001, p. 92.
48 Holyoake Diary 1930, Keitha Holyoake Papers.
49 Diane Holyoake: author, 24 February 2005; Doughty 1977, pp. 50–51; and various newspaper
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clippings in the Comber Papers, notably New Zealand Herald, 19 December 1984.


51 Copies of two marriage certificates in author’s possession.

52 Cit. Doughty, p. 53.


TWO: MP FOR MOTUEKA, 1932–38


3 Conrad Holyoake, Holyoake Diary 1931. Keitha Holyoake Papers;

4 Holyoake: Oliver, 27 October 1976.

5 Holyoake Diary 1931, Keitha Holyoake Papers. See also Holyoake: Oliver, 27 October 1976.

6 Holyoake Diary 1931.

7 Fromason, Vol. 12, no. 1, Autumn 1984, p. 11, copy in possession of Mrs Lynley Hyams (née Holyoake).


9 McAloon 1997, pp. 72–73.

10 Holyoake: Oliver, 27 October 1976.

11 Doughty 1977, p. 35.

12 Tom Wilkes (Junior) and Esther Turner (née Wilkes): author, 14 September 1985.

13 Eunson 2001, p. 91.


15 Holyoake: Oliver, 27 October 1976.

16 For a history of the Farmers’ Union see Bremer 1966.


18 Holyoake Diary 1932, Keitha Holyoake Papers.

19 Holyoake Diary 1931, Keitha Holyoake Papers; Holyoake Papers, 1814, 658/5, ATL; and Biographical Notes on Holyoake, 1946, Holland Papers, 1624, 4/3, ATL.

20 Mrs Marge Young to Holyoake, 5 November 1975, and Holyoake to Young, 10 November 1975, Holyoake Papers, 82-51, 20, ATL.

21 Coates to Wilkes, telegram, 27 October 1932, Wilkes Papers, 93-167-09, MS 0253, ATL.

22 A. E. Davy to ‘Whom it may concern’, 7 February 1933, Wilkes Papers, 93-167-09, MS 0253, ATL.

23 Doughty 1977, p. 42.


32 Ibid.

33 Ibid.

34 Ibid.

35 Ibid.

36 Ibid.


40 Holyoake Diary 1934, Keitha Holyoake Papers.

41 Ibid.


43 Holyoake, speech notes for Takaka A & P Show, 1934, Holyoake Papers, 1814, 001/2, ATL.


45 Holyoake, typescript speech notes for the Tobacco Growers Bill 1974, Holyoake Papers, 82-51, 19, ATL.

46 Holyoake Diary 1935, Keitha Holyoake Papers, and Doughty 1977, p. 50.


48 Holyoake Diary 1935, Keitha Holyoake Papers.

49 Holyoake’s election pamphlet, 1935, Wilkes Papers, 93-167-09, MS 0253, ATL.

50 Holland to Holyoake, 23 October 1936, Comber Papers.

51 Holyoake: Oliver, 27 October 1976.

52 Holyoake Diary 1936, Keitha Holyoake Papers.


55 Dr R. M. Campbell to John Barr, 21 April 1973, Holyoake Papers, 82-51, 14, ATL.

56 George: author, 18 April 1985. George was present at the meeting.


59 Holyoake Diary 1937, Keitha Holyoake Papers.

60 Holyoake Diary 1938, Keitha Holyoake Papers.

61 Holland, NZPD, 1938, Vol. 252, p. 556.


64 Holyoake: Oliver, 27 October 1976.

65 Ibid.

66 Skinner was a farmer and public works carpenter who as a Major was to win the Military Cross for
clearing mines in North Africa during World War II. He was Minister of Lands 1943–49 and 1957–60, Forests 1944–49, and Agriculture 1957–60.

68 A copy of Holyoake’s 1938 election pamphlet is in Holyoake Papers, 1814, 001/1, ATL.
69 Wellington Division Committee minutes, 12 October 1938.
70 Holyoake, cit. Doughty 1977, p. 66.
72 Coates to Holyoake, 17 October 1938, Comber Papers. See also Holyoake: Barr, 7 January 1973.
73 Holyoake to Coates, 8 November 1938, Coates Papers, 1785/196, ATL. See also Bassett 1995, pp. 245–46.
74 Hintz: author, 1 June 1981.
75 Conrad Holyoake to Holyoake, 16 October 1938, Holyoake Papers, 1814, 001/1, ATL.
76 Forbes to Holyoake, 16 October 1938; Holland to Holyoake, 16 & 23 October 1938; Hamilton to Holyoake, 16 October 1938; Cobbe to Holyoake, 21 October 1938; O’Shea to Holyoake, 17 October 1938; Holyoake Papers, 1814, 001/1, ATL.

