

**‘A Formidable Responsibility’:  
The Rise and Fall of the New Zealand Security Intelligence Bureau 1940-1945<sup>1</sup>**

The New Zealand Security Intelligence Bureau, which existed from 1941 to 1945, has largely been assessed in regards to the organisation’s inept 1942 investigation into a fictional conspiracy and the collapse of its credibility in the aftermath of that episode.<sup>2</sup> This article places the history of the Security Intelligence Bureau within the wider context of wartime security and intelligence work in New Zealand. In particular, it seeks to contextualise the Bureau’s rise and fall within the contemporary frictions and dynamics which existed between individuals and organisations, so as to understand how this interplay resulted in the resignation of the director in 1943 and the ultimate disbandment of the organisation in 1945. While the Security Intelligence Bureau was once shrouded in secrecy, declassified archival sources now available in New Zealand and overseas enable a more complete – and more entertaining – reappraisal of the mixed fortunes of New Zealand’s first attempt at founding a professional security intelligence apparatus.

**Towards a security intelligence organisation for New Zealand**

On 18 June 1940, with Nazi Germany’s defeat of France now assured and Britain bracing for a German invasion, Prime Minister Winston Churchill warned that continuing the fight against Hitler’s regime, ‘if necessary for years, if necessary alone’, would require ‘untiring vigilance and mind searching ... because the enemy is crafty and cunning and full of novel treacheries and stratagems.’<sup>3</sup> The following day the war arrived on New Zealand’s doorstep, when the trans-Pacific liner *Niagara* sank having struck mines laid in the approaches to the Hauraki Gulf by the German raider *Orion*.<sup>4</sup> New Zealand’s vulnerability to seaborne attack soon prompted fears of subversion or sabotage by German sympathisers or ‘fifth columnists’.<sup>5</sup> This was but a pale echo of the ‘hysteria’ which was already reaching ‘dangerous proportions’ in England, with a senior diplomat warning of a fifth column of enemy aliens who, when signalled, would ‘at once embark of wide-spread sabotage and attacks on the civilians and the military indiscriminately.’<sup>6</sup>

In the prevailing atmosphere of public insecurity matched with official disquietude, a telegram was sent on 29 June 1940, from the Chief of the Imperial General Staff in London, General John Dill, to the Australian Chief of General Staff, General Sir Brudenell White. This outlined the British military chiefs’ current thinking on how to best counter the threat posed by the ‘highly developed and world-wide organisation of Germans and Italians for the prosecution of para military and Fifth Column activities which had greatly contributed to recent German military successes’.<sup>7</sup> It would also have significant implications for the development of wartime security measures in both Australia and New Zealand.

Notably, the telegram outlined the desirability for a comparable, Empire-wide organisation for effective sabotage and guerrilla operations. General White was advised that Australia should act to not only counter any enemy ‘Fifth Column’ activities in Australia, but to also train personnel (including foreign nationals) in ‘offensive action of this nature such as sabotage’, raise ‘independent companies’ trained for combined operations, and form military missions capable of organising ‘guerrilla operations in enemy territory’ where a ‘large proportion of the population was hostile to enemy’ and sympathetic to the allied cause, including Ethiopia and

Manchuria. In order to expedite the development of Australia's capability to undertake and support guerrilla operations, a team of 'trained British officers' were offered 'to assist in advising on the establishment of any organisation set up in the Dominion and for the maintenance of liaison for the future'. A similar offer was made to the New Zealand Chief of General Staff, Major-General Sir John Duigan.<sup>8</sup>

British Military Mission 104 to Australasia was hurriedly assembled in England.<sup>9</sup> The mission was led by Lieutenant-Colonel John Charles Mawhood, an Indian-born, British Army officer whose experience with military police and intelligence work uniquely qualified him for this command. His family had emigrated to Australia prior to the First World War, and the young Mawhood enlisted with the Australian Imperial Force in February 1915. He served with the Military Mounted Police of the Australian 6<sup>th</sup> Infantry Brigade until 1917 when he joined the Australian Provost Corps as a Corporal. In September 1917 he was discharged from the Australian Imperial Force to join the Indian Army as an officer cadet.<sup>10</sup> Once commissioned, he served with the Queen's Own Corps of Guides (Frontier Force), originally raised with 'men ready to give and take hard blows, whether on the frontier or in a wider field' to not only guide troops in the field but to collect 'trustworthy intelligence' within and beyond India.<sup>11</sup> After the war he was seconded to both Iraq and Persia for special duty from January 1920 until June 1923. Following his discharge from the Indian Army in December 1923 he worked as a buyer and salesman in West Africa, all the while maintaining contact with British intelligence.<sup>12</sup>

In August 1939, Mawhood was recalled to duty with the Intelligence Corps. British planning for mobilisation in the event of war had commenced the previous year and General Intelligence Courses were therefore instituted at the Corps of Military Police Depot at Mytchett in 1939. By August 1939 a number of emergency officers over the age of 30 had been hand-picked to undertake field security work following the outbreak of hostilities. Mawhood was therefore amongst the successful graduates of a week-long security intelligence course held at Mytchett in early August. Following the mobilisation of the British Army he was posted as the Security Officer with Eastern Command, based at Hounslow, with the honorary rank of lieutenant.<sup>13</sup> One year later, in the wake of Churchill's call for 'untiring vigilance', Major Mawhood was ordered to report to the newly-established Special Training Centre at Inverailort Castle in Inverness-shire operated by Military Intelligence (R), a War Office unit which specialised in the conduct of irregular and guerrilla warfare by uniformed forces behind enemy lines. Upon the completion of his training, Mawhood was given the acting rank of Lieutenant-Colonel and command of Military Mission 104, which included two officers; Freddy Spencer Chapman, a renowned mountaineer and explorer, and Michael Calvert, an expert in demolitions, together with two sergeants experienced in weapons and communications.<sup>14</sup>

The details around the objectives of British Military Mission 104 to Australasia were lost with the death of General White in a plane crash on 13 August 1940, as White had not presented his exchanges with the War Office to the Australian Federal Government for formal approval.<sup>15</sup> Thus, when the mission left England on 6 October 1940, Australian authorities remained blissfully unaware of either its import or impending arrival until the Australian Prime Minister received advice from his New Zealand counterpart.<sup>16</sup> Mawhood had first travelled to Wellington, where he presented the War Office's plans for military security and irregular warfare to the New Zealand War Cabinet. Prime Minister Peter Fraser and his colleagues were clearly impressed with Mawhood, who combined an imposing physical presence with impressive credentials in the field of military security straight from the pen of Rudyard Kipling or John Buchan.<sup>17</sup>

Mawhood's arrival was also welcomed by the defence establishment. The New Zealand Division of the Royal Navy was especially anxious to see a security service capable of countering any enemy activity 'directed at the prevention of the transport of troops and produce from the Dominion and the fomentation of civil unrest.' The *Manual of Naval Intelligence* set out the requirements of any such service. Major points included countering espionage and sabotage attempts on the defence establishment, acting as a link between the armed forces and 'civil authorities and Police forces' on security matters and supervising foreigners, 'disaffected persons' and maintaining surveillance on anyone considered 'dangerous or unsuitable for "security" reasons' to be employed in military or government service.<sup>18</sup> While combined military intelligence centres had been established in September 1939 in Auckland and Christchurch, with a central headquarters in Wellington, the coordination of information between the three military services and other government departments was clearly inadequate.<sup>19</sup> On 14 August 1940 the Naval Board in Wellington had already proposed a new organisation which would 'pool' information which was being gathered – 'in some cases in an aimless manner' – by the three Services, the Police, the Censor and the Customs Department, and encourage the public to report 'suspicious happenings which come under their notice.'<sup>20</sup>

Significantly, Mawhood's welcoming party did not include the New Zealand Police whose responsibilities included civil security and intelligence. A glaring omission was the small but dedicated team of police officers, under the direction of the Commissioner of Police, who continued to keep aliens and subversive organisations such as the Communist Party of New Zealand (CPNZ) under surveillance. Such work was free from political interference, directed as it was by local circumstances or the recommendations of the British Security Service (M.I.5), with Ministers informed of surveillance operations as and when necessary.<sup>21</sup> The Naval Board had previously suggested that the work of the Police was 'too stereotyped to meet present war conditions, and had recommended instead that 'carefully selected' detectives 'should be made available to act in conjunction with the Central Security Service.'<sup>22</sup> This observation denied, however, the 'greatest degree of cooperation' which existed between the Police and the Army, whereby 'the executive side of imposing military security' was provided by the Police within their available resources, and 'the most cordial relations' existed between the two organisations.<sup>23</sup>

