New Zealand's Foreign Service

A History

Edited by Ian McGibbon

New Zealand's Foreign Service
A History

Ian McGibbon
with Steven Loveridge,
Hamish McDougall, Diana Morrow,
Anita Perkins and Joanna Spratt

MASSEY UNIVERSITY PRESS

Contents

Editor’s note

This work has been commissioned and funded by Manatū Aorere Ministry of Foreign Affairs and Trade (MFAT) but has been managed independently by Manatū Taonga Ministry for Culture and Heritage with the advice and support of an independent Governance Group and Editorial Committee. It contains the commissioning editor and authors’ own interpretations and judgments, based on their research and expertise; as such, it does not follow any official or government line. The opinions, interpretations and judgments in this text are those of the authors and do not represent the views of MFAT or the New Zealand government.

Preface

Diplomacy is surely one of the most important professions. On the efforts of diplomats may rest the fate of nations. In an international system dominated by nation states, their ability to perceive and interpret developments, to advise appropriate courses of action and to negotiate solutions to often complex problems can be crucial to a country's security. A breakdown of diplomacy may lead to disaster and loss of life. But the diplomatic sphere extends far beyond questions of war and peace. A state's economic survival may also depend on the efforts of its diplomats. On their ability to secure the conditions necessary for the interchange of goods and services may rest the prosperity of millions. Their efforts to secure global responses to transnational challenges such as climate change or pandemics may be crucial to the future safety of everybody on the planet.

At the great power level, diplomacy is inevitably closely intertwined with military strength. Maintaining the delicate balance of power in this arena depends, in large part, on a combination of good intelligence and effective dialogue with potential adversaries. Allaying fears, overcoming misunderstandings, reducing tensions — diplomats smooth the path of international interaction among the powerful. But most states are not great powers. Especially for small states, diplomacy is not tethered to military power. Their success or failure depends on adjusting to the international conditions created by the great powers, and making their way in a world in which they have little scope to effect major change. Although reactive, diplomacy for such states can be just as crucial in ensuring security, both physical and economic, as it is for the world's behemoth states. All states, big and small, must today contend with issues that

transcend inter-state security that did not exist in such demanding form in earlier times. Influencing great powers in such circumstances is a challenge that demands great skill. Multilateral settings can provide a diplomatic opportunity for smaller states, as can the pursuit of aspirational goals.

The importance of diplomacy leaves all states, large and small, with a strong interest in identifying people who can deal effectively with those of other states, often from very different cultures. In this search for the 'best and brightest', qualities such as intelligence, flexibility, tact, ability to articulate, determination, linguistic skill and persistence are at a premium. No less than an armed service, a diplomatic service enables a state to pursue or defend its interests. It also provides a key marker of independence.

How New Zealand entered the diplomatic arena and built up a ministry capable of holding its own in the counsels of the world is a compelling story. But it is one that has been told only in part, the focus having usually been on the early years of the Department of External Affairs. The ministry has lagged behind in producing a history of its development and achievements. Other government departments have received substantial historical assessments, not least in Alan Henderson's history of the State Services Commission, Malcolm McKinnon's of Treasury, John Martin's of the Labour Department, Michael Bassett's of the Department of Internal Affairs, and Richard Hill, Graeme Dunstall and Susan Butterworth's of the Police. At the time of the commemoration of MFAT's seventy-fifth anniversary in November 2018, the need to fill the gap by producing a history of the ministry was recognised. This book is the result. Unlike most of the works cited above, it is a collaborative effort, involving six highly qualified authors. I looked after the period up to 1966 — the McIntosh era — and the Introduction and Conclusion, and also contributed a chapter on diversity to both parts 2 and 3, as well as the captions, appendices and bibliography. Most of the second part, 1967–89, was in the capable hands of Dr Diana Morrow, Dr Steven Loveridge and PhD candidate Hamish McDougall. Dr Joanna Spratt and Dr Anita Perkins completed most of the third part, 1990 to the present.

Although commissioned by the Ministry of Foreign Affairs and Trade, this book has been produced under the auspices and editorial control of the Ministry for Culture and Heritage. A Governance Committee oversaw the project. Chaired by former chief executive Simon Murdoch, it comprised Professor Gary Hawke, Dr Malcolm McKinnon, Chris Elder, Dr John McArthur, Dell Higgie (replaced by Rosemary Paterson in September 2020), Elizabeth Cox and Neill Atkinson.

Authors were given free rein to prepare their chapters within an overall plan and were given access to ministry records.

An Editorial Committee comprising Chris Elder, Gary Hawke, John McArthur, Caroline McDonald, Malcolm McKinnon, Rosemary Paterson and Gerry Thompson read all the chapters. Their comments were extremely useful in ensuring an accurate portrayal of the ministry's activities. Thanks, too, to Adrienne Payton for proofreading and other support.