THREE: MOTUEKA TO PAHIATUA, 1938–49
1 Holyoake: Oliver, 27 October 1976.
2 Holyoake Diary 1939, Keitha Holyoake Papers.
3 See McAloon 1997, p. 192 for discussion of the spectacular expansion of tobacco during this period.
4 For a history of Federated Farmers see Herman 1974.
6 Holyoake to Wilkes, 21 April 1940, Wilkes Papers, 93-167-09, MS 0253, ATL.
7 Holyoake Diary 1940, Keitha Holyoake Papers.
8 Holyoake to Wilkes, 21 April 1940, Wilkes Papers, 93-167-09, MS 0253, ATL.
9 Ibid.
10 Ibid.
11 Ibid.
12 R. R. Johnston, Secretary, Pahiatau Electorate Committee, to Wilkes, 6 May 1940.
13 Wilkes to Johnston, 14 May 1940, Wilkes Papers, 93-167-09, MS 0253, ATL.
14 Cyril Hunter to Wilkes, 8 October 1940, Wilkes Papers, 93-167-09, MS 0253, ATL.
15 Holyoake to Mr Rolls, General Manager, Williams and Kettle, Napier, 12 March 1941, Roger Holyoake Papers.
16 Rolls to Holyoake, 6 and 20 June 1941, Roger Holyoake Papers.
17 Martin Nestor, notes on Holland in Nestor Papers, 82, 141-4/08 and 09, ATL. Nestor, who worked on Peter Fraser’s staff from 1940–43, was Holland’s private secretary and speechwriter from 1943–44 and the National Party’s Chief Research Officer from 1944–73, during which time he also helped both Holland and Holyoake with their speeches.
18 Hamilton to Holland, 22 February 1941, Holland Papers, 1624, 064/2, ATL.
19 See E. R. Toop, President of the People’s Movement, press statement, 28 February 1941, and James Crisp, Auckland Chairman, to Holland, 27 February 1941, Holland Papers, 1624, 094/2, ATL.
20 Dannevirke Branch of the NZNP to Holland, 21 February 1941, Holland Papers, 1624, 064/2, ATL.
21 Toop to Holland, 17 May 1943, Holland Papers, 1624, 064/2, ATL.
24 Holyoake Diary 1944, Keitha Holyoake Papers.
26 Ibid.
27 Ibid.
28 Ibid.
29 Rev. Neville Watkins to Holyoake, 7 July 1974, and Holyoake to Watkins, 12 November 1974, Holyoake Papers, 82-51, 20, ATL.
30 See Wellington Division Committee minutes, 10 September and 30 October 1941.
31 Nestor on Holland, Nestor Papers, 82, 141-4/08-09, ATL.
32 Motueka Fruitgrowers’ Association Incorporated 1927–77, Jubilee Publication, Holyoake Papers, 82-51, 17, ATL.
33 Holyoake, personal explanation citing his Defence records, NZPD, 1967, Vol. 352, pp. 2225–26. The original speech notes in Holyoake’s handwriting and copies of correspondence with the Army are in the Keitha Holyoake Papers.
34 See Holyoake Diary 1941, Keitha Holyoake Papers.
35 Holyoake to Officer Commanding Nelson, 28 June 1943, Keitha Holyoake Papers.
36 Holyoake to Captain Williams, Army Office Nelson, 24 July 1943, Keitha Holyoake Papers.
37 Army to Holyoake, 5 August 1943, Keitha Holyoake Papers.
39 See 1943 Election Campaign, Holyoake Papers, 1814, 1/4, ATL.
40 Diane Comber: author, 10 July 1985.
41 Holyoake: Oliver, 27 October 1976.
42 Doughty 1977, pp. 91 & 92.
43 Holyoake Diary 1945, Keitha Holyoake Papers.
44 Holyoake Dairy 1946, Keitha Holyoake Papers.
45 Holyoake to Holland, 26 May 1946, Holland Papers, 1624, 4/3, ATL.
46 Holyoake Diary 1946, Keitha Holyoake Papers.
47 Sir Howard d’Egville, Secretary British Parliamentary Association, to Bothamley, 25 July 1946, and Holland, 25 July 1946, both Holland Papers, 1624, 4/3, ATL.
48 Wing Commander J. Robinson, MP, on behalf of himself and seven others, to Secretary of the Empire Parliamentary Association, 23 July 1946, with a copy to Holland, 2 September 1946, Holland Papers, 1624, 4/3, ATL.
D'Egville to Holland, 25 July 1946, Holland Papers, 1624, 4/3, ATL.
Holland to Holyoake, 4 May 1946, Holland Papers, 1624, 4/3, ATL.
Holyoake Diary 1947, Keitha Holyoake Papers.
Holyoake to Holland, 16 December 1947, Holland Papers, 1624, 030/2, ATL.
Holyoake to Holland, 18 May 1949, Holland Papers, 1624, 030/2, ATL.
Holyoake to Holland, 16 August 1950, Holland Papers, 1624, 086/2, ATL.
Holyoake’s detailed itinerary is in the 1949 Election Folder, Holyoake Papers, 1814, 001/4, ATL.
Holyoake’s 1949 speech notes are in Holyoake Papers, 1814, 658, 5, ATL.
Diane Comber: author, 10 July 1985.
Ibid.
Ibid.
Diane Comber: author, 10 July 1985.
Ibid.

FOUR: MINISTER OF AGRICULTURE AND DEPUTY PRIME MINISTER, 1949–57

1 For brief biographies and comments on Holland’s ministers see Gustafson in Clark 2003, pp. 24–27.
3 Martin in Clark 1997, pp. 63–66. See also ‘Examples of where views of Minister of Agriculture and his Department have differed’, in Holyoake Papers, 1814, 658, 5, ATL.
4 Ibid.
6 ‘Examples of where views of Minister of Agriculture and his Department have differed’, Holyoake Papers, 1814, 658, 5, ATL.
7 Gould 1982, pp. 80–82.
8 Ibid., p. 82.
10 See Holyoake Papers, 1814, 2, Ministerial Files, ATL.
14 See Brown in Trotter 1993, pp. 55–100.
16 Doidge to Holland, 14 August 1950, Holland Papers, 1624, 086/3, ATL.
17 Notes of meeting between NZ Manufacturers Federation deputation and Holland, Bowden and Doidge, 24 July 1950, Holland Papers, 1624, 086/2, ATL.
18 Alex O’Shea, General Secretary NZ Federated Farmers to Holland and Holyoake, 16 August 1950, Holland Papers, 1624, 086/2, ATL.
19 Cabinet conclusions 21 August 1950 in Report of Caucus 23 August 1950, Holland Papers, 1624, 086/3, ATL.
20 Secretary of the Treasury to Minister of Finance, 14 August 1950, Holland Papers, 1624, 086/2, ATL.
21 ‘GATT Negotiations – Torquay’, 3 May 1951, Holland Papers, 1624, 86/4, ATL.
22 Holland to Holyoake, 2 November 1950, Holland Papers, 1624, 86/4, ATL.
23 Herman 1974, p. 254.
26 See Bassett 1972, esp. pp. 72 ff.
28 Holyoake to Sherwood Young, 17 July 1975, Holyoake Papers, 82–51, 20, ATL. Young was a police inspector seeking comment from Holyoake for his research for an MA research essay on the police and the 1951 waterfront dispute.
29 Martin Nestor Papers, 62, 141-4/08-09, ATL.
32 Notes of meeting between NZWWU and TUC delegation and Holland, Holyoake and Sullivan, 27 February 1951, Holland Papers, 1624, 103/6, ATL.
33 Holyoake’s speech notes, Holyoake Papers, 1814, 668/4, ATL. See also Sinclair 1976, p. 289, and Walsh in Clark 1997, p. 91.
34 Speech notes in Holyoake Papers, 1814, 668/4, ATL.
35 Holland, cit. meeting with NZ Port Employers’ Association, 9 July 1951, Holland Papers, 1624, 103/6, ATL.
37 Notes of meeting of Holland and Sullivan with the Wellington Port Employers’ Association, 27 July 1951, Holland Papers, 1624, 103/6, ATL.
38 Unison 2001, p. 94.
41 See weekly reports from W. B. Tripe to Holyoake, 26 April–8 August 1952, Holyoake Papers, 1814, 30/2, ATL.
45 Holyoake to Holland, 18 February 1955, Holyoake Papers, 1814, 090/3, ATL.
46 Holyoake to Holland, 7 February 1955, Holyoake Papers, 1814, 090/3, ATL.
47 See speeches and other material related to Holyoake’s overseas trip in 1955, Holyoake Papers, 1814, 51/7, ATL.

Holyoake to Harold Hewett, 31 October 1955, Holyoake Papers, 1814, 050/3, ATL.

Holyoake to the 'Youngs and the Gibbs', 21 November 1955, Holyoake Papers, 1814, 050/3, ATL.

Holyoake to Holland, 24 November 1955, Holyoake Papers, 1814, 050/3, ATL.

Holyoake to the 'Youngs and the Gibbs', 21 November 1955, Holyoake Papers, 1814, 050/3, ATL.

Holyoake speech notes to Annual Conference of the Royal Agricultural Society, 27 June 1956, Holyoake Papers, 1814, 090/6, ATL.


Ibid.

See Brown in Trotter 1993, pp. 60–61.


FIVE: KINLOCH


Holyoake to Jack Butland, 11 July 1973, Holyoake Papers, 82–51, 14, ATL.

Holyoake, Kinloch, p. 7.

Ibid.