The paradox of Mawhood's mission was that he at once promoted state-sponsored subversion and sabotage while also recommending an official means of countering 'fifth column' subversion and sabotage. His plans for the establishment and training of an independent company of some 250 New Zealand troops was based on his own experience of the irregular and guerrilla warfare training offered at Inverailort.<sup>24</sup> His proposal for the establishment of a Security Intelligence Service, with a central bureau in Wellington (which would also provide personnel for security work in the South Pacific) and one bureau in each of the three military districts, mirrored the field security police establishments of the Intelligence Corps in England. He did not recommend that the new service would replace any existing intelligence organisations; rather he proposed that 'all intelligence services should act in the closest co-operation', with the new service relating to Army Headquarters just as the M.I.5 related to the War Office. The existence of the security service would be acknowledged in public, but its organisation, personnel and work would remain secret. This would be a covert operation, with plain-clothed personnel, unmarked vehicles and minimal financial accountability, headquartered in a private house. The staff would enjoy 'complete freedom of action' when making reports, making use of official reporting channels in retrospect. Mawhood's proposal was light on the detail of the work of the new service. He planned to train suitable New Zealand personnel in Australia, where a Special Intelligence Centre was to be established.<sup>25</sup>

The New Zealand Chiefs of Staff agreed with Mawhood's proposals for a security intelligence organisation, recommending to Cabinet that such an organisation 'be set up without delay', and that the commander should be an officer trained in security intelligence work on loan from the British Government. The Cabinet approved the Chiefs of Staff recommendations the following day, without demur.<sup>26</sup> While Mawhood flew to Australia to organise the training arrangements for the Australian and New Zealand independent companies, Army Headquarters in Wellington put out the call for suitable staff for what would become known as the Security Intelligence Bureau (S.I.B.).<sup>27</sup> In line with the British Army's principles for the recruitment of security personnel, set out in the *Manual of Military Intelligence*, applications for the organisation were not canvassed; instead potential candidates were to be selected on the basis of their education, self-control, resourcefulness, initiative, tact, possessing an 'alert and enquiring brain' and a 'High degree of discretion'. Age was not a consideration, provided that a candidate was physically fit and was possessed with 'powers of endurance'. The necessary security clearance would be provided by the police.<sup>28</sup>

Mawhood and Captain Calvert flew from Sydney to Auckland on 12 January 1941 to train nineteen officers and non-commissioned officers and two civilians for the new security service.<sup>29</sup> Curiously, having lobbied for the creation of a security agency, the Navy did not provide any candidates for training, since 'those likely to be suitable cannot be spared.'<sup>30</sup> From the outset, this would be a solely Army-staffed agency. In a farcical start to what was intended to be a security organisation cloaked in secrecy, the arrival of Mawhood and Calvert on the Tasman Empire Airways flying boat *Aotearoa* was openly reported in the *Auckland Star*.<sup>31</sup> Prime Minister Fraser addressed the trainees, assuring them that 'they would be serving the country in just as honourable and important a fashion as if they were serving in combat units.'<sup>32</sup> The newly-trained staff commenced their duties on 10 February 1941, with the District Security Intelligence Officers in the Northern, Central and Southern Military Districts – respectively Captains Meikle, Park and Lindsay – each controlling a small bureau of between five and seven personnel. The district bureaux were to operate independently from the military organisation in each district, with the staff and their commanding officer accountable to the central security bureau in Wellington. The District Security Intelligence Officers would communicate with the district military commands at their own discretion, while the whereabouts of their staff would be a closely-guarded secret.<sup>33</sup>

### **'So large a job of work' – Major Folkes takes command**

The director of the fledgling security organisation arrived from England on 2 March 1941, a junior Intelligence Corps officer who had been 'especially recommended' by Mawhood.<sup>34</sup> Kenneth Barnard Thomas Folkes was born 1905 in Gloucester, and had been employed as a solicitor's clerk for twelve years, specialising in criminal and common law.<sup>35</sup> He then worked in the Midlands for a carpet manufacturer, his responsibilities including correspondence with the New Zealand importer Bing, Harris and Company.<sup>36</sup> Curiously, when Folkes enlisted as a Private with the Corps of Military Police on 6 July 1940 he mentioned only his work as a solicitor's clerk, evidently a more suitable career for the field security work to which he was immediately posted, and his 'fair' proficiency with French. The Military Police found that his military conduct was 'very good' and eleven days later he was transferred to the Intelligence Corps, commissioned with the rank of Second Lieutenant and posted to the Headquarters of the Eastern Command at Hounslow, where Major Mawhood was still the Security Officer. Folkes became a Field Security Officer with the 55<sup>th</sup> Division, Eastern Command, Norwich, in October 1940, having passed a Defence Security Course at the Special Military Intelligence

Wing, Matlock.<sup>37</sup> During this time, Folkes claimed to have interrogated a prisoner of war, ‘the equivalent of a brigade major’, outsmarting the prisoner until ‘he told me what he wanted to hide.’<sup>38</sup>

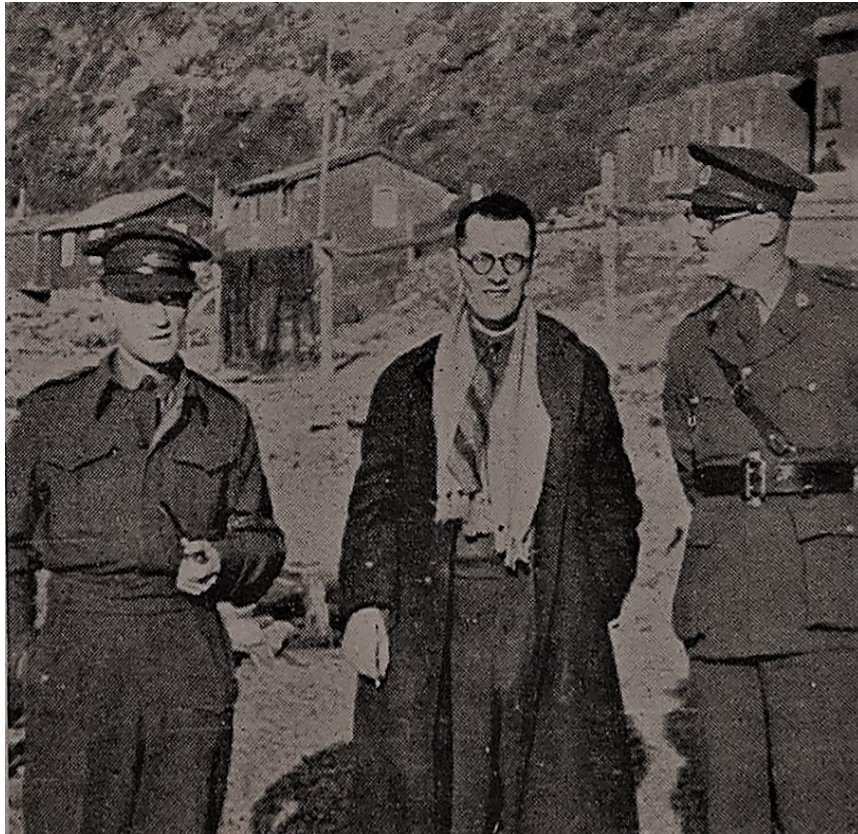
After Mawhood recommended him in November 1940 for command of the New Zealand security intelligence organisation, Folkes was offered the rank of Major with British Army pay and allowances.<sup>39</sup> He took up the offer effective from 2 February 1941, and headed for New Zealand clearly intending to forge his reputation in the field of security intelligence with his new independent command. His wife and children, together with an intractable overpayment dispute with the War Office, followed on behind him.<sup>40</sup> Once in Wellington, Folkes applied his acknowledged ‘quick and alert mind’ and an incisive style of interrogation to create the persona of a ‘former Midlands solicitor’ (a neat conflation of the roles of Midlands carpet manufacturer’s employee and solicitor’s clerk) whose capabilities were now devoted to ensuring that New Zealand’s war effort would henceforth be secure. He also developed a reputation for chasing women, with his extra-marital activities coming to the attention of the Police.<sup>41</sup>

His perfunctory experience of British military security and intelligence work notwithstanding, Folkes quickly despaired at the ‘simply indescribable’ understanding of ‘elementary security precautions’ amongst the civil population of New Zealand.<sup>42</sup> Prior to his first mid-morning meeting with Prime Minister Fraser, Folkes reputedly moved through the empty secretarial area while the staff were at morning tea, quietly purloining a selection of confidential papers. He presented the paperwork to the Prime Minister only minutes later, highlighting the ‘lax security arrangements’ in the Prime Minister’s own department.<sup>43</sup> Folkes later observed that those in ‘official departments’ were the ‘worst offenders’ when it came to security precautions, a failing which he put down to a ‘slackness ... due to mental laziness’, or the resigned attitude that “‘What’s the use? The Germans know it anyhow’.” His assessment of the military security of the three services was only slightly less acerbic, with the Army scoring nil, the Air Force only slightly better, and the Navy ‘certainly better but by no means perfect’.<sup>44</sup> His noted ‘explicit contempt for the military system and Army staff methods’ was likely a supremely arrogant dismissal of the New Zealand Army’s methods in preference for the Military Intelligence systems in which Folkes had been trained, but this only served to highlight his minimal military experience.<sup>45</sup>