We are grateful to many people who assisted with research for this book. In particular, MFAT's Charlotte McGillen was a tower of strength in identifying and providing access to documents and other material relevant to this study. The Ministry for Culture and Heritage's librarian, Fran McGowan, was very helpful in securing books and articles. We are also indebted to the librarians and archivists at Alexander Turnbull Library, Archives New Zealand and repositories in the United Kingdom.

Simon Murdoch and John McArthur were unfailing in their support at all stages. Apart from the Editorial Committee, John Allen, Gerard van Bohemen, Belinda Clark, Deb Collins, Sarah Dennis, Roy Ferguson, Caroline Forsyth, Nigel Fyfe, Colin Keating, Derek Leask, Gerald McGhie, Simon Murdoch, Richard Nottage, David Payton, Georgina Roberts, Llewelyn Roberts, Neil Walter and Martin Wikaira read part or all of the manuscript and provided valuable insights, while Rita Ricketts' enthusiastic support for the project was appreciated. None of them, of course, bears any responsibility for the text.

The Ministry for Culture and Heritage played a major role in bringing this project to fruition, in particular Neill Atkinson, the chief historian, senior historian Elizabeth Cox, editor David Green and picture researcher Gareth Phipps. Thanks, too, to Massey University Press for undertaking to publish the book. Finally, my wife Sonia's forbearance during my absences, physical and mental, while working on this project must also be gratefully acknowledged.

Ian McGibbon
Commissioning Editor

Abbreviations

AGM	annual general meeting
ANZUK	Australia, New Zealand, United Kingdom
ANZUS	Australia New Zealand United States (alliance)
APEC	Asia–Pacific Economic Cooperation
ARF	ASEAN Regional Forum
ASEAN	Association of Southeast Asian Nations
BBC	British Broadcasting Corporation
CAP	Common Agricultural Policy
CBE	Companion of the Order of the British Empire
CE	chief executive
CER	Closer Economic Relations
CFM	Commonwealth Finance Ministers' Meeting
CHOGM	Commonwealth Heads of Government Meeting
CMG	Companion of the Order of St Michael and St George
CNZM	Companion of the New Zealand Order of Merit
CRO	Commonwealth Relations Office
DK	Democratic Kampuchea
DPMC	Department of the Prime Minister and Cabinet
EAB	External Assessments Bureau
EAS	East Asia Summit
EEC	European Economic Community
EEO	equal employment opportunities
EEZ	Exclusive Economic Zone
FEC	Far Eastern Commission
FBI	Federal Bureau of Investigation
FCA	Foreign and Commonwealth Affairs
FO	Foreign Office
FPDA	Five Power Defence Arrangements
FSA	Foreign Service Association
GATT	General Agreement on Tariffs and Trade
GCSB	Government Communications Security Bureau
GDP	gross domestic product
GNP	gross national product
HMNZS	Her/His Majesty's New Zealand Ship
ICA	Information and Cultural Affairs
ICJ	International Court of Justice
INTERFET	International Force East Timor
ISIS	Islamic State of Iraq and Syria
IWC	International Whaling Commission
JIB	Joint Intelligence Bureau
JSO	Joint Services Organisation
KCMG	Knight Commander of the Order of St Michael and St George
MERT	Ministry of External Relations and Trade
MFA	Ministry of Foreign Affairs
MFAT	Ministry of Foreign Affairs and Trade
MP	Member of Parliament
NAC	New Agenda Coalition
NAFTA	New Zealand and Australia Free Trade Agreement
NATO	North Atlantic Treaty Organization
NBR	*National Business Review*
NGO	non-governmental organisation
NPT	Nuclear Non-Proliferation Treaty
NZAID	New Zealand Agency for International Development
NZDF	New Zealand Defence Force
NZEF	New Zealand Expeditionary Force

NZFAR	New Zealand Foreign Affairs Review
NZIIA	New Zealand Institute of International Affairs
NZ Inc	New Zealand Incorporated
NZSIS	New Zealand Security Intelligence Service
NZTE	New Zealand Trade and Enterprise
OECD	Organisation for Economic Cooperation and Development
ONS	Organisation for National Security
OPEC	Organization of the Petroleum Exporting Countries
OSC	Overseas Staff Committee or Overseas Service Committee
PM	Prime Minister
PNG	Papua New Guinea
PRT	Provincial Reconstruction Team
PSC	Public Service Commission(er)
RAAF	Royal Australian Air Force
RAMSI	Regional Assistance Mission to Solomon Islands
RNZAF	Royal New Zealand Air Force
RNZN	Royal New Zealand Navy
ROC	Republic of China
SAS	Special Air Service
SEATO	Southeast Asia Treaty Organisation
SIDS	Special Island Developing States
SIS	Security Intelligence Service
SMP	Supplementary Minimum Price
SSC	State Services Commission
TAC	Treaty of Amity and Cooperation
TDB	Trade Development Board
TPP	Trans-Pacific Partnership
UDI	Unilateral Declaration of Independence
UK	United Kingdom
UN	United Nations
UNCED	United Nations Conference on Environment and Development
UNDP	United Nations Development Program
UNEF	United Nations Emergency Force
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNMISS	United Nations Mission in South Sudan
UNRRA	United Nations Relief and Rehabilitation Administration
UNSC	United Nations Security Council
UNTAET	United Nations Transitional Administration in East Timor
US	United States of America
WTO	World Trade Organization