E. J. Fawcett, Director General of Agriculture, to Minister of Agriculture, 22 September 1953, Holyoake Papers, 1814, 087/4, ATL.

Holyoake, Kinloch, p. 9.

Ibid., p. 10.


Detailed year-by-year estimates of the financial outlay 1953–59, Holyoake Papers, 1814, 087/4, ATL.

Holyoake Papers, 1814, 087/4, ATL.

Holyoake, Kinloch, p. 8.


Holyoake, Kinloch, p. 10.

Ibid., pp. 11–12.

Ian Gibbs to Theo Gibbs, 21 November 1956, forwarded to Holyoake by Theo, Holyoake Papers, 1814, 082/1, ATL.

Holyoake, Kinloch, p. 12.

Keitha Holyoake: author, 8 March 2006.

Holyoake, Kinloch, p. 13.


John Asher to Roger Holyoake, 29 September, 2 October & 21 December 1955, Roger Holyoake Papers, in possession of Mrs Patricia Morrison.

Extract from Taupo M. B., Vol. 34, Folio 281, 14 November 1955, 9773, 'Tihoi 3B1 Application for Federated Farmers 1956, Holyoake Papers, 1814, 090/6, ATL.

Holyoake’s speech notes to Annual Conference of the Royal Agricultural Society, 27 June 1956, Holyoake Papers, 1814, 090/6, ATL.

Notes of the Meeting, Holyoake Papers, 1814, 053/1, ATL.


Laking in Clark 1997, p. 156.


Ibid.

See Brown in Trotter 1993, pp. 60–61.

39 For example, Holyoake to Martin Nestor, 6 August 1975, Holyoake Papers, 82-51, 18, ATL.
40 See, for example, Holyoake to Marshall, 22 March, 30 April, 20 June & 19 August 1968; Holyoake to Ian Gibbs, 21 August, 10 October & 6 November 1967, and 30 January, 21 March, 28 August, 17 September & 2 December 1968; and Ian Gibbs to Holyoake, 6 October & 3 November 1967, and 20 March, 12 September & 14 November 1968. All Holyoake Papers, 1814, 428/5, ATL.
41 Holyoake's handwritten notes of telephone discussions with Theo Gibbs, n.d. [December 1973]. See also notes of telephone conversations with Ian Gibbs, Alan Gibbs, Roger Holyoake, and Mr Richardson, all about the same time. Holyoake Papers, 82-51, 15, ATL.
42 Holyoake to Butland, 30 January 1975, Holyoake Papers, 82-51, 14, ATL.

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39 For example, Holyoake to Martin Nestor, 6 August 1975, Holyoake Papers, 82-51, 18, ATL.
40 See, for example, Holyoake to Marshall, 22 March, 30 April, 20 June & 19 August 1968; Holyoake to Ian Gibbs, 21 August, 10 October & 6 November 1967, and 30 January, 21 March, 28 August, 17 September & 2 December 1968; and Ian Gibbs to Holyoake, 6 October & 3 November 1967, and 20 March, 12 September & 14 November 1968. All Holyoake Papers, 1814, 428/5, ATL.
41 Holyoake’s handwritten notes of telephone discussions with Theo Gibbs, n.d. [December 1973]. See also notes of telephone conversations with Ian Gibbs, Alan Gibbs, Roger Holyoake, and Mr Richardson, all about the same time. Holyoake Papers, 82-51, 15, ATL.
42 Holyoake to Butland, 30 January 1975, Holyoake Papers, 82-51, 14, ATL.
67 Northern Advocate, 28 May 1959.
68 Notes of meeting between Holyoake and Standing Committee of the Constitutional Society, 2 December 1959, Holyoake Papers, 1814, 089/5, ATL. For Holyoake's views on constitutional and parliamentary reform see also a speech entitled 'Freedom', which he made to the Constitutional Society, 16 June [no year], Holyoake Papers, 1814, 089/5, ATL.
71 Gair to Holyoake, 4 November 1958, and Holyoake to Gair, 13 November 1958, Holyoake Papers, 1814, 082/1, ATL.
72 Cité South Auckland Division minutes, 7 June 1958.
73 Auckland Division minutes, 2–3 June 1959.
74 Templeton and Eunson 1969, p. 31.
75 Brief for the British Minister of Agriculture, Fisheries and Food, prepared by the CRO on information provided by the British High Commission Wellington, 11 August 1959, DO 35/8068, BNA.
76 McIntosh to Shanahan, 12 August 1957 in McCabe 1999, p. 231.
77 Templeton and Eunson 1969, p. 31.
78 Typescript of Munro’s autobiography drafted when he was 71 – about 1973 – after retiring from Parliament, Munro Papers, 2230/145, ATL.
79 C. S. Alexander, Chairman Hamilton Electorate Committee, to Munro, 13 August 1958, Munro Papers, 2230/145, ATL. Alexander had been Chairman of the Waikato Division 1951–56.
81 Phyllis de Boissiere to Munro, 4 August 1960, Munro Papers, 2230/145, ATL.
82 Fletcher to Holyoake, 13 March 1959, Holyoake Papers, 1814, 090/5, ATL.
83 Holyoake to Fletcher, 23 March 1959, Holyoake Papers, 1814, 090/5, ATL.
84 Sir Charles Norwood to Holyoake, 15 August 1958, copy in Munro Papers, 2230/145, ATL.
85 Notes of meeting, 25 June 1959, Munro Papers, 2230/144, ATL. No names of those involved are recorded in the notes.
86 James Fletcher to Munro, 2 December 1959, Munro Papers, 2230/143, ATL.
87 Ibid.
88 Robert Kerridge to Munro, 9 December 1958, Munro Papers, 2230/143, ATL.
89 Ernest Davis to Munro, 15 December 1958, and see also 2 & 7 October 1958, Munro Papers, 2230/143, ATL.
90 Shand to Munro, 24 May 1960, Munro Papers, 2230/145, ATL.
91 Ibid.
92 See Gustafson 2000, p. 61.
93 George Mallaby British High Commissioner Wellington to Sir Gilbert Laithwaite, CRO, 9 July 1959, DO 35/8068, BNA.
94 Holyoake to all National MPs, 18 April 1958, Holyoake Papers, 1814, 403/2, ATL.
95 Holyoake, cit. Wellington Division Committee minutes, 8–9 July 1959.
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61 Ibid.


63 Templeton and Eunson 1969.

64 Ibid., p. 22.

65 Ibid., pp. 26–27.

66 Ibid., p. 37.


68 Ibid., pp. 156–61.


71 Holyoake, cit. Day 2000, p. 128.

72 Day 2000, p. 155.

73 Scott: Taylor, 21 February 1996.


77 Belich 2001, p. 437.

78 Ibid., p. 314.

79 Holyoake: Oliver, 27 October 1976.

80 Belich 2001, p. 509.

81 Ibid., p. 509.


83 Scott: Young, 21 February 1996, OHA 4183, ATL.

84 Kinsella: Young, 5 March 1996. See also Gustafson 2000, pp. 106–10 for an account of Muldoon’s attempts to control spending on tertiary education during the 1967–69 period.