Some New Zealanders repaid such imperialistic antagonism in kind. Initially, Folkes was attached to the General Staff at Army Headquarters where his personality was observed as ‘aggressive, discourteous and impertinent.’<sup>46</sup> Equally, his disdain for New Zealanders as ‘colonials’, and thereby inferior to the English, further alienated his colleagues. The CPNZ perceived Folkes in a much more sinister light. The 5 June 1941 edition of *Peoples’ Voice* asked readers to consider if there were any differences between Folkes and the S.I.B. and the German Secret Police the *Gestapo*.<sup>47</sup> Folkes was identified as a ‘Midlands solicitor’ who ‘at a pinch’ when wearing his favourite ‘light camel hair greatcoat’ might have been considered to belong to the English middle class, and more accurately as a former acting lieutenant in the British security police. The physical description of him as ‘Pale, thin, weakly looking, with semi-thick spectacles’ denied his reputation as a ladies’ man, and instead strengthened the comparison with *Reichsführer* Heinrich Himmler, the bespectacled, pale and sickly commander of Nazi Germany’s secret state (figure 1). It was obvious that disgruntled members of the army had been indiscreet and the paper declared that ‘the name of Folkes and al[l] his crowd stinks in Army circles.’ After all, ‘No soldier, no Man’ would want to pry into the private life of every army officer. Folkes’ men were dismissed as draft dodgers and snoopers, who once



worked as ‘mediocre journalists, clerks and even “counter jumpers”’ and two of the organisation’s attempts at counter-espionage were derided. These were a five day operation at the Hotel St George in Wellington to ‘trap a suspected spy’ which was an open secret to ‘the innocent suspect, the hotel staff and half the town’, while an American, Mr Theodor H. Braun, who was in charge of the Superior Oil Company’s geophysical survey work in the Manawatu, had been subject to a ‘stealthy pursuit’.<sup>48</sup>



**Figure 1 K.B.T. Folkes (centre) with R.S. Cutfield (left), and M.P. Whatman (right),  
*New Zealand Observer*, 11 October 1944, p.6.**

### **The first year of the S.I.B.**

Folkes’ most pressing problem was how to best expand his small team to the full establishment proposed by Mawhood. He soon discovered that the ‘candidates are all completely untrained, and whilst most of them are very keen to do the type of work involved they are deplorably lacking in imagination and the ability to build up a picture from a set of facts with which they are confronted.’<sup>49</sup> A number of civilians were added to the ranks of the S.I.B. in March with the establishment of the Radio Monitoring Service to monitor German, Italian and Japanese radio stations for any evidence of security breaches in New Zealand.<sup>50</sup> The service was modelled on M.I.5’s Radio Security Service which had operated since 1939, comprised of volunteer radio operators who originally scanned the airways for any radio transmissions from enemy agents operating in England but who soon turned their attention to intercepting and decrypting radio traffic originating in Europe.<sup>51</sup> The New Zealand monitors did not intercept and decrypt coded enemy transmissions – such work remained the prerogative of the Navy and

Army – and they focussed instead on listening in on enemy broadcasts which concerned ‘New Zealand, New Zealanders in action, or the South Pacific in general’. As Arthur Cushen, a monitor based in Invercargill, later recalled ‘often the enemy’s claims were outrageous, [but] there was also at times a grain of truth in the broadcast’.<sup>52</sup> The monitoring service operated throughout the war, due in part to the satisfactory working relationship which existed between Folkes’ service and the Post and Telegraph Department.<sup>53</sup>

From the outset, the organisation which Folkes had inherited owed much to the rapid expansion of military security during the threat of a German invasion of England in 1940, and little to mature reflection on the benefits of closer liaison between security agencies. More effective working relationships could now be observed within the British Government as the threat of invasion receded and as various security agencies – particularly M.I.5 and the Police – recognised the need to co-ordinate their efforts under the aegis of a Security Executive.<sup>54</sup> While a close relationship between the New Zealand security service and the Police had been suggested by the Naval Board the previous year, the S.I.B. which Folkes now headed was fully independent of the defence establishment and the police, and with limited accountability to the Prime Minister and the War Cabinet.<sup>55</sup>

Folkes could liaise with other agencies when it suited him. He was, for instance, quick to make contact with his security counterpart in Australia. On 14 April 1941 he wrote to the Director of the newly-established Australian Security Service, Lieutenant-Colonel Eric Longford Lloyd. Folkes was particularly interested in official exchanges of information concerning ‘all suspicious subjects travelling between Australia and New Zealand and in and about the adjacent Islands’ and of ‘views with regard to the growth or otherwise of the various political organisations in their character and operations’.<sup>56</sup> Lloyd’s own organisation was fraught with organisational problems from the outset. For example, it reported to the Attorney-General’s Department yet depended upon the Army for operational support, while the Commonwealth Investigation Branch refused to relinquish its role as the primary Australian liaison with M.I.5.<sup>57</sup> Lloyd was pleased to hear from Folkes who shared his own perspective on the work of a newly-appointed director of security intelligence: ‘It is all a formidable responsibility as I see you find it; a proud matter to be entrusted with, isn’t it?’<sup>58</sup> In one of the many small ironies of the history of Australasian security intelligence, six months later Lloyd was described by Mawhood as possessing ‘neither the intelligence, personality, nor knowledge requisite for the task’ of directing the Security Service, where ‘good intelligence demands an alert and vigorous brain’.<sup>59</sup> Mawhood’s protégé had no doubts about his own abilities: to Lloyd he professed that ‘It is very hard work training ones [sic] staff and then attacking the multifarious duties but there will be added satisfaction later on if one succeeds in so large a job of work!’<sup>60</sup>

There was no escaping the fact that the bulk of routine security work – counter-espionage, sabotage and propaganda – was essentially mundane, since New Zealand in 1941 remained remote from what was thus far a largely European war.<sup>61</sup> For instance, by 17 March 1941 Aliens Authorities in conjunction with the Police had already investigated all 2,341 enemy aliens throughout the country, eighty having been interned and a greater number now subject to a variety of controls (including prohibitions on the possession of radios capable of either transmitting or receiving, or firearms, while their movements beyond their homes were restricted).<sup>62</sup> The S.I.B. now assumed responsibility for monitoring aliens in New Zealand and the crews of foreign ships which docked in New Zealand by means of postal censorship.<sup>63</sup> The security of the ports themselves remained the responsibility of the Police in the meantime, while Folkes’ men made themselves unpopular by testing the secure storage of classified documents, and the physical security of military installations.<sup>64</sup> Sir Jack Harris, who served

with the S.I.B. between 1942 and 1944, recalled that much of his work concerned letters which were received from the general public, identifying possible spies and saboteurs, and in checking the crew lists of ships which arrived from overseas for possible 'undesirable persons'. Harris enjoyed sufficient free time to ensure that his own company still ran efficiently.<sup>65</sup>

On 28 April 1941, an unnamed 'military intelligence officer of wide experience' (a claim which only Folkes was self-confident enough to make) broadcast on national radio about what would become the 'Don't Talk Campaign', 'the simple but enduring rule that any information regarding naval, military, air or shipping matters must not be discussed or repeated.' While the speaker acknowledged that only a small number of people in New Zealand who would deliberately retard or obstruct the national war effort', his greatest concern was 'the thoughtless person' who could unwittingly give away vital information. Taking the activities of German raiders in 1940 as an example, he warned that 'we gossip and chatter far too much about shipping movements.' He despaired at the attitude 'Everyone knows about it so why worry', for such indifference and carelessness laid New Zealand open 'to the deadliest of blows ... from enemy influence within its midst.' He therefore implored his listeners to exercise discretion before talking about shipping movements, troop dispositions, the strength of fortifications and defences, or 'anything at all that would give away some information of which the enemy could make use.' He warned against not only the transmission of vital information, but also that no credence should be given to 'stupid and unnecessary gossip', since 'rumours, the half-truths, and the untruths ... can go to fantastic lengths, as anyone who has tried to track down a spurious story of this kind must be aware.' He admonished those New Zealanders who unknowingly spread rumours on a daily basis, and instead called for 'our greatest effort ... if we are to keep our country safe from the onslaughts of the dark forces of barbarism which threaten you, and your children's children.'<sup>66</sup>

Towards the end of April 1941 Folkes was had been directed to look into an apparently innocuous circular from the Wellington clothing manufacturer Vance-Vivian Limited which offered the company's products to some of two drafts of 129 soldiers who had been invalided home on hospital ships. The concern for Folkes was that the possession by a private company of such detailed knowledge of troop movements represented a breach of military security. His suspicions quickly focussed on Major George Vance, of the New Zealand Temporary Staff and a shareholder in Vance-Vivian Limited. Folkes interrogated Major Vance on 13 May 1941, when Vance openly admitted that the circular had been his misguided attempt to promote his ailing business. He attempted to protect the identities of two Sergeants who were also implicated in the security leak, and denied any knowledge that the names of the invalids had been secret.