Introduction

In 2018 the Ministry of Foreign Affairs and Trade celebrated its seventy-fifth anniversary. At that time, it employed 1673 people, 852 of whom were serving in 60 overseas posts. With 115 accreditations to countries and 73 honorary consuls, it had a worldwide profile.[1] MFAT, as it was popularly known, was clearly one of New Zealand's premier departments of state, strong and confident in its mission and its ability to meet a broad range of tasks. Brook Barrington, the chief executive, extolled 'principle; pragmatism; and a phlegmatic professionalism' as 'qualities that have served this country and this Ministry well for 75 years' and 'still matter to an organisation of talented millennials and Gen-others'.[2]

The path the ministry had taken to this prominent position was not easy, strewn as it was in its early days with uncertainties, setbacks and difficulties. Beginning with just six staff, it struggled at first to assert itself within the government hierarchy, both the politicians controlling it and the public service that implemented government policies. Its early days were marked by insecurity, stemming from fears that it might yet flame out and be subsumed within the Prime Minister's Department from which it had emerged. In a country with

limited need traditionally (because of its status as part of the British Empire) for diplomatic activity in support of its interests, and dominated by the departments of state that directed New Zealand's economy, the Department of External Affairs found itself engaged in a prolonged struggle to prove its relevance. Its eventual success in this endeavour, a tribute to the skill of its staff, would in due course be reflected in the important role in New Zealand's economic prosperity the department had achieved by the end of the twentieth century.

The path led through many thickets and byways of problems both internal and international. It was made rocky by New Zealand's domestic situation, not least the lack of interest in international affairs and suspicion of diplomats that permeated New Zealand society. And the surrounds were an ever-changing tangle of issues and problems thrown up in particular by the twin influences that dominated the international landscape in the second half of the twentieth century — decolonisation and the Cold War. Although these issues had dissipated by the end of the century, new challenges took their place, not least growing concerns about transnational issues. In the account of how this difficult terrain was negotiated, the various secretaries feature prominently, but their achievements rested upon the efforts of many highly experienced and capable officers, whose activities, because of space limitations, necessarily remain largely anonymous in this history.

THERE ARE FOUR CLEAR STAGES in the ministry's progress. The first covered the Second World War and its immediate aftermath, essentially the period of its establishment, until the demise of the first Labour government at the end of 1949. In this period, the Department of External Affairs struggled to deal with a range of war-related problems with inadequate resources. This was also a time of recurrent uncertainty about the department's survival.

The second distinct period was from the end of 1949 until the mid-1960s, ending with the departure of long-serving secretary Alister McIntosh. Under his steady hand, the department slowly achieved a stable position and began to extend its international profile, not without deft swerves to avoid obstacles placed in its path by unsympathetic politicians. Security issues were to the fore as New Zealand adjusted to the chasm that came to dominate international politics for more than four decades, the Cold War between the Soviet Union and the Western powers with which it had allied to defeat Nazi Germany

and imperial Japan. This adjustment was complicated by the decolonisation of the empires of Britain and France, in particular, which transformed the international landscape. This was a time of essentially bipartisan agreement on foreign policy issues. It was also an era in which, as in the public service generally, non-Māori men dominated the ministry, with women facing big challenges in entering the diplomatic domain.

In the third period, from the mid-1960s to 1989, the department — renamed the Ministry of Foreign Affairs in 1970 — came into its own. The way was made more difficult by the passing of the bipartisan accord as New Zealanders reacted to issues related to the Vietnam War, nuclear weapons and sporting contacts with South Africa in particular. While the Cold War continued, paradoxically bringing a certain stability to the international framework, New Zealand's focus shifted to preserving its economic well-being. From being on the outer to a large extent, the ministry now assumed an increasingly important role in ensuring New Zealand's economic security. The need for a more integrated approach with those controlling New Zealand's trade strategy led eventually to the ministry assuming a key role and the creation of the short-lived Ministry of External Relations and Trade. This organisational shake-up was accompanied by changes that transformed the system that had underpinned the performance of the ministry, and the public service, since before the First World War. In this period, the ministry took on new responsibilities, while greatly extending New Zealand's diplomatic profile. It also began the process of broadening its scope and composition, with women diplomats finally securing a commitment to equality of treatment and the ministry addressing the impact of not only the Māori cultural renaissance but also the broadening ethnic make-up of society.