85 Talboys: Young, 1 April 1996.

86 Kinsella: Young, 5 March 1996.

87 The author was present at this meeting in his then capacity as Assistant to the President of the AUT and one of its salary negotiators.


90 See Hanson 1980, pp. 133–36.


NINE: MINISTER OF EXTERNAL AFFAIRS, 1960–72, AND THE NUCLEAR ISSUE

1 D. M. Cleary to Sir Henry Lintott, 29 August 1956, DO 35/8068, BNA, and Mallaby 1965, p. 79.


3 Larkin: Manson, 2 July 1987.


5 Holyoake: Oliver, 14 July 1976.

6 ‘South East Asian Tour 1960’, Holyoake Papers, 1814, 157/1, ATL.

7 Cit. Northern Advocate, 28 May 1959.


9 McIntosh to Laking, 2 December 1960, in McGibbon 1999, p. 281. McIntosh does not say who the two were but they were probably Dean Eyre, who became Minister of Defence, and Leon Gotz, who became Minister of Internal Affairs and Island Territories.

10 Holyoake: Oliver, 14 July 1976.

11 McIntosh to Laking, in McGibbon 1999, p. 288.

12 McIntosh: Wood and Boyd, 27 November 1975.

13 Ibid.

14 Ibid. See also Laking in Clark 1997, pp. 149–72 for a more guarded but not dissimilar view.


17 Francis Cumming-Bruce, British High Commissioner Wellington, to Commonwealth Relations Office, 15 June 1961, DO 169/38, BNA.

18 Ibid.

19 Ibid.

20 I. M. R. Maclennan to CRO, 21 August 1964, CAB 95/4353, BNA.

21 For example, Laking to McIntosh, 14 December 1952, in McGibbon 1999, p. 113.


24 Shanahan to McIntosh, 10 January 1976, in McGibbon 1999, p. 198.


27 Waikato Times, 28 March 1963.


29 Holyoake: Oliver, 28 July 1976.


31 Holyoake: Oliver, 28 July 1976.

32 Munro, notes of meeting with Holyoake, 6 February 1968, Munro Papers, 2230/158, ATL.

33 Munro, cit. New Zealand Herald, 23 May 1968, in Munro Papers, 2230/162, ATL.

34 Munro Papers, 2230/163, ATL.

35 Typescript of chapter entitled ‘On my nine years in Parliament’, written 21 November 1973, Munro Papers, 2230/183, ATL.

36 Ibid.

37 Ibid.

38 McIntosh: Wood and Boyd, 7 July 1976.


Sir Ian Maclellan, British High Commissioner Wellington, 31 August 1965, both DO 164/76, BNA.


Maclellan to Walsh-Atkins, 15 October 1965, DO 164/76, BNA.

Sir N. Pritchard to Lord Beswick, 18 January 1966, DO 164/76, BNA. Beswick wrote on the recommendation: ‘I do not think that we should rush this. I would also like to know what line HMG are taking about a proposed French test.’


Draft Brief for the Secretary of State, n.d. [late October 1965], and Ian Maclellan, British High Commissioner Wellington, to L. B. Walsh-Atkins, Commonwealth Relations Office, London, 15 October 1965, DO 164/76, BNA.

John Kyrie Hickman interview, DOHP 1, CAC.

Holyoake Papers, 1814, 665/1, ATL.


Future Policy in South Pacific Problems 1963, DO 169/185, BNA.

Francis Cumming-Brace to CRO, 4 July 1961, DO 169/38, BNA, and ‘Note by the Colonial Office on the British Colonies in the South Pacific’, n.d. [August 1962], DO 169/185, BNA.

Maclellan to CRO, 21 August 1964, CAB 95/4353, BNA.


Thomson in McKinnon 1991, pp. 95–121; and Templeton 1998, passim.

See McIntyre 1991, p. 28. Commonwealth leaders’ meetings were called CPMM until 1969 when they became known as Commonwealth Heads of Government Meetings (CHOGM).

Record of Conversation between the Prime Minister and the Prime Minister of New Zealand, 1 February 1965, DO 169/344, BNA.

Holyoake to Smith, 5 October 1965; Holyoake to Wilson, 5 October 1965; Wilson to Holyoake, 9 October 1965; Commonwealth Office to UK High Commission Wellington, Cypher 1771, 9 October 1965. All DO 183/676, BNA.

McIntosh to Corner, 3 November 1965, in McGibbon 1999, p. 336.

See McKinnon 1993, p. 236, for examples.


Notes of meeting 15 February 1967, FCO 62/25, BNA.


Notes of meeting between Holyoake and Frederick Mulley, UK Minister of State for Foreign and Commonwealth Affairs, in Wellington, 20 August 1969, and J. T. Williams, UK High Commission Wellington, to D. P. Airs, South West Pacific Department FCO, 9 October 1969, FCO 36/485, BNA.

Notes of meeting between Holyoake and Frank White, UK Minister of State for Commonwealth Relations, in Wellington, 20 August 1969, and J. T. Williams, UK High Commission Wellington, to D. P. Airs, South West Pacific Department FCO, 9 October 1969, FCO 36/485, BNA.

McIntosh to Corner, 14 November 1965, in McBegg 1999, p. 338.


For the Lagos conference see Hensley 2006, pp. 83–86.

See McDowell in Lynch 2005, p. 117.

McIntosh to Corner, 15 April 1966, in McBegg 1999, p. 342.

Corner to McIntosh, 28 April 1966, in McBegg 1999, pp. 342–43.

Brown in Templeton 1995, p. 46, and McKinnon
NOTES TO PAGES 195–206


For a description of this meeting see Hensley 2006, pp. 89–93.


McIntyre 1993, p. 48.


PM 59/204/1, part 1, memorandum of 26 May 1968. See also Thompson in McKinnon, p. 104.


McIntyre 1993, p. 48.


PM 59/204/1, part 1, memorandum of 26 May 1968. See also Thompson in McKinnon, p. 104.


McIntyre 1993, p. 48.


PM 59/204/1, part 1, memorandum of 26 May 1968. See also Thompson in McKinnon, p. 104.
ELEVEN: COLLECTIVE SECURITY AND FORWARD DEFENCE IN ASIA


For ANZAM see McGibbon in Smith 2005, pp. 11–12.

See Tarling 2005.


For details of the negotiations over NZ–Japan trade in the 1950s see Trotter in McKinnon 1991, pp. 185–226.

Templeton and Eunson 1969, p. 158.

See Brief for Prime Minister’s visit, 4 June 1965, 40/12/1, cit. Trotter in McKinnon 1991, p. 216.

British Embassy Tokyo to Rt Hon Michael Stewart MP, Foreign Secretary, 16 July 1965, FO 371/18079, BNA.

Larkin: Manson, 2 July 1987.

British Embassy to Acting High Commissioner, Wellington, 2 January 1964; Prime Minister of Australia and New Zealand, 3 February 1964, FCO 371/175273, BNA.

For ANZAM see McGibbon in Smith 2005, esp. pp. 1–79; BNA.


See Record of Conversation between NZ Prime Minister and PM Sato, 7 July 1970, 40/12/1, cit. Trotter in McKinnon 1991, p. 222.