Major Vance, together with Sergeants Robert Godtschalk and John Wallace, were all brought before an Army court-martial on 13 June 1941. The charges which they faced had been compiled by Folkes, who consciously re-framed the inept handling of sensitive military information as the illicit use of such information for personal gain. Vance was charged with 'behaving in a scandalous manner unbecoming the character of an officer and a gentleman' whereby 'he did illicitly obtain possession of official documents' – the nominal rolls of two drafts of invalid troops returning to New Zealand – through the actions of one of his senior non-commissioned officer under his command. He was further charged that he passed these documents on to Vance-Vivian 'in order that the company might circularise some of the invalided soldiers whose names and addresses were set out in the documents, urging them to buy the wares vended by the company.' Sergeant Robert Godtschalk was separately charged with 'conduct to the prejudice of good order and military discipline' in that he had 'illicitly



obtained' the documents at his commanding officer's request, while Sergeant John Wallace of Sick and Wounded Records, Central Military District, was charged with having provided the documents to Godtschalk 'so that the contents might be used for the private benefit of Major Vance.'<sup>67</sup>

Folkes' case collapsed the following day when the members of the court-martial found that the evidence did not support his charges of illicit activity. Vance was soon acquitted of the principal charge of scandalous behaviour when the court recognised the Major's good character and accepted his version of events; that is that he had believed that the list supplied to him by Sergeant Godtschalk was already public knowledge, and that Godtschalk had acted out of loyalty and in recognition of his officer's selfless contribution to the war effort. Vance's defence counsel, H.F. O'Leary K.C., observed that the 'technique in the framing of charges' employed by Folkes implied that his offence was 'something grossly disgraceful and infamous' whereby Vance 'could reasonably be charged with taking advantage of [his] position in the Army.' The court agreed with the advice of Major A.B. Sievwright, the Judge Advocate, that a finding of guilt 'should not be done unless the charge was fully justified', and accepted Vance's argument that this was a case of 'an error of judgement, forgetfulness or inadvertence'.<sup>68</sup>

Sergeant Wallace was also acquitted when the court found no evidence of the 'wilful wrong conduct' suggested by Folkes. Indeed, the fact that Folkes had characterised Wallace's actions in making the nominal rolls available to Sergeant Godtschalk as 'illicit' rather than 'improper' was denounced by Wallace's defending officer as 'a definitely unjustified slur.'<sup>69</sup> Sergeant Godtschalk felt the imputations of Folkes' charge very keenly 'in that his honour was clouded by the wording and the particulars of the charge.' He had not received any form of payment for his actions, which he accepted were wrong but not illicit, for he was responding to Major Vance's 'friendly request' for information. While the court accepted that there was a *prima facie* case which needed to be heard, the implication made by Folkes that Godtschalk had acted illicitly did raise the possibility of an honourable acquittal, and the court therefore referred the matter 'immediately to the convening officer for his consideration.'<sup>70</sup>

Folkes' failed prosecution highlighted a question which had vexed military authorities in London and England; what exactly was the purpose of the S.I.B.? On 25 March 1941 the War Office enquired whether the S.I.B. covered both military and civilian security in New Zealand.<sup>71</sup> The immediate response of the General Staff in Wellington was that Folkes' organisation did indeed embrace both civil and military security, and that the New Zealand liaison officer on London should serve as a link between Folkes and M.I.5.<sup>72</sup> In June the Chiefs of Staff were satisfied that matters relating to subversion or military security were best dealt with by the S.I.B. rather than the Police, relinquishing control only when it was clear that it was a police matter.<sup>73</sup>

The demarcation line between Police and S.I.B. responsibilities remained contentious, as was evidenced by the dual surveillance of a well-known CPNZ member, Elsie Freeman. A new recruit to the S.I.B. in April 1941, Sergeant Terence (later Sir Terry) McLean, submitted a lengthy profile of Freeman. The tone of his report reflected the jaundiced opinion of his own mother, Mary Lillian McLean, who had served with Freeman on the editorial committee of the women's rights' publication *Woman Today*. Sergeant McLean warned that Freeman was a committed Communist who was active in undercover work, but he doubted 'whether or not she would commit actual sabotage'.<sup>74</sup> A separate report by Captain D.P. Lindsay of the Christchurch Bureau highlighted her recent dismissal from the Petone Woollen Mill for

promoting workers' rights, and concluded that 'she is the kind of woman ready to commit sabotage at any time'.<sup>75</sup> Folkes appeared unperturbed by these reports – Freeman was 'certainly a true Communist' and therefore under surveillance, but he was not overly concerned that she might 'commit sabotage'. Ever the ladies' man, he was more concerned with her marital status – 'not divorced but separated from her husband.'<sup>76</sup> Folkes' studied indifference denied the fact that her then husband, Frederick Engels Freeman, was himself a committed communist and graduate of the International Lenin School in Moscow, where the curriculum included subversion and sabotage. Equally, her soon-to-be second husband, John (Jack) Locke, was also an active member of the party who would, together with yet another communist Victor Wilcox, join the air force in 1942.<sup>77</sup>

A study of naval intelligence in New Zealand, initiated in July 1941, concluded with some disquiet that the limitations of Major Folkes' responsibilities were unclear. In the event that New Zealand's military intelligence and security functions were combined, in line with similar developments in England, Singapore and Melbourne, Folkes 'might advance claims' to take charge of a Combined Security Bureau, which 'from the Naval point of view, might not be acceptable.'<sup>78</sup> By September 1941, the Chiefs of Staff were themselves beginning to reconsider the work of the S.I.B., and in particular how, at the behest of members of the Government, Folkes was venturing into 'matters which are not properly the concern of this organisation'. Not only were the Chiefs concerned that Folkes and the S.I.B. were delving into operational rather than security matters, but that while the fact of an investigation was communicated by Folkes to the relevant Chief of Staff, any report went straight to the Government without an opportunity for the Armed Forces to comment. While the Chiefs acknowledged that Folkes' direct access to the Prime Minister had been approved the previous November, they now demanded that henceforth any report relating to any of the armed forces be sent by Folkes directly to the relevant Chief of Staff. Furthermore, any report which had been requested by a member of the Government would also be provided to the appropriate Chief of Staff in order that comments could be provided to the Government and thus provide 'a complete picture'. In the event that an S.I.B. report dealt with more than one of the services, no matter who had requested the investigation, then the matter would be dealt with through the Organisation for National Security which, with the blessing of the three Service Chiefs also enjoyed direct access to the Prime Minister.<sup>79</sup> Given that cases with which the S.I.B. dealt included some Service matters, it is no surprise therefore that the Chiefs of Staff were aggrieved that reports were supplied directly to the Prime Minister and the War Cabinet. For example, security had been called in to investigate a minor 'insurrection' at Wigram air force base, where 'a considerable number of airmen jointly decided not to return to duty from leave'.<sup>80</sup>

At the next meeting of the War Cabinet, Prime Minister Fraser expressed his support for the S.I.B. in the face of the service Chiefs' attempt to vet, if not censor, the reports emanating from Folkes' office. Fraser preferred that Folkes retain his 'right of direct access' to the office of the Prime Minister, and promised that any reports which 'called for comments' from any of the services would be 'forwarded immediately' by the Government 'for an expression of opinion'. The 'question of the functions of the Security Intelligence Organisation' would shortly be discussed by Fraser, and he suggested that the service Chiefs should be present at these discussions.<sup>81</sup> On the face of it, the Prime Minister had endorsed the work of the S.I.B. and his support also helped to cement Folkes' isolation from the defence, intelligence and security communities, serving his political masters on the War Cabinet while maintaining an increasingly uneasy truce with the armed forces and the police.<sup>82</sup> For his own part, Folkes neatly sidestepped the question of a review of the organisation by instead lobbying for both an increase in the establishments of his various bureaux across the country, and his own

promotion. His case was strengthened immeasurably by the outbreak of hostilities in the Pacific, and the renewed prospect of war coming to New Zealand's shores.