In its most recent, mature, phase, 1990 to the present, the ministry — from 1993 the Ministry of Foreign Affairs and Trade — has come into its own. The end of the Cold War following the fall of the Berlin Wall in 1989 and the subsequent demise of the Soviet Union itself may have cleared potential barriers from the ministry's path. But its progress has still remained challenging. New Zealand has had to adjust to a more unstable international landscape, and one over which hangs the spectre of disaster arising from transnational threats such as climate change and pandemics. The need for a competent, effective diplomatic service — and consular service — has never been greater. The ministry has also had to adjust to extensive societal changes, reflected in shifting attitudes to such matters as ethnic inclusion and sexuality and sexual identity. In the interests of

greater diversity, it faces the challenge of responding to what Brook Barrington described in his seventy-fifth anniversary address as 'the urgent call from a new generation for us to be kinder and gentler inside our own house while still being exact and exacting in our diplomacy'.[3]

In fighting for a secure place in the government structure, in successfully creating a network of posts across the planet and in developing a staff that is fit for purpose in a changing world, the Ministry of Foreign Affairs and Trade has more than met the hopes of its founding fathers, the small band of public servants who found themselves grappling with the sudden and unexpected advent of a diplomatic service in 1943. As they began to construct this now fine diplomatic edifice, they had to contend with many difficult issues arising from the nature of New Zealand society and traditional attitudes to international affairs. Their efforts, and those that built on the foundations they laid, ensured that New Zealand could with growing confidence take its place in an ever more complex world.

NEW ZEALAND CAME LATE to the diplomatic world. Isolated from the rest of the world for half a millennium, Māori had had no need of international diplomacy. From 1840, Māori and non-Māori alike were part of the British Empire, governed from London. International relations were a British prerogative. Within this imperial framework, New Zealand's path to independent statehood was slow, and it was not legally achieved until 1947, though exercised in practice much earlier. Established as a settler colony of the United Kingdom, New Zealand was long content to shelter under British wings on the great issues of war and peace. Within this imperial framework, however, governments pushed the boundaries of autonomy, aspiring to their own colonial possessions in the Pacific and seeking commercial opportunities — activities in which consuls (in effect trade representatives) often engaged below the diplomatic level. New Zealanders were proud to be part of the world's greatest empire.

Content with the enhanced status of dominion in that empire from 1907, they looked with disfavour on efforts by the Canadians and South Africans to assert their independent status following the First World War. During that conflict, dominion leaders, New Zealand's included, had been called into the highest decision-making realms in London in recognition of their countries' military contributions to the imperial war effort. Peace-making had further enhanced

their status. Dominion leaders, including New Zealand's Prime Minister William Massey and his coalition partner, Sir Joseph Ward, took part in the Versailles Peace Conference in 1919 as part of the British Empire Delegation, and Massey signed the Treaty of Versailles on behalf of New Zealand. One of that treaty's provisions — the creation of the League of Nations — had momentous consequences for New Zealand's status. In becoming a member in its own right of this new international organisation, New Zealand took its first step towards independence.

Subsequent events would push New Zealand to take further steps down this path, albeit hesitantly. A key development was the enunciation in 1926 of the Balfour Declaration of dominion status within the British Empire, which asserted the equal status of the dominions with the United Kingdom in international affairs as part of the British Commonwealth of Nations. The British Parliament gave this formulation legal effect by passing the Statute of Westminster in 1931. New Zealand had 'the latchkey to the front door',[4] but, like Australia, hesitated to use it. Fearful about their security, both economic and physical, and preferring to emphasise imperial unity, these two dominions refrained from ratifying the statute. The imperial preference arrangements agreed in Ottawa in 1932, which enhanced the importance of intra-Commonwealth trade, reinforced their approach. Nevertheless, New Zealand's actions, especially as war threatened in the late 1930s, would belie its apparently subordinate legal status, for the dominion behaved as if it had assumed all the rights and responsibilities of an independent state.[5]