Holyoake, press statement, 16 July 1971, FCO 24/1254, BNA.


Foreign Office to Acting High Commissioner, Wellington, 2 January 1964; Prime Minister of Malaysia to Prime Ministers of New Zealand and Australia, 31 January 1964; Holyoake to Prime Minister of the United Kingdom, 5 February 1964; and Malaysian Deputy Secretary for Defence to NZ Government, 28 February 1964, all DEFE 7/2375, BNA.

UK Prime Minister to Prime Ministers of Australia and New Zealand, 3 February 1964, FCO 371/175273, BNA.

Ibid.


New Zealand Herald, 15 June 1964.


Pugsley 2003, p. 204.


Ibid., p. 172.


Holyoake and Holt to Wilson, 4 October 1967, and Wilson to Holyoake and Holt, 24 October 1967, both FCO 24/82, BNA.


Ibid., pp. 1–2.
NOTES TO PAGES 224–32

TEN: VIETNAM, 1960–65


2 Minutes of Staff Committee, COS (61) M46, 14 December 1961, ABHS 950, W4627, 478/4/6, ANZ.


4 Minutes of Chiefs of Staff Committee, COS (62) M46, 14 June 1962 and COS (63) M23, 18 July 1963, ABHS 950, W4627, 472, 478/4/6, 002, 07/63-04/64, ANZ.


6 Rabel in Lynch 2005, p. 133.

7 Cabinet Minute, CM (61), 19 & 28 May 1963, ABHS 950, W4627, 472, 478/4/6, 002, 07/63-04/64, ANZ. This file also contains material on the South Vietnamese and US requests.

8 Holyoake to McIntosh, 20 August 1963, ABHS 950, W4627, 472, 478/4/6, 002, 07/63-04/64, ANZ.

9 McIntosh to Holyoake, 26 August 1963, ABHS 950, W4627, 472, 478/4/6, 002, 07/63-04/64, ANZ.


11 'Military Aid to South Vietnam', Statement by McIntosh, to Holyoake, 26 August 1963, ABHS 950, W4627, 472, 478/4/6, 002, 07/63-04/64, ANZ. This file also contains material on the South Vietnamese and US requests.

12 Holyoake to McIntosh, 20 August 1963, ABHS 950, W4627, 472, 478/4/6, 002, 07/63-04/64, ANZ.

13 McIntosh to Holyoake, 26 August 1963, ABHS 950, W4627, 472, 478/4/6, 002, 07/63-04/64, ANZ.


26 Johnson to Holyoake, 12 December 1964, and Laking to Holyoake and McIntosh, 16 & 17 December 1964. All ABHS 950, W4627, 472, 478/4/6, 004, 09/64-01/65, ANZ.


32 McIntosh: Wood and Boyd, 27 November 1975.


34 McIntosh to Holyoake, together with the draft and redrafted letter, 9 February 1965, ABHS 950, W4627, 472, 478/4/6, 004, 09/64-01/65, ANZ.

35 McIntosh to Holyoake, 19 February 1965, ABHS 950, W4627, 472, 478/4/6, 004, 09/64-01/65, ANZ.


38 ABHS 950, W4627, 478/4/6, 004, 09/64-01/65, ANZ.

39 Ibid.

40 Secretary of Cabinet to Prime Minister, CM 65/6/30 of 1 March 1965, ABHS 950, W4627, 478/4/6, ANZ.


22 President Lyndon Baines Johnson, Remarks Upon Arrival at the Airports, Ohakea and Wellington, 19 October 1966, and Remarks at the Parliamentary Luncheon, Wellington, New Zealand, 20 October 1966, Public Papers of the President, Documents 538 and 540, LBJ Library.

23 Lady Laura Fergusson to her sister Dame Frances Campbell-Preston, October 1966. A copy of the letter, which was partially reproduced by Dame Frances in her memoir The Rich Spoils of Time, Dovecoat Press, Wimborne Minster, 2006, was provided to the author by Lady Laura’s son, Mr George Fergusson.

24 Ibid.


27 See 'From Record of Japan-New Zealand Talks in Wellington, January 1967', and British Embassy Tokyo to Foreign and Commonwealth Office, 22 February 1967, FCO 21/253, BNA. It is interesting that the detailed record of these talks marked 'Secret – New Zealand Eyes Only' was provided to the British Embassy in Tokyo by the Chief of the British Commonwealth Section of the Japanese Foreign Ministry within several weeks of the meeting.

28 For a discussion of Kirk and Labour’s position see Rabel 2005, pp. 176–81.

29 Conrad Holyoake to the author in a discussion in June 1986. The author, who was in 1966 the Labour candidate for Taupo, made the comment in response to a question at a public meeting but immediately withdrew it and said that the Prime Minister was mistaken. The Rotorua Daily Post ran the story as its front-page lead without the retraction. See Daily Post, 25 November 1966.


31 See Rabel 1991, p. 57.


33 Ibid., p. 204.

34 Clifford 1991, p. 450.


38 Johnson to Holyoake, 17 August 1967, ABHS 950, W4627, 4773, 478/4/24, 010, 05/67-11/67, ANZ.


41 ‘Record of Discussions Between the Australian and New Zealand Prime Ministers and Australian and New Zealand Officials, 2–3 October 1967’, ABHS 950, W4627, 4773, 478/4/24, 010, 05/67-11/67, ANZ.


43 Sir C. Johnston, British High Commissioner Canberra, to Commonwealth Office, 5 October 1967, Telegram 1408, FCO 24/82, BNA.

44 Sir Ian Maclellan, British High Commissioner Wellington, to Commonwealth Office, 26 September 1967, Telegram 475, FCO 24/82, BNA; Sir C. Johnston, British High Commissioner Canberra, 5 October 1967, Telegram 1409, FCO 24/82, BNA.

45 Laking: Manson, 26 June 1987.

46 Sir Ian Maclellan to Commonwealth Office, 5 October 1967, Telegram 490, FCO 24/82, BNA.


49 Holyoake to Johnson, 3 January 1968, and Johnson to Holyoake, 13 January 1968, ABHS 950, W4627, 4773, 478/4/24, 011, 12/67-12/68, ANZ.

50 ‘Gordon’ to Stewart and Mullins, 22 December 1967, ABHS 950, W4627, 4773, 478/4/24, 011, 12/67-12/68, ANZ.

51 Rabel 1997, pp. 188–90.


54 Munro, The Times, 24 May 1968, typescript.


57 Memo, Nicholas Katzenbach to President Johnson, 7 October 1968, and Memo, Walt Rostow to President Johnson, 8 October 1968, ‘New Zealand, Visit of PM Keith Holyoake, 10/9-10/68’, NSF, Country File, Box 277, Documents 81 and 73, LBJ Library.

58 Toasts of the President and Prime Minister Holyoake of New Zealand, 9 October 1968, Public Papers of the President, Document 525, LBJ Library. See also Remarks of Welcome at the White House to Prime Minister Holyoake of New Zealand, 9 October 1968, and Joint Statement Following Discussions with Prime Minister Holyoake of New Zealand, 10 October 1968, both Public Papers of the President, Documents 522 and 528, LBJ Library.