### **'Desperate men' – invasion scares and hoaxers**

Japan's entry into the war on 7 December 1941 confirmed the necessity, if not the value, of the S.I.B. while New Zealand braced for a possible invasion and New Zealand troops prepared to defend Fiji and other outposts in the South Pacific.<sup>83</sup> Effective port security was now of paramount importance, together with the close surveillance of individuals considered undesirable, ship movements and mail and security arrangements for the embarkation of troopships.<sup>84</sup> Despite the frictions between the services and Folkes which had come to a head in September 1941, the Chiefs of Staff confirmed, in January 1942, that the organisation 'had rendered valuable service to the Armed Forces'.<sup>85</sup> However, while the Chiefs of Staff were prepared to support Folkes' application to more than double the number of security officers, they required that Folkes first justify his plans to expand the S.I.B. as well as relocating the Wellington Bureau to the Defence Services Building or the new Government building in Stout Street.<sup>86</sup>

Folkes pressed his own case for expanding his operation to the Secretary of the Organisation for National Security, Foss Shanahan, on 14 January 1942. For Folkes, security intelligence encompassed both military and civilian security, and was 'almost wholly preventive in its exercise'.<sup>87</sup> Military security was concerned with the 'security of information, material, personnel and operations' in order to prevent against espionage, sabotage and propaganda. The work involved restricting access to secret or confidential information, detecting and sealing leakages of information and taking 'suitable steps to neutralise any suspected subversive or other activities which may be connected with the leakage or dissemination of military information.' His staff therefore challenged the 'efficacy or otherwise' of troops guarding vital infrastructure and military points throughout the country, and to prevent or neutralise any disloyal, defeatist or extreme political subversion within the armed forces which might have an adverse effect on morale. Folkes was mindful that the Service Chiefs had been united in their opposition to the S.I.B.'s involvement with operational matters, suggesting that his organisation merely advised on matters of operational security.

He also detailed the work of the S.I.B. in the field of civil security, as part of the 'chain of the Security Service throughout the Empire, which is "fed" by M.I.5.'. This was a reference to the Consolidated Black List of some 15,000 individuals, a majority of whom were involved with the shipping industry, who were considered 'undesirable', suspect or subversive, which was regularly updated by M.I.5.<sup>88</sup> Other duties included the detection of 'bribery and corruption within Government and other Departments', the movements of aliens, the activities of conscientious objectors and pacifists such as might harm public morale, clandestine photography and signalling, attempts to evade the postal censors and 'Subversion in all its forms ... International subjects [and] ... Rumours and their sources.'<sup>89</sup> Folkes and his men would prevent attempts to sabotage the war effort by vetting, selecting or removing staff in 'all Manufactories, Departments etc., engaged in war production', ensure the security of wharves and shipping, and of shipping information, the 'security of communications in Government Departments' and undertake investigations on behalf of the 'Empire Security Service'. Other work undertaken by the S.I.B. – presumably the liaison work with M.I.5 and the Empire-wide security apparatus – could not 'for security reasons' be included in his memorandum.<sup>90</sup>

Folkes' arguments found favour with the Service Chiefs, who endorsed his proposal and recommended that he be promoted to the rank of lieutenant-colonel. They agreed that an 'efficient and adequate security organization' was necessary beyond the 'skeleton' establishment which had first been proposed by Mawhood in 1940. Of particular concern was that 'information has been received recently that the enemy are adopting all possible means to secure particulars concerning the movements of shipping and endeavouring to place their agents on the staffs of the armed forces.'<sup>91</sup> A separate decision by the War Cabinet approved the establishment of a dedicated Port Security Control within the S.I.B, which would check a New Zealand version of the M.I.5 Consolidated Black List, known as the Dominion Port Security Suspect Index, against the passenger and crew lists of newly-arrived vessels. Those whose names appeared on the index were interrogated before receiving a clearance to land in New Zealand. The unit would also monitor shipping movements, assist with security for United States vessels, check passports, watch for attempts to evade censorship, ensure that fishing vessels with alien fishermen were escorted, monitor 'suspect and undesirable persons', and assist in investigating suspect cases of sabotage.<sup>92</sup> What no one paused to consider was the calibre of the staff associated with Folkes' expanded security intelligence operation, their training, and their abilities to gather and interpret information. These key questions were only asked of Folkes and the S.I.B. after the event, once they were embroiled in scandal. It was significant in hindsight that he did not seek to recruit detectives, who were dismissed as 'policemen of the English comic paper', despite the fact that the Police had been involved with port security since April 1940, and water patrols since April 1941.<sup>93</sup>

While Folkes was denied his promotion, he soon found himself fully occupied in running security courses for the three services and selecting and training staff for Army Field Security work. Although the S.I.B. had now existed for a year, Folkes was still the only officer capable of delivering this training.<sup>94</sup> In the event, the selection course which Folkes ran at Trentham for Field Security personnel in March 1942 began without either the instructor or a third of the trainees, all of whom arrived late. The poor coordination of the training programme and deficiencies in the training itself prompted the Brigadier in command of the Northern Military District to complain to the Army General Staff. Folkes vigorously defended his own performance, blaming the Army's transport arrangements and the peacetime work ethics of the instructors at Trentham, while the Army General Staff blamed Folkes' own hasty and 'unsatisfactory' arrangements. Remarkably, from this farce emerged field security sections for the three military districts as well as for Fiji.<sup>95</sup>

The quality of the information furnished to the S.I.B. in Wellington often owed much to the perception of the threat posed by the enemy in the midst of the invasion scare prompted by Japan's entry into the war. In January 1942 Folkes received a report from the Home Guard in Rotorua on possible disaffection with the war in the region, and in particular the actions of a Japanese baker and storekeeper on the East Coast who had sold their businesses and disappeared. The baker was apparently working for the Japanese and had attempted to infiltrate the local Maori at Ruatoria by 'promising all sorts of wild things about returning their land to them.' Equally inaccurate, if not preposterous, was the report in April 1942 of the loss of sheep on the Chatham Islands to an enemy raider, and the morale of the local population. A lengthy report by the recently-appointed Sergeant J.M. Allison on the situation was irritably received by the Deputy Chief of Naval Staff who concluded that all that Allison had found out was that 'the Chatham Islanders are simple and credulous, mainly loyal, and almost entirely untrustworthy as far as sighting reports are concerned.'<sup>96</sup>

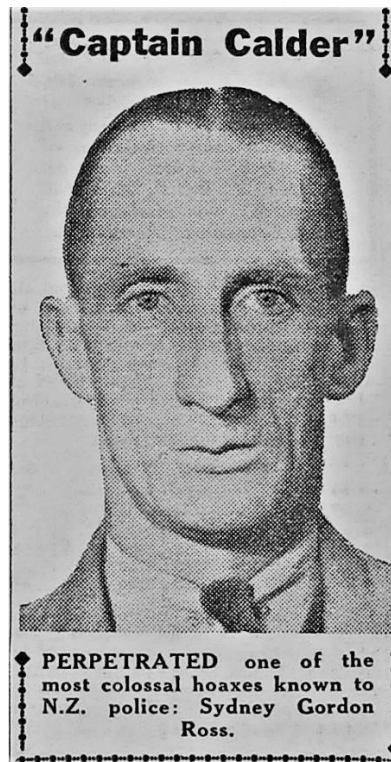
Sergeant McLean later noted that ‘the SIB was a bunch of amateurs who sometimes, despite themselves, brought off a coup.’ He recalled one case involving the bribing of a Government clerk to avoid the ballot for military service. McLean heard Folkes interrogating a suspect, breaking him with a ‘brilliant opening question’.<sup>97</sup> When the case was heard in the Wellington Magistrate’s Court in February 1942, however, Folkes’ own credibility was ultimately called into question. Henry Berthold, a clerk in the National Service Department (as well as an undischarged bankrupt with ongoing financial and drinking problems), pleaded guilty to seven charges under the National Service Emergency Regulations 1940 of removing ballot cards of men eligible for service in the Territorial Force or overseas, in return for bribes. Five civilians were charged with offering bribes to Berthold who withheld their ballot cards while he was employed at the National Service Department between May and November 1940. Berthold’s scam came to an end in November 1940 when he was transferred to another department and he arranged for those cards which were still in his possession to be returned to the register. The effect of his actions was negligible and most of the men avoided two Territorial and two overseas ballots before their cards were returned. Of the five accused, one was too sick to attend the hearing, one pleaded guilty, and three pleaded not guilty. Two of those who pleaded not guilty were convicted, while the charges against the third were dismissed by the magistrate.<sup>98</sup>

Folkes had been involved with the interrogation of Berthold, who admitted in court that he had not been ‘completely frank’ when questioned, and of Hubert Howard one of those convicted of bribery. His interview with Howard was something of a security disaster for, once he was appraised of the information which Folkes had in his possession, Howard confronted Berthold who, he realised, had ‘blown the gaffe.’<sup>99</sup> In March 1942, Francis Dwyer, another of those convicted of bribery made a successful appeal to the Supreme Court on the basis that the evidence of Berthold, the Crown’s principal witness, could not be corroborated. When questioned by Dwyer’s lawyer H.F. O’Leary, Berthold claimed to have assisted the Police and Army Intelligence during their investigations by ‘confessing to cases of which they would never have known’, naively trusting that no action would be taken against any of those whom he named.