The steady assumption of responsibilities overseas, especially New Zealand's mandate over German (Western) Samoa under the Versailles treaty, highlighted the need for more considered attention to world affairs. In 1926 Massey's successor, Gordon Coates, took the first steps to create machinery to consider international issues affecting New Zealand, even as it continued to rely on the United Kingdom's diplomatic structure. Within a new Prime Minister's Department headed by F.D. Thomson, 'which combined the functions of an ordinary ministerial office with the special one of co-ordination of all departments',[6] Coates created an Imperial Affairs section. Labour Department official Carl Berendsen was shoulder-tapped to head the section, and he left almost immediately to accompany Coates to the 1926 Imperial Conference in London. The section's responsibilities, as defined in early 1927, included dealing with all the prime minister's correspondence relating to treaties, general questions of defence policy, the League of Nations, secret despatches and

telegrams from the British government, and international foreign and military affairs generally. Apart from acting as a clearing house for correspondence involving the governor-general and the high commissioner in London, the Imperial Affairs section was charged with keeping the prime minister 'in touch with all the larger aspects of Departmental administration' on such matters as trade, finance, customs, defence and immigration and the control of dependencies.[7] From 1928 Berendsen had in the office a British diplomat, Philip Nichols, who had been sent to Wellington at Coates' request as a means of fostering inter-Empire cooperation. However, this liaison arrangement disappeared with Nichols' departure in 1930.[8]

Although the London high commissioner's correspondence was channelled through the Imperial Affairs section, the high commission — New Zealand's only overseas post — was not at this stage under the Prime Minister's Department's control. Operating under its own Act of 1908, it was not so much a diplomatic post as a mini-government department with several hundred staff, most of them locally recruited but including representatives of various government departments in New Zealand. It was conveniently placed to provide New Zealand's representation at the League of Nations, and every year the high commissioner trekked to Geneva to represent the dominion at the League's Assembly and to report on administration of its Samoan mandate.

New Zealand's League of Nations responsibilities had also prompted an important development in Wellington — the creation of a Department of External Affairs in 1919. Its main focus was on Samoa and, during unrest there in 1928, Berendsen became secretary of the department. From 1930 he also ran the Cook Islands Department. However, these were extra-curricular activities. The only connection with the Prime Minister's Department was Berendsen's position there.

In 1935 Berendsen stepped up to be head of the Prime Minister's Department, though he claimed that it 'made no difference whatsoever' to his duties or functions.[9] Until then, his only support had been his secretary, Jane (Jean) McKenzie. He now recruited as 'reference officer' (in today's terms, research assistant) Alister McIntosh, who he had known since they worked together in the Labour Department until both left in the same week in 1926, Berendsen to Parliament Building and McIntosh to the nearby General Assembly Library.[10] A fellowship in North America in 1932–33 had extended history graduate McIntosh's horizons.[11]

In 1937 the Prime Minister's Department, which comprised just five staff under Berendsen,[12] was expanded with the addition of two further strands to its operations — information and security. A Government News Service was established under R.S. (Sid) Odell. Army officer Major W.G. (Bill) Stevens also joined the department as secretary of the new Organisation for National Security, and in the following year he brought in a rising Customs Department official, Foss Shanahan, as his deputy.[13] From late 1937, Berendsen also had an ear in London: Englishman Sir Cecil Day, a former long-serving secretary to New Zealand governors-general, was appointed as liaison officer to the Foreign Office; with an office there, he was in a position to send a steady flow of information on foreign affairs to Wellington.[14] He was assisted by Jean McKenzie, who in 1936 had been sent to London to support the high commissioner, Bill Jordan, with League of Nations responsibilities that had expanded since New Zealand's election to a three-year term on its council.[15]

The department, which since December 1935 had been serving a Labour government led by Michael Joseph Savage, had been increasingly affected by the drift to war. Berendsen encouraged his political masters' opposition to the British appeasement approach to Italian, German and Japanese aggression in Africa, Europe and Asia. In this fraught situation, New Zealand did not hesitate to assert its dominion status in practice. This was most evident in its public disagreement with the United Kingdom's stance, expressed by Jordan at League of Nations meetings in Geneva. When war came in September 1939, New Zealand, unlike Australia, ignored the legal position stemming from its failure to ratify the Statute of Westminster, and declared war on Germany in its own right.[16]

THE OUTBREAK OF WAR brought the Prime Minister's Department new staff and new responsibilities. Almost immediately, steps were taken to improve communication with the British government. Until now, cables had been transmitted to the governor-general at Government House, where they were deciphered and then passed to the government. This ponderous procedure ended with the shift of the cypher staff to the Prime Minister's Department in Parliament Building. The war also affected the ONS. When Stevens left to join 2NZEF (New Zealand's overseas military contribution to the war against Germany) at the end of 1939, Shanahan took over. In early 1942 he secured a former Customs colleague, George Laking, as his assistant.[17]

Carl Berendsen with Official Secretary Jean McKenzie at the high commission in Canberra in 1944.