59 Memo, Rostow to President Johnson, 8 October 1968, and Memo, Katzenbach to President Johnson, 7 October 1968, ‘New Zealand, Visit of PM Keith Holyoake, 10/9-10/68’, NSF, Country File, Box 277, Documents 73 and 81, LBJ Library.

60 Ibid.


63 K. M. Wilford, UK Embassy Washington DC, to A. H. Reed, Commonwealth Office, 16 October 1968, FCO 24/151, BNA.

64 British Embassy Saigon to Rt Hon Michael Stewart, UK Foreign Secretary, 11 November 1968, ‘Confidential Report on Visit of the New Zealand Prime Minister to Viet-Nam’, FCO 24/610 and FCO 15/1065, BNA.

65 Notes on the Discussion with Ambassador Pham Dang Lam, 23 January 1969, Vice President Ky, 24 January 1969, and Henry Cabot Lodge and Cyrus Vance, 24 January 1969 are in FCO 15/1065, BNA and also ABHS 950, W4627, 4774, 478/4/6, 012, 01/69-07/69, ANZ. Lodge was at that time the Chief US Negotiator at the Paris peace talks and Vance was acting as the President’s ‘troubleshooter’.


67 Ibid.

68 Corner to Laking, 15 July 1969, in response to Laking to Corner, 14 July 1969. Both ABHS 950, W4627, 4774, 478/4/6, 012, 01/65-10/65, ANZ.


70 Holyoake, press statement, 18 December 1969, FCO 15/1065, BNA.

71 Diane Comber: author, 10 July 1985.


73 Holyoake, press statement to the House, 21 April 1970, ABHS 950, 4627, 4774, 478/4/6, 012, 01/69-07/70, ANZ.

74 Holyoake, press statement, 18 August 1971, FCO 24/1263, BNA.

75 Dominion, 21 June 1971.

76 New Zealand Herald, 24 June 1971, and Holyoake, press statement on The Pentagon Papers, 13 July 1971, FCO 24/1263, BNA. The Pentagon Papers were originally compiled from mid-1967 on the instruction of Robert McNamara, the US Secretary of Defense, who had become personally disenchanted by the war but wanted to document how the United States over a long period of time had been drawn into it. The 47 volumes of narrative and related documents covered US involvement in Indo-China from World War II until May 1968, the month peace talks started in Paris.


78 Ibid., p. 358.

79 Holyoake: Oliver, 14 July 1976, 82-394, ATL.

FOURTEEN: CHINA

1 ‘Notes on New Zealand’s Attitude Towards Communist China and Taiwan During and Immediately After the Korean War, June 1950–December 1954’, a 33-page survey and summary of official documents, May 1972, ABHS 950, W4627, 4245, 264/4/14, 37, ANZ.

2 Evening Post, 15 February 1951; ‘Notes on New Zealand’s Attitude’, p. 8; and Elder and Green in Trotter 1986, p. 49.

3 Extract from Agenda for 6th General Assembly. New Zealand Views, 23 October 1951, cit. ‘Notes on New Zealand’s Attitude’, p. 15.

4 McIntosh: Wood and Boyd, 27 November 1975.


6 Holland to Webb, 20 July 1953, cit. ‘Notes on New Zealand’s Attitude’, p. 23.

7 Webb to Munro, 6 August 1953, cit. ‘Notes on New Zealand’s Attitude’, p. 24.

8 NZ Ambassador to Washington to Minister of External Affairs, 10 September 1953, cit. ‘Notes on New Zealand’s Attitude’, p. 27.

9 Holland to Webb, 14 September 1953, and McIntosh to Shanahan, 17 September 1953, cit. ‘Notes on New Zealand’s Attitude’, p. 28.


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12 McIntosh: Wood and Boyd, 27 November 1975.


14 See Martell 1998, pp. 54–58.


17 Holyoake Papers, 1814, 115/1, ATL.


21 See Statement by Chair of NZ Delegation to UN plenary session of General Assembly, 3 November 1969, and External Affairs to New Zealand, 246/4/14, 27B, 10/69-09/70, ANZ.


23 Holyoake to Gair, 8 October 1969, ABHS 950, W4627, 4243, 264/4/14, 27B, 10/69-09/70, ANZ.

24 See Statement by Chair of NZ Delegation to UN plenary session of General Assembly, 3 November 1969, and External Affairs to New York, 3 November 1969, ABHS 950, W4627, 4243, 264/4/14, 27B, 10/69-09/70, ANZ.


28 Secretary for Foreign Affairs to Holyoake, 16 October 1970, ABHS 950, W4627, 4243, 264/4/14, 27C, 10/70, ANZ.


32 Hunter Wade to Frank Corner, with copies to John Scott and Tom Larkin, 2 December 1970, ABHS 950, W4627, 4244, 264/4/14, 28A, ANZ.


34 Bryce Harland to Gerald Hensley, 29 January 1970, ABHS 950, W4627, 4244, 264/4/14, 28B, ANZ.


37 La Varis to P. A. Barnes, Holyoake’s Private Secretary, 17 March 1969, and Barnes to Holyoake, 20 March 1969, Laking Papers, 92-258, 4/15, ATL. The relationship of La Varis to Holyoake and Marshall is discussed by Laking in Clark 1997, pp. 162–66, and by Scott in McKinnon 1991, pp. 246–49. Also Laking: author, 17 March 2005. La Varis, who was later the National Party’s unsuccessful candidate for Waitemata in 1972 and then MP for Taupo 1973–78, was a public opponent of New Zealand’s involvement in the Vietnam War, maintained contacts with the Labour Party as well as National, and was acquainted with Vic Wilcox, the General Secretary, and Hugh McLeod, a National Committee member, of the pro-Chinese Communist Party of New Zealand. Wilcox, who was a double agent for the New Zealand Security Intelligence Service, distrusted La Varis and ‘passed on those suspicions to the Communist Party of China’. See H. E. Gilbert to Laking, 28 October 1970, Laking Papers, 92-258, 4/15, ATL.


39 La Varis to Holyoake, 21 November 1969, Laking Papers, 92-258, 4/15, ATL.


41 Wade to Laking, 8 October 1970, Laking Papers, 92-258, 4/15, ATL.

42 Denson to FCO, 20 October 1970, copy in Laking Papers, 92-258, 4/15, ATL.

43 Thorpe to Laking, 10 November 1970, Laking Papers, 92-258, 4/15, ATL.


45 See Secretary of Overseas Trade to Ministers of Overseas Trade and Customs, 8 December 1970, Laking Papers, 92-258, 4/15, ATL.


48 Laking to Holyoake, 29 March 1971, ABHS 950, W4627, 4244, 264/4/14, 30, 03/71-04/71, ANZ.
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49 Washington to Secretary of Foreign Affairs, 10 April 1971, ABHS 950, W4627, 4244, 264/4/14, 30, 03/71-04/71, ANZ.

50 Laking to Marshall, as Acting Prime Minister, covering letter 22 April 1971 together with 50 copies of a statement on China for the Government caucus, ABHS 950, W4627, 4244, 264/4/14, 31, 04/71-05/71, ANZ.