O’Leary pressed him harder, suggesting that he was ‘a little indifferent as to whether what you are saying is correct or otherwise’, to which Berthold replied that his original statements, his evidence in the Magistrate’s Court and his current evidence ‘agreed fairly closely’, except for one point about the return of Dwyer’s ballot card. This had not been raised in the Magistrate’s Court, but he had mentioned it on 12 February 1942 to Major Folkes, who had visited him in Mount Crawford Prison immediately after Dwyer’s conviction. Berthold then explained that ‘Major Folkes came out and remained with me for at least an hour, in company with another army officer, for the purpose of trying to influence my evidence, I gathered.’<sup>100</sup> Justice Smith was incensed at the prospect an Army Major attempting to alter Berthold’s evidence, little knowing that Folkes was in command of security intelligence. O’Leary, who had successfully thwarted an earlier prosecution brought by Folkes, hastily reminded the court that he not prompted Berthold’s statement. The question of Folkes’ attempt to subvert the judicial process was set aside since he was not present to defend himself against the evidence of a witness who, in the opinion of Justice Smith was a blackmailer and ‘a cheeky scoundrel.’<sup>101</sup>

A fortnight later, Folkes was introduced to another cheeky scoundrel, whose actions would tip conclusively the balance of power which had developed around performance of the Government’s security and intelligence work. Sydney Gordon Ross was a self-confessed ‘housebreaker’ yet a self-proclaimed patriot ready to reveal the details of an alleged German

plot 'to commit sabotage' to which he had recently been recruited (figure 2).<sup>102</sup> Ross had been an inmate of Waikeria Prison, where he came under the influence of the career criminal Charles Remmers, known as 'The Master', a former policeman well-versed in the dark arts of the confidence trickster – impersonation, fraud and falsehoods. The secretive world of security intelligence evidently appealed to Remmers and his associates, for George Horry, another graduate of Waikeria and 'The Master', assumed the identity of a British spy in 1942 to marry and murder an Auckland divorcee for her money. Horry successfully wrapped the wedding and honeymoon in the blanket of national security to keep curious in-laws at bay, and help delay justice for almost a decade.<sup>103</sup>



**Figure 2 *New Zealand Truth*, 19 September 1945, p.5.**

Ross and Remmers devised a bold hoax, mixing elements of popular espionage films with recent front page news in order to pitch to the Government's heightened fears of a Japanese invasion and fifth column activity.<sup>104</sup> As soon as Ross was released from Waikeria on 28 March 1942 he arranged to tell his story to the Minister of Public Works and National Service, Robert Semple. Ross insisted that the case be dealt with by Folkes, and not the police, thereby ensuring that the hoax developed fully in the jurisdiction of security intelligence.<sup>105</sup> The next day he repeated his tale to Prime Minister Fraser, who brought Folkes into the affair.<sup>106</sup> By 10 June 1942, Folkes was able to report to Prime Minister Fraser on the substance of the conspiracy Ross claimed to be privy to. This was that a fifth column organisation of twenty individuals was headquartered in the centre of the North Island for the purpose of 'assisting an invading force in the conquest of this country' in July 1942. The group, led by Remmers, consisted of 14 Germans, 1 Russian (even though the Soviet Union was now an ally), 1 Hungarian, 1 Japanese, 1 Swiss and 2 New Zealanders – a journalist and an expert radio technician. Prior to the invasion the fifth columnists, supported by another eighty individuals



throughout the country, would circulate counterfeit currency, spread false rumours, destroy vital infrastructure and assassinate members of the War Cabinet. Ross, with his supposed expertise with gelignite, had been approached to undertake the destruction of the hydro-electric plants at Arapuni and Waikaremoana.

Though seemingly farfetched, Ross had cleverly constructed falsehoods around sufficient kernels of truth to trigger official anxieties. The Arapuni power scheme, for instance, was a strategic economic asset, camouflaged, protected from attack by a battery of anti-aircraft guns and guarded against sabotage.<sup>107</sup> Certain individuals named by Ross were real people, but Remmers was no fifth column mastermind, while the editor of *In Print*, R.A.K. Mason, later denied ever having met Ross, let alone having ever printed any pamphlets for him or attempted to procure gelignite.<sup>108</sup> Harold William Klein, a Trentham-based soldier was identified as the author of a subversive pamphlet, the latest in a series of individuals with German surnames who had run afoul of Folkes.<sup>109</sup> The addresses which Ross provided in Wellington and Rotorua were also real, but were quite innocuous: the house in Rotorua which supposedly harboured four conspirators was later found to contain three nurses, an 'elderly Native Department clerk' and one alien who operated a dry cleaning business.<sup>110</sup> For Folkes, however, Ross' story stood up to 'checking and cross-checking', and he therefore believed completely in his informant and his elaborate hoax.<sup>111</sup>

From the outset, Folkes appears to have committed the cardinal security intelligence sin of accepting Ross at face value, rather than taking special care to guard against the possibility that such an unsolicited source carried disinformation rather than information. In a process termed, by a later generation of spies, 'immaculate deception' Folkes, together with Captain Hylton Colin Meikle from the Auckland Bureau, set about proving Ross' story and filling in the gaps.<sup>112</sup> Ross was therefore given the identity of Captain Calder of the Merchant Marine, and a security intelligence car with unlimited petrol use in order that he could meet with his mysterious German agent named Barrett, and identify the plotters, who had arrived by submarine and who were now based in Rotorua, close to the residence in Ngongotaha of the 'arch conspirator'.<sup>113</sup>

Folkes was now concerned with how to neutralise the threat posed by so many 'desperate men' before they could put their plan into effect. He was not confident that he could yet 'prove the conspiracy' with the level of proof necessary for a criminal trial, so he suggested instead that the Government should 'take the powers contained in 18(b) of the Defence Act in the United Kingdom' so that suspects could be arrested and held 'incommunicado'. Without such wide powers of arrest and detention, Folkes 'could not undertake complete responsibility' that the plan would not be 'carried into effect' the following month. Curiously, a 3 June 1942 newspaper report of the trial of four of the Australian conspirators arrested the previous March included the detail that they had been charged under the Crimes Act.<sup>114</sup> Ross later suggested that Folkes was himself plotting 'to get powers 18 (b) passed and thus get control of this country in a military manner'.<sup>115</sup> The reality of Folkes' dilemma was that he was attempting to address the problem which beset any nominally military security organisation; how to arrest and interrogate civilians who were beyond that organisation's control?<sup>116</sup> From the perspective of security intelligence, his request no doubt appeared reasonable. After all, the Police had been granted extra powers to counter subversion with the passage of the Public Safety Emergency Regulations in February 1940.<sup>117</sup>

In the event, Folkes was not granted powers of arrest and detention, just as he was never promoted to the rank of lieutenant-colonel or to the position of Commandant of the new

Intelligence Corps; this command went to another S.I.B. officer, Captain Robert Sturdee Cutfield.<sup>118</sup> The Army General Staff was clearly looking to take control of all military security work by October 1942, when a staff officer at Army Headquarters would become responsible for military security, at which point Folkes would 'devote his full time to Civil Security duties only' (although his 'advice and experience' would 'still be available when required').<sup>119</sup> Folkes' plans to unite military and civil security under his command were now dashed, and he instead faced a new challenge; how to secure responsibility for civil security for his Army-supported operation when this role was already the responsibility of the police?<sup>120</sup> It was a paradox which had been quickly and neatly resolved in England in 1940 between the security services and the police, but had remained unresolved ever since Mawhood had completed his plans for a security intelligence organisation for New Zealand.