MFAT

Berendsen and his staff grappled with the problems of coordination of effort as the government geared up for war. Almost from the outset the war effort was being directed by Deputy Prime Minister Peter Fraser, as Savage ailed and eventually succumbed to cancer, at which point Fraser succeeded him. In July 1940 Fraser oversaw the formation of a War Cabinet, of which Berendsen became secretary. Henceforth the Prime Minister's Department's role was mainly to service the War Cabinet.

The war forced New Zealand to take more account of international relations. In part this interest was stimulated by the presence of foreign representatives in Wellington. Even before the outbreak of war, a British high commissioner had taken up residence (ending the anomalous position of the governor-general representing the British government in the Dominion), and he was joined by a Canadian counterpart in March 1940. There were, too, a number of foreign consuls-general or consuls in the capital, including those of France, Belgium and (from 1941) Poland; Germany's had, of course, been repatriated at the outset of the war. In the case of France in particular, changes in status as a result of the war situation introduced tricky questions. France's defeat by Germany in June 1940 also brought to the fore the issue of French colonies, as some broke from the collaborationist Vichy regime (and for Berendsen even led to a dash to Tahiti aboard the New Zealand cruiser HMS *Achilles*).

More important in the process of encouraging an external focus was the appointment of New Zealand personnel overseas, beyond the comfortable presence in London. Supply demands prompted appointments in overseas countries and a supply mission was despatched to the United States in May 1941. These activities were not under Prime Minister's Department auspices, but with Cabinet approval needed for each such person going out of New Zealand, Berendsen was inevitably brought into the picture.

The entry of Japan into the war in December 1941 precipitated the belated establishment of diplomatic posts in North America and eventually Australia. New Zealand opened a legation in Washington in 1942, long after it was first mooted in late 1940. Minister of Lands Frank Langstone, who had been in the United States since June 1941, expected to be given the role of minister but, much to his annoyance, Minister of Finance Walter Nash was appointed on 19 November 1941.[18] The government had been intending to appoint Langstone, but the change in the Pacific situation 'made it necessary to have a Minister who was thoroughly conversant with the developments in the Pacific and was

The New Zealand diplomatic staff in Washington in 1942. Walter Nash at desk, with behind him, from left, Bruce Turner, Reg Aickan and Geoffrey Cox. After leaving the New Zealand service in 1945, Turner rose to a high position in the UN Secretariat in the next quarter-century. Cox, a Rhodes Scholar, war correspondent and 2NZEF intelligence officer, served until 1944 before returning to 2NZEF; in the post-war UK he had a stellar media career, especially in television, and was knighted in 1966 for services to journalism.

ATL, PA1-Q-995

fully informed of the Government's outlook and defence policy'.[19] That Fraser was prepared to post the second-most important minister in the government to Washington for an indefinite period speaks volumes on the importance of the mission. To support Nash, Berendsen recruited the expatriate Geoffrey Cox, a prominent pre-war foreign correspondent and now an intelligence officer in 2NZEF. Jean McKenzie was transferred from London to Washington. Largely in response to a Canadian initiative, a high commission in Canada was established in May 1942. Langstone was appointed and took Robert Firth from the Industries and Commerce Department to Ottawa as his first secretary. The mediocre Langstone only served five months before resigning and returning to New Zealand, where he railed against his treatment by the government.[20]

These developments impelled New Zealand towards creating a more systematic approach to its nascent diplomatic activities, all of which (including the London post) were now recognised as within the Prime Minister's Department's bailiwick. With Berendsen showing no interest in such an exercise, it was left to McIntosh to lament the lack of action; he suggested in early 1943 that it was 'absurd to drift along as we are doing at the present'.[21] He thought it inevitable that 'when the war finishes' New Zealand would need 'some quasi diplomatic service'.[22] In the event, his prediction proved misplaced; within days he would find himself grappling with the problems of setting up such a service.

PART ONE

Creation 1943–1966

CHAPTER ONE

From almost an accident to a going concern

IAN McGIBBON

On 11 June 1943, a new department entered the New Zealand public service world. Responsible for the conduct of New Zealand international relations, the Department of External Affairs confusingly took the name of an earlier department, but had an entirely different focus — the establishment and management of a New Zealand diplomatic service. Born in wartime, with its advent later described as 'an incident almost an accident',[1] this service was constrained at first by the all-encompassing focus on winning the war. In dealing with the problems and issues thrown up by the war, the department had plenty to occupy it as peace returned. But a sense of insecurity hung over its small coterie, with doubts exacerbated by difficulties experienced in convincing the government of the need for additional resources. Would the department even survive the return to normalcy, in which diplomacy had never been a high priority?