51 Marshall to La Varis, 15 April 1971, Laking Papers, 92-258, 4/15, ATL.

52 Australian High Commission, Wellington, 19 August 1971, and Australian Mission to the UN to Department of External Affairs Canberra, 12 August 1971, ABHS 950, 4627, 4245, 264/4/14, 33B, ANZ.


55 Secretary of Foreign Affairs to all diplomatic posts, 31 May 1971, ABHS 950, W4627, 4244, 264/4/14, 31, 04/71-05/71, ANZ.


57 NZ High Commissioner to Canada to Secretary of Foreign Affairs, 15 July 1971, ABHS 950, W4627, 4244, 264/4/14, 32B, 07/71-07/71, ANZ.


60 Australian Mission to the UN to Department of External Affairs Canberra, 12 August 1971, ABHS 950, W4627, 4245, 264/4/14, 33B, ANZ.

61 Laking to Holyoake, 7 July 1971, Laking Papers, 92-258, 4/15, ATL.

62 Laking to Tokyo, Hong Kong and London, 16 July 1971, Laking Papers, 92-258, 4/15, ATL.

63 C. O. Hum, British Chargé d’Affaires, Peking, to FCO and UK High Commission, Wellington, 1 June 1971, FCO 24/1252, BNA, and Laking Papers, 92-258, 4/15, ATL.

64 Thorp to Laking, 12 July 1971, Laking Papers, 92-258, 4/15, ATL. Howell served two terms as President of the New Zealand China Friendship Society and was the largest importer of Chinese textiles into New Zealand at the time, some $3 million worth in the 1970–71 year, and also received commissions for sales of dairy products, fruit, wool, and pulp and paper to China.

65 Laking, Note for File, 17 August 1971, Laking Papers, 92-258, 4/15, ATL.


67 Laking, Note for File, 14 September 1971, Laking Papers, 92-258, 4/15, ATL.


69 Laking to Holyoake, 20 August 1971, Laking Papers, 92-258, 4/15, ATL.

70 Secretary of State to Holyoake, message conveyed by Kenneth Franzheim II, American Ambassador to NZ, to G. D. L. White, Acting Secretary of Foreign Affairs, 10 September 1971, ABHS 950, W4627, 4245, 264/4/14, 34, 09/71-09/71, ANZ.

71 Laking to Holyoake, 20 September 1971, and Canberra to Washington, New York, Tokyo, Wellington and Taipei, 19 September 1971, reporting that Australia had that day told the US that Australia would co-sponsor, ABHS 950, W4627, 4245, 264/4/14, 34, 09/71-09/71, ANZ.

72 Muldoon speech, 6 October 1971, ABHS 950, W4627, 264/4/14, 35, 10/71-10/71, ANZ.

73 C. R. Howell, cit. New Zealand Commission in Hong Kong to Wellington, 21 October 1971, Laking Papers, 92-258, 4/14, ATL.

74 See speech ‘Chinese Representation’ by Scott, 19 October 1971, ABHS 950, W4627, 4245, 264/4/14, 35, 10/71-10/71, ANZ.

75 Laking to Holyoake, 26 October 1971, ABHS 950, W4627, 4245, 264/4/14, 37, 11/71-07/72, ANZ.


77 Laking to Scott, 26 October 1971. See also Laking to Holyoake, 23 and 26 October 1971, ABHS 950, W4627, 4245, 264/4/14, 37, 11/71-07/72, ANZ.

78 Holyoake, press statement, 26 October 1971, and earlier draft altered by him, ABHS 950, W4627, 4245, 264/4/14, 35, 10/71-10/71, ANZ, and FCO 24/1252, BNA.

79 Laking, note of telephone call from La Varis and subsequent discussion with Holyoake, 22 September 1971, Laking Papers, 92-258, 4/15, ATL.

80 Laking to Holyoake, 24 and 27 September 1971, Laking Papers, 92-258, 4/14, ATL.

81 Galsworthy to J. B. Denson, Peking, and J. A. L. Morgan, FCO, 16 November 1971, FCO 24/1252, BNA.

82 Laking to Corner, 10 November 1971, and see also Laking to Scott, 5 November 1971, Laking Papers, 92-258, 4/14, ATL..

83 Corner to Laking, 18 November 1971, Laking Papers, 92-258, 4/14, ATL.

84 Richard Taylor to Laking, 28 October 1971, Laking Papers, 92-258, 4/14, ATL.

85 La Varis to Huang Wen-chun, Deputy Secretary General China Export Commodities Fair, 31 October 1971, in which he complains that he had received no reply to two earlier letters on 25 July and 23 October 1971; to Soong Ch’ing-ling, PRC Deputy Prime Minister; Chi P’eng-fei, Acting Foreign Minister PRC; and the Liaison Department of the China Association for the Protection of Friendly Relations with Foreign Countries. All 4 November 1971, Laking Papers, 92-258, 4/14, ATL.
FIFTEEN: BRITAIN’S ENTRY TO THE EUROPEAN ECONOMIC COMMUNITY

An earlier version of this chapter was published in the *Asia-Pacific Journal of EU Studies*, see Gustafson 2003.

Sir Michael Palliser, Private Secretary to the Prime Minister 1966–69, Britain’s Ambassador to the EEC 1971–75, and Permanent Under-Secretary Foreign Office 1975–82, Interview, DOHP 37, CAC.

Hawke 1985, p. 229.

Holyoake: Oliver, 14 July 1976.

Ibid.

This appellation refers to the original six members of the EEC: France, Germany, Italy, Belgium, the Netherlands, and Luxembourg.

O’Neill 2000. Sir David Hannay, who served as First Secretary in O’Neill’s negotiating team, edited the report for publication. O’Neill was a very interesting person. He resigned from the Foreign Office during the 1960s in disgust with the appeasement of Hitler and became a leader writer for *The Times*. Subsequently he returned to the Foreign Office, but resigned again in the 1970s after falling out with senior members of Wilson’s Labour Government.


Ibid., p. 110, and Norris in Clark 2003, p. 106. Marshall and Norris were not alone, however, in seeing O’Neill as a difficult person. Another senior British official, Sir Michael Palliser, described O’Neill as an ‘extraordinarily successful and skilful negotiator’ but also ‘a man of iron will and resolution and, I suppose in a sense, very difficult’; Palliser, Interview, DOHP 37, CAC.

Francis Cumming-Bruce, British High Commissioner to Wellington, to Duncan Sandys, Commonwealth Secretary, 9 August 1961, DO 165/76, BNA.


Franklin 1970.


Lough in Clark 2003, p. 86.


Cumming-Bruce to Sandys, 9 August 1961, *op. cit.*

Cumming-Bruce to CRO, 4 July 1961, DO 169/38, BNA.

Cabinet Ministerial Committee on the Approach to Europe, Negotiating Aims on New Zealand, 29 June 1970, FCO 30/746, BNA.

Ibid.

The full table is reproduced in O’Neill 2000, p. 139. Gould 1982, p. 102, says that the United Kingdom’s share of New Zealand’s total exports

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British Embassy Peking to NZ High Commission Wellington and FCO, 9 November 1971, FCO 24/1252, BNA.