The New Zealand Police were soon able to provide Folkes with their answer to the vexed question of the future viability of the S.I.B. On 4 June Constable J. Richardson advised his detective counterpart in Rotorua that the 'Captain Calder' who had stayed at the Grand Hotel was in fact Sydney Gordon Ross, and asked that this information be passed to Auckland 'in case the Police there have inquiries for Ross or a fictitious Secret Service Agent.' Four days later Detective Sergeant A.J. White reported his discussions with Ross and two Security Intelligence officers; Sergeant P.M. Brooker from Wellington and Warrant Officer R.C. Steven from Auckland. White was not impressed by the men from security intelligence, noting 'I considered they had very peculiar ways of going about things and ways that I did not approve of'. He concluded that 'If the security of the Country or the State is in the hands of men such as Steven, Brooker and a criminal like Ross the outlook for the Country or the State is not very bright'.<sup>121</sup>

On 10 June, as Folkes was reporting on the conspiracy to the Prime Minister, the Commissioner of Police, Denis J. Cummings, advised the Inspector of Police in Hamilton that 'Major Folkes has Ross employed in his service' and that Ross should therefore 'be kept under close and secret observation'.<sup>122</sup> On 24 June, Folkes presented his findings to the Chiefs of Staff. The conspiracy now involved three German nationals who were 'unknown to the Police authorities', leading thirty-seven other individuals, many of whom were armed. In order to round up the conspirators the arrests had to be coordinated to occur at the same time. To this end, Folkes requested 'up to 100 selected personnel' from the Army. Folkes recorded that his report was received with 'incredulity', and the Chiefs later claimed that they were well aware of the 'inherent improbabilities and indeed the ridiculous nature of the alleged invasion attempt'.<sup>123</sup> Nevertheless, the record of the meeting noted that the Chiefs agreed that they could not decide upon any of the details of the plot, and therefore determined that the Chief of the General Staff, Lieutenant-General Edward Puttick, would (reluctantly, according to Folkes) arrange for the 'necessary number of men to be provided for Major Folkes on request.'<sup>124</sup>

While the Army could provide the manpower to round up the fifth columnists, so long as Folkes was denied the powers of arrest and detention, the authority to arrest and detain civilians – even subversive ones – rested with the Police. On 2 July, Folkes met Commissioner Cummings in the Prime Minister's office, when the investigation of the Ross case was handed over to the Police. It took a small team of three detectives, led by Superintendent James (Jim) Cummings, brother of the Police Commissioner, just two days to lay Ross' hoax bare.<sup>125</sup> Ross had one last bizarre twist to add to his story when, just before he was due to be interviewed in Rotorua, he faked his capture and attempted murder by Nazi agents, supposedly informed via police sources of his connection with Folkes and security intelligence. According to Ross this last act had been orchestrated by the 'Gestapo' as a means of providing shocking proof of the veracity of

his story, but in truth it was a half-hearted affair which did nothing to deter the Police from questioning him. Once in the hands of the Police, Ross found that his services with the S.I.B. were perfunctorily dispensed with. Adding insult to injury was the fact that the security intelligence files on the conspiracy had been fleshed out by Folkes' men. According to Ross 'the stuff contained in these volumes is about one page of material that I supplied to three pages of fiction made up by the Security Department.'<sup>126</sup>

### **Major Folkes falls from grace**

The story of 'Captain Calder', the 'Impudent Jailbird' who had so badly hoaxed Folkes and his security officers was published in *New Zealand Truth* on 29 July 1942. Senior members of the police force had leaked the story and *New Zealand Truth* took much delight in contrasting the quick-witted detectives who had exposed Ross' hoax with the S.I.B. which had been so 'blatantly hoodwinked'.<sup>127</sup> It was ironic, therefore, that the following day Acting Prime Minister Daniel Giles Sullivan, moved to prevent any further leakage of information about the Ross Case by ordering Folkes to transfer all of his organisation's material pertaining to the case to the Commissioner of Police. The files were passed to the Attorney-General, Rex Mason, who was authorised by the War Cabinet to complete a full report on the case and the future of the Security Intelligence Department.<sup>128</sup> In the meantime, the report by Commissioner Denis Cummings highlighted the lamentable incompetence of Folkes and his Security Intelligence Officers in having been so thoroughly duped by Ross without attempting a 'full and proper investigation'. If there was a positive aspect to the story it was that the pre-emptive arrest of the conspirators which Folkes had proposed had been circumvented by the Police investigation: 'It would have certainly caused a scandal had this organisation been allowed to proceed with the 'rounding up' of people whose innocence has been proved beyond doubt.'<sup>129</sup>

Mason submitted his report on 18 September, recommending that the S.I.B. should be disbanded, with the responsibility for civil security vested once more with the Police. Indeed, Mason could not understand why a military security intelligence organisation had become responsible for civil security in the first place, separate from the Police, leading to duplication of effort and the absence of cooperation and coordination. He therefore recommended that the S.I.B. should be reconstituted as a small clearing-house for information staffed by an officer and three men and based at Police Headquarters in order to liaise on military security matters between the three Services and the Police, while a Security Committee comprised of service and police representatives and chaired by the Minister of Defence would advise on security issues.<sup>130</sup>

Mason utterly rejected Ross' account of the case, and was scathing of the attitudes and methods of Folkes and his organisation which 'has for three months shown itself incapable of ascertaining the truth of a pretended plot in such manner as to undermine confidence that it could ascertain the truth respecting a real one.' He had little time for Folkes either; privately Mason found the Major showed a 'meanly selfish spirit of dishonesty' when he sought to take credit for subordinates' successes, and 'transfer the blame to them if things turned out ill'. Certainly Folkes had attempted to deflect blame onto Captain Meikle from the Auckland Bureau who had undertaken much of the investigation work, but Mason would have none of it. Meikle struck him as 'intelligent, conscientious, active and remarkably meticulous' as well as candid and courageous, an opinion supported by both Lieutenant McLean and the CPNZ!<sup>131</sup> The essential problem with the S.I.B. was its own secrecy caused by 'that extreme fear of disclosing oneself that is appropriate to secret service in a hostile country', but which in New Zealand led to the passive observation of Ross on his journeys through the North Island, and

the accumulation of much unsubstantiated and irrelevant material.<sup>132</sup> Folkes had at least been honest on one point when he petitioned the Prime Minister for extra powers of arrest and detention. Namely, that the information on the Ross case was insufficient to warrant a criminal trial.

While Fraser and the War Cabinet deliberated on Mason's findings, Folkes attempted to combat 'those forces which are activated against the S.I.B.' and thereby establish 'a rightful place for [the] S.I.B. in the country's war organisation'.<sup>133</sup> His request for additional commissioned officers in May 1942 had still not been actioned in September, and was then held over until the larger question of the future of the S.I.B. had been determined.<sup>134</sup> He also faced an increasing number of applications from his staff to be released for active service overseas, now that New Zealand troops were heavily involved in combat operations in North Africa, and the Third New Zealand Division was committed to the South Pacific, while at the time the status of the S.I.B. became increasingly uncertain. These applications were rejected by Folkes on the basis that 'the value of overseas service of the applicants could not be compared with the value of their service to the country in the Security Organisation', but in truth he desperately needed to keep his bureau together in the hope that it would survive the Ross scandal intact.<sup>135</sup>

In the courts, the hapless Harold Klein was found guilty of possessing a subversive document while at Trentham Camp. This prompted the *New Zealand Herald* to question how he could have been 'employed in a military headquarters' without a thorough check of his 'antecedents' and call for 'an overhaul of the system.'<sup>136</sup> An attempt by Democratic Labour MP John A Lee to canvass the future of the National Security arrangements in parliament was quickly averted by Prime Minister Fraser who, with circumlocution worthy of a security intelligence officer, regretted that 'it was inadvisable in the public interest to discuss publicly the question of the means adopted to ensure public security.'<sup>137</sup>

Folkes, meanwhile, attempted to reinstate the military significance of the S.I.B. by developing new contacts with United States military intelligence agencies. After all, United States Army Counter-Intelligence had shared offices with the Bureau since June 1942.<sup>138</sup> Ross had previously implicated both Folkes and Meikle in conspiring – unsuccessfully – to forestall the involvement of the Police in resolving the plot by approaching an intelligence officer with the newly-arrived United States forces now garrisoned close to some of the assumed enemy landing sites. In an ironic twist, Ross claimed to have warned Folkes via Meikle that the Americans would be 'every bit as difficult' to convince, on the basis of the Security Intelligence files, as would the Police be.<sup>139</sup> A direct approach by Folkes to United States Naval Intelligence in San Pedro also proved futile when the Chief Security Officer of the Organisation for British Security Co-ordination politely, yet firmly, advised the New Zealand Legation in Washington of the current protocol for communications with United States Intelligence Officers.<sup>140</sup>

The last remaining rump of support for Folkes and his organisation was found within the headquarters of the Royal New Zealand Navy in Wellington. Lieutenant-Commander H.S. Barker, a Naval Intelligence Officer, believed that the port security work undertaken by the 'youngish, well-educated' Security Intelligence personnel was of value.<sup>141</sup> The Director of Naval Intelligence, Lieutenant-Commander F.M. Beasley, observed that some of the antipathy towards the S.I.B. was due to the fact that it was 'a very mild replica of the Gestapo', which was 'of course abhorrent to New Zealand officials who strongly resent the mildest control over their activities.' Nevertheless, the arguments advanced by the Navy in 1940 for the formation of a security intelligence organisation were still relevant in 1942. Beasley understood that the