AS A LATE-COMER, and a tiny one at that, External Affairs had to make its way in a departmental set-up long dominated by large departments responsible

for New Zealand's economic activities, both at home and abroad (which mainly meant the UK). Of these departments, the most important were Customs, Treasury, Industries and Commerce (which had responsibility for trade promotion overseas), and Labour. External affairs and defence took a back seat in this framework. What little political activity that took place internationally, especially imperial conferences, had since 1926 been looked after by the small Prime Minister's Department. The major departments, with their hierarchies and channels of influence with politicians, inevitably viewed an intruder into their domain with suspicion, especially one that had close ties to the prime minister.

Although jealously guarding their own turf, all these departments were collectively administered in a public service system overseen since 1912 by the Public Service Commissioner. Public servants, of whom there were nearly 18,000 in 1939, were tightly controlled by a classification system that determined their progression.[2] Most joined as cadets in their late teens and worked their way up through the ranks, which sometimes meant 'zigzagging' from one department to another. The brighter or more ambitious studied part-time for degrees but, except in some specialist positions, academic achievement did not guarantee advancement. Experience on the job and competence opened the way to the top departmental positions — unlike the situation in the UK, where graduates were generally recruited directly from universities into an administrative class at the top of the civil service.

In the late 1930s, several developments began to have an impact on this ordered system. The increasing state intervention of the first Labour government led to the creation of new departments or agencies, such as the Social Security Department and the Marketing Department. And the public service burgeoned, doubling in size between 1936 and 1940. There was also, in pursuit of efficiency, an increasing interest in public administration, reflected in the establishment of a national Institute of Public Administration in 1938 and the creation of a chair in political science and public administration at Victoria University College the following year. A diploma course in public administration was introduced in 1940.[3]

THE SECOND WORLD WAR accelerated this change. Mobilising a substantial proportion of New Zealand's manpower placed great stress on New Zealand's

economy and bureaucracy. The temporary removal of many public servants from their positions demanded radical measures. Women filled the gap, especially from January 1942, when drastic measures were taken to control manpower throughout the country. Wartime requirements or impacts prompted the temporary establishment of organisations to address them, not least in meeting New Zealand's needs for materials. New departments and agencies sprang into existence. A Supply Department soon had offices in various localities overseas from Bombay to Washington, while a National Service Department emerged to control manpower, both overseas and at home. An Economic Stabilisation Commission operated from 1942 to alleviate the impact of the war on the economy, and a Rehabilitation Department came into existence to grapple with the challenge of restoring men and women returning from overseas service to civilian life.

A similar process of meeting a wartime need was evident in the emergence of the External Affairs Department. The government at first resisted changing arrangements already in place, except for the placement of the cypher section. As early as June 1940, history professor at Victoria University College and leading member of the New Zealand Institute of International Affairs Fred Wood had urged Fraser to consider creating 'a fairly small but expert and coherent group, charged with the duty of helping the Prime Minister to formulate long term policy' on external affairs. The 'obvious plan', to his mind, would be to strengthen the existing Department of External Affairs, or perhaps simply the Prime Minister's Department in general, with specialisation in various subjects assisted by the appointment of well-qualified staff. 'Ideally, there should be a small group in Wellington with men as liaison officers in key places (e.g. British Foreign Office and in Washington), and there should be circulation of personnel'.

To Wood there seemed to be a strong case for making a beginning with 'a small organisation with the full-time job of weighing imponderables'.[4] But Berendsen, dismissive of the need for such an organisation for the time being and keen to preserve his own central role, made sure nothing happened. With the press of wartime business, structural reform took a back seat for the next two and a half years, even as developments reinforced Wood's argument.

It took a fortuitous development to at last secure movement along the lines suggested by Wood — the removal in March 1943 of the lynchpin of the existing organisation. In what McIntosh described as the 'most shattering' of

SIR CARL BERENDSEN (1890–1973) was the 'father of New Zealand diplomacy', but he was not a prime mover in the creation of the second Department of External Affairs. Appointed imperial affairs officer in the new Prime Minister's Department in 1926, after serving in the Education and Labour departments for 20 years, he soon acquired the secretaryship of both the External Affairs and Cook Islands departments. From 1935 he was the prime minister's chief adviser as head of the Prime Minister's Department. He served as New Zealand's high commissioner in Canberra (1943–44) and minister (later ambassador) to the United States (1944–52). Apart from his vigorous diplomacy in these positions, his main contribution to the department was his mentoring of and advisory relationship with Alister McIntosh, with whom he maintained a vigorous correspondence and who later described him as a 'somewhat florid character' with a tendency to make 'an awful fuss and flurry', but a 'first rate administrator' with a 'first class legal mind'.[5] He was appointed a KCMG in 1946.