Taylor to Laking, 5 November 1971, Laking Papers, 92-258, 4/14, ATL.

Note of discussion between Holyoake and La Varis, 22 December 1971, Laking Papers, 92-258, 4/13, ATL.

Joint Communiqué, Shanghai, 28 February 1972, Holyoake Papers, 1814, 665/4, ATL.

Ibid

Notes of briefing on ‘President Nixon’s visit to China’, 16 March 1972, Holyoake Papers, 1814, 665/4, ATL. A 14-page document.

Ibid.

Notes of SEATO Meeting, 27–28 June 1972, and ANZUS Council Meeting, 29 June 1972, Holyoake Papers, 1814, 665/6, ATL.

Visit of Chinese Table Tennis Team’, Note of discussion between Holyoake and La Varis to Laking, 5 November 1971, Laking Papers, 92-258, 4/14, ATL.

British Embassy Peking to NZ High Commission London, 16 December 1971, Holyoake Papers, 1814, 665/4, ATL.

Fifteen: Britain’s Entry to the European Economic Community

1 An earlier version of this chapter was published in the *Asia-Pacific Journal of EU Studies*, see Gustafson 2003.

2 Sir Michael Palliser, Private Secretary to the Prime Minister 1966–69, Britain’s Ambassador to the EEC 1971–75, and Permanent Under-Secretary Foreign Office 1975–82, Interview, DOHP 37, CAC.

3 Hawke 1985, p. 229.

4 Holyoake: Oliver, 14 July 1976.

5 Ibid.

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7 O’Neill 2000. Sir David Hannay, who served as First Secretary in O’Neill’s negotiating team, edited the report for publication. O’Neill was a very interesting person. He resigned from the Foreign Office during the 1960s in disgust with the appeasement of Hitler and became a leader writer for *The Times*. Subsequently he returned to the Foreign Office, but resigned again in the 1970s after falling out with senior members of Wilson’s Labour Government.


10 Ibid., p. 110, and Norris in Clark 2003, p. 106.

Marshall and Norris were not alone, however, in seeing O’Neill as a difficult person. Another senior British official, Sir Michael Palliser, described O’Neill as an ‘extraordinarily successful and skilful negotiator’ but also ‘a man of iron will and resolution and, I suppose in a sense, very difficult’; Palliser, Interview, DOHP 37, CAC.

11 Francis Cumming-Bruce, British High Commissioner to Wellington, to Duncan Sandys, Commonwealth Secretary, 9 August 1961, DO 165/76, BNA.


13 Franklin 1970.


15 Lough in Clark 2003, p. 86.


17 Cumming-Bruce to Sandys, 9 August 1961, *op. cit.*

18 Cumming-Bruce to CRO, 4 July 1961, DO 169/38, BNA.

19 Cabinet Ministerial Committee on the Approach to Europe, Negotiating Aims on New Zealand, 29 June 1970, FCO 30/746, BNA.

20 Ibid.

21 The full table is reproduced in O’Neill 2000, p. 139. Gould 1982, p. 102, says that the United Kingdom’s share of New Zealand’s total exports
dropped from 66 per cent in 1955 'to barely half in 1964/65 and less than 36 per cent by the end of the decade'.

24 Attached to a letter from Galsworthy to Robinson, 28 May 1970, op. cit.
26 Ibid., Table 1.
28 Palliser, the Prime Minister’s Private Secretary, to Jonathan Solomon, Board of Trade, 27 May 1967; See also Solomon to Palliser, 7 June 1967, PREM 13/1660, BNA.
29 Wilson to Holyoake, 11 June 1967, PREM 13/1660, BNA.
30 Interview with John Kyrle Hickman, First Secretary, UK High Commission, Wellington, 1959–62, DOHP1, CAC.
33 Hickman interview, op. cit.
34 Nixon and Yeabsley 2002, p. 120, and O’Neill 2000, pp. 159 & 160.
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52 Laking: Manson, 26 June 1987.
53 Martin: author, 12 December 1990.
54 See New Zealand Australia Free Trade Agreement. Instructions for the UK Delegation to the GATT, November 1966, and Ian McLennan, British High Commissioner to Marshall, 14 March 1966. Both DO 189/657, BNA.
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101 See Holmes in Clark 2003, p. 120.
104 For an indication of the sharpness of the rise in inflation see Figure 6.1 in Easton 1997, p. 90.
105 Muldoon: Sullivan, 1 April 1992.
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4 Ibid.
6 Marshall 1989, pp. 157–58. In this memoir, Marshall ignores the letter he had sent to Holyoake and says that ‘caucus had taken no initiative’ in seeking a vote of confidence in
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78 Kirk to Holyoake, 19 December 1975, Holyoake Papers, 1815, 82-51, 18, ATL.

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84 Holyoake, cit.


86 Lapwood: Young, 2 April 1996.


89 Marshall 1989, pp. 220–23. Unfortunately, the Caucus minutes of this particular meeting have gone missing from the sets deposited in the Turnbull Library or kept by the Parliamentary caucus. Marshall, however, quotes at length from them.


92 Templeton 1995, p. 32. Templeton witnessed the exchange.

93 Muldoon to Jackson, 29 December 1974, in possession of Keith Jackson; McMillan: author, 2 April 1990; Muldoon 1977, p. 89; and Zavos 1978, p. 137.

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99 Holyoake to Les Higgins, 5 August 1975, Holyoake Papers, 82-51, 18, ATL.

100 Holyoake to Butland, 30 January 1975, and see also 16 July 1974, Holyoake Papers, 82-51, 14, ATL.

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102 Evening Post and New Zealand Herald, 18 November 1975.

103 Ibid.

104 Holyoake to Sir Jack Harris, 14 November 1975, Holyoake Papers, 82-51, 18, ATL.


107 Holyoake to Mrs Hilda Macdonald, 4 June 1976, Holyoake Papers, 814, 82-51, 16, ATL. There are numerous other such letters in the Holyoake Papers.


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3 Templeton 1995, p. 64.


6 Brown: Manson, 8 March 2000.

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10 See Robinson 1967 for a record of Fergusson’s time as Governor-General.

11 George Fergusson: author, 21 October 2006.


13 George Fergusson: author, 21 October 2006.

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20 Fergusson to Holyoake, 5 August 1969, and Holyoake to Fergusson, 12 August 1969, Laking Papers, 92-258, 4/7, ATL.

21 Millen: author, 29 March 1990. Millen was Secretary to the Executive Council and Cabinet at the time.


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ABBREVIATIONS
ANZ    Archives New Zealand
ATL    Alexander Turnbull Library, National Library of New Zealand
BNA    British National Archives at Kew
DOHP/CAC  British Diplomatic Oral History Programme at the Churchill Archives Centre, Churchill College, Cambridge
DNSA Digital National Security Archives (US)
LBJA    Lyndon Baines Johnson Presidential Archives / LBJ Library
NA     Nixon Presidential Archives
NAA    National Archives Australia
NSSM    National Security Study Memorandum
OHA, ATL Oral History Archives, Alexander Turnbull Library

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