ATL, 1/2-043579-F

a series of crises in the office in the course of a fortnight,[6] the government decided to send Berendsen to Canberra as the first New Zealand high commissioner there.[7]

This startling elevation of an official — the government regarded ministers as the appropriate representatives of the country overseas — was a wartime measure. 'He was selected at that time not so much by reason of the fact that he was the ablest person we could send', McIntosh later explained, 'but [because] he was almost on the verge of a nervous and physical breakdown through over work'.[8] Fraser's work habits had driven Berendsen to distraction. 'Old Carl is becoming more grouchy as the months go by and has not been feeling too well for the past few weeks', McIntosh had noted shortly before his appointment. His health demanded a change.[9] Faced with establishing a post from scratch, Berendsen insisted on having Jean McKenzie transferred from Washington to

SIR ALISTER McINTOSH (1906–1978) created the foreign service. Joining the public service in 1925, he served briefly in the Labour Department before transferring to the Legislative Department in the following year. While employed as an assistant librarian in the General Assembly Library, he attended Victoria University College part-time, graduating with an MA in history in 1930. In 1932–33 a Carnegie fellowship took him to North America to study library and archive development. In 1935 he transferred to the Prime Minister's Department. He was secretary of external affairs from 1943 to 1966, and from 1945 also headed the Prime Minister's Department. Known to his closest colleagues as 'Mac', he was eulogised as 'devoid of ambition for personal power' and 'scrupulous of the constitutional proprieties'; he inspired fierce loyalty among his staff.[10] He was New Zealand's ambassador in Rome from 1967 to 1970. In retirement, he chaired successively the National Library's board of trustees, the Historic Places Trust and the Broadcasting Council. He was appointed a KCMG in 1973.

MFAT

be his official secretary. He also took Andrew Sharp, McIntosh's assistant, with him.[11] By 17 March Berendsen was en route to Canberra.

Described publicly as first secretary (diplomatic) in the Prime Minister's Department at this time[12] — his main task was to prepare speeches and statements — the 36-year-old McIntosh was in a good position as Berendsen's deputy to take advantage of this sudden turn of events. But at first he was uncertain about how things would play out: 'It looked for a while as if it would be difficult to fit me in anywhere', he advised Cox, 'but it may work out that [Secretary of the Cabinet Cecil] Jeffery is to be Permanent Head and as successor to Berendsen I will be called "Secretary to War Cabinet".'[13] This indeed was the outcome. When on 12 March Berendsen suggested to Fraser 'the reorganization which . . . might appropriately be undertaken on my departure', he proposed that Jeffery, 'as the senior officer', take over the permanent headship, and that McIntosh assume Berendsen's role as

secretary of the War Cabinet. Shanahan would be McIntosh's deputy, as well as continuing as secretary of the Chiefs of Staff Committee as part of the War Cabinet Secretariat (with the ONS disappearing).[14]

These proposals were undoubtedly the result of discussions between the senior four, Berendsen, Jeffery, McIntosh and Shanahan, over the previous month.[15] In these discussions McIntosh almost certainly took the lead, for Berendsen was resistant to change, recalling long afterwards that he 'saw no need for any reorganisation' when he left and never claiming any responsibility for the formation of the department.[16] McIntosh, in contrast, had firm ideas about what was needed to sustain New Zealand's increasing overseas presence. The difficulty of finding staff for posts, which included possibly Moscow, had troubled him in February. Nobody was available 'for dog's body duty', he had lamented. Convinced that the 'sooner we set about establishing and training an overseas staff the better',[17] he thought New Zealand should emulate Australia and Canada by establishing a separate agency to take charge of all aspects of the country's burgeoning external relations. 'It seems to me that the best thing we can do', he told Cox on 9 March, 'is to introduce legislation for the establishment of a proper Ministry of External Affairs, similar to that of the other Dominions . . . If Carl succeeds in leaving today week, as he plans, I will devote the first spare time that comes to me towards outlining an External Affairs Bill.'[18]

FRASER ACCEPTED BERENDSEN'S RECOMMENDATION that it 'would appear an appropriate time to establish an External Affairs Department in the proper sense of the term' by altering 'the orbit of the present portfolio of External Affairs — which should always be held by the Prime Minister — . . . so as to cover those matters commonly regarded elsewhere as included under the term of external affairs'.[19] Although Berendsen proposed that McIntosh assume the secretaryship, McIntosh appears to have played a big part in ensuring this outcome, confessing later that he had found the process acutely difficult given that the changes would elevate his own status. 'I had quite enough personal embarrassment about having the thing finalized', he told Cox later.[20] He appears to have had to set out his credentials for the job.[21]

The Cabinet approved the formation of the new department on 18 March 1943.[22] The External Affairs Act, which completed the process, provided for the appointment of a minister of external affairs, a secretary of external affairs