‘campaign against the SIB’ was orchestrated by the Police, who resented any encroachment on their responsibilities for civil security, yet were unable to provide the level of port security offered by the S.I.B. Beasley was well aware that the situation had been ‘aggravated by the personality of Major Folkes, who has perhaps not been as tactful in his dealings as he might have been’.<sup>142</sup> This was not a view shared by the service Chiefs, when asked to respond to Folkes’ latest proposal that his staff test the ‘security precautions’ at locations where access was controlled by military or police personnel. Such work could henceforth be undertaken by the respective field security sections of the Intelligence Corps (raised and trained by Folkes earlier in the year), while the principal functions of the S.I.B. duplicated the functions of the Police. Folkes himself was ‘not fitted to control the Security Bureau’, and the Chiefs recommended that his services be dispensed with and that he should be returned to the United Kingdom.’<sup>143</sup>

Prime Minister Fraser offered Folkes the right of response to the conclusions of the Chiefs of Staff paper on the future of the S.I.B., and in particular the decision that his services should be dispensed with forthwith. Fraser had been prompted to act, in part, by Mason, who had noted that Folkes was aware of his report but was advising his officers that ‘no change will be made’. Whatever the future of the S.I.B., it had to be ‘as a result of a definite decision.’ Mason also raised the spectre of embezzlement, given the disbursement by Folkes of sums of bureau funds (which included a Secret Service Fund of £12,000 per annum) which were ‘so substantial that staff members cannot imagine any work for which they can properly be required.’ Mason felt that his suspicions confirmed his already low opinion of Folkes’ character and honesty but, perhaps mindful of Folkes’ own disastrous methods of investigation by inference, he tempered his views with the caution that ‘so far there is not more than suspicion and grounds for enquiry.’<sup>144</sup>

Folkes’ response to Fraser was understandably both angry and anguished in the face of such ‘grossly unjust’ recommendations made in ignorance of the true value of the work of his Bureau. Any reviews by Army Headquarters and the Police could not possibly comprehend the ‘whole of the work of the organization’, operating as it did in splendid secrecy and isolation as ‘the accredited Representative in New Zealand of the Empire Security Service.’ Folkes clearly intended to bluster his way through the crisis, relying once again on the support of his political masters while he worked to correct ‘the stigma against my military reputation’ through the mechanism of a military enquiry. In the event that the views of the Chiefs of Staff were not to be corrected, then he asked ‘to be released from my present position immediately’, and he requested a leave of absence ‘for reasons of dignity and health’ while Fraser contemplated his future.<sup>145</sup>

### **‘Distrust replaced confidence’ – the S.I.B. after Major Folkes**

While Prime Minister Fraser had supported Folkes and the S.I.B. in September 1941, when the service Chiefs had railed against Folkes’ direct reporting lines to the Prime Minister and the War Cabinet, he offered no such support now. The Government worked to minimise the political damage from the Ross hoax, and in the process cordon Folkes and his personnel off from the War Cabinet. Fraser had again been challenged by John A. Lee to stop being ‘singularly uncommunicative’ regarding the ‘scandalous’ expenditure of some £4,000 of public money in the ‘Rotorua case’, with an individual living and entertaining in a Rotorua Hotel ‘on a lavish scale’ while ‘under the control of some sort of Sherlock Holmes department in Wellington’.<sup>146</sup> Having forged the (admittedly blunt) sword which was the S.I.B., Folkes was now required to fall upon it. There would be no enquiry, and no exoneration of either Folkes

or his organisation. Instead, just two days later Fraser accepted his offer to resign, effective immediately. Folkes was to 'at once hand over the control of your organization, including all records' to Superintendent Jim Cummings, who had exposed the Ross hoax, and the Government would bear the costs of his return to the United Kingdom.<sup>147</sup> Cummings, now the Director of Security Intelligence, lost little time in advising Lieutenant-General Puttick of his new appointment.<sup>148</sup>

Fraser's decision was formalised by an ad hoc committee of relatively junior military and police officers who met on 26 February 1943 to consider the Attorney-General's report and recommendations. The committee neatly summarised the findings of the Attorney-General, the Commissioner of Police and the Chiefs of Staff. These noted that the S.I.B. did little more than duplicate the work of the Police, using 'relatively untrained staff', resulting in 'a waste of effort which is particularly unacceptable in time of war'. The Bureau was to be disbanded, and the functions of the Bureau were to be handed to the Police. A modest new Security Bureau was to be created and housed with the Police Headquarters in Wellington, where it would provide liaison between the armed forces and the police, and with 'overseas authorities' and with M.I.5 on military security matters. A new position of Defence Security Officer would oversee the Security Bureau, and liaise with M.I.5 on military security while the Commissioner of Police liaise with M.I.5 on civil security matters. A new security Advisory Committee, as well as regional security committees, would ensure effective co-ordination and cooperation between the armed services and the police on security matters. The records of the S.I.B. would be handed to the Commissioner of Police for disposal. Separate arrangements would be made for port security.<sup>149</sup>

Folkes was not party to these discussions, and indeed his name does not appear anywhere in the meeting notes. A 'Secret and Immediate' telegram was quickly despatched from Army Headquarters to all District and Divisional Commands with the advice that Folkes had relinquished the position of Director of Security Intelligence and been replaced by Superintendent Cummings. All units were ordered to refuse any application by Folkes 'for transport, petrol or other services'.<sup>150</sup> Within a month the cost of his passage to England had been approved, together with his pay and allowances until his disembarkation. The lingering issue of the overpayment of £123 Sterling by the War Office in London took longer to resolve.<sup>151</sup> Folkes denied any overpayment, argued any confusion was due to War Office 'mal-administration', protested against a proposal that the overpayment be deducted from the £175 (New Zealand) which had been approved by the Minister of Finance to cover his journey to England, and requested that the matter be placed before Prime Minister Fraser for a ruling.<sup>152</sup> Fraser patiently yet firmly settled the matter: the 'disputed sum' would be held by the New Zealand High Commissioner in London to be paid to the War Office or Folkes, as appropriate, once the matter had been settled. Folkes also bridled at the prospect of paying income tax for his time in New Zealand, in the face of a ruling by the Commissioner of Taxes.<sup>153</sup>

Folkes' eventual departure from New Zealand was ignominious. Superintendent Cummings met Folkes at the Wellington Railway Station on 1 May as he was transiting from Hawke's Bay to Christchurch. In a last show of defiance, Folkes demanded that he proceed south by plane rather than by the ferry to Lyttelton, and asked Cummings to pay for the cost of transporting some of his luggage by air. Cummings refused, since Folkes 'was finished with the Bureau', but agreed to forward Folkes' receipt to Army Headquarters for reimbursement.<sup>154</sup> He finally arrived in London on 7 June 1943, but his long-suffering wife Emily Ann Folkes and their two young boys John and Roger remained in New Zealand until February 1944.<sup>155</sup>



What did follow hard on Folkes' heels to London was a report on 'how this officer carried out his duties while in N.Z.' which had been requested by the War Office.<sup>156</sup> The report, prepared by the General Staff, and signed by the Deputy Chief of the General Staff, Brigadier Keith Stewart, was a savage censure of Folkes and his organisation. Where a 'cordial' working arrangement existed between the Army and the Police prior to March 1941, relations between Folkes and Army Headquarters 'were unhappy', whereby distrust ... replaced confidence'. This unhappy state of affairs was put down to the 'personality and methods of Major Folkes' and the 'unsatisfactory nature of the reports' emanating from the S.I.B. Folkes' lack of military experience, coupled with the poor training in military duties afforded to his staff, resulted in unconscionably delayed and 'long and rambling reports' marked by 'much excess verbiage and remarkably little in the way of facts of conclusions.'

The Ross Case was a notable omission from the report, with the Army evidently preferring to remain at arm's length from a fiasco in which they had been only tangentially involved. Just three instances of 'minor causes of friction between the Intelligence section of the General Staff and the SIB' were specified: firstly, the inept censorship of official films which included 'technical equipment of a secret nature', when 'a film was authorised for exhibition which showed items of coast defence equipment of a highly secret nature'; secondly, incidences of Bureau operatives assuming the cover identities of Army Intelligence Officers, which 'caused endless confusion and staff errors'; and thirdly, direct communications between the Bureau and military units on a random basis, which kept 'senior HQs in complete ignorance of matters which were in their province'. Folkes had been 'a singularly bad choice to represent an important branch of the British Army Staff in a Dominion', and he left those with whom he came into contact at Army Headquarters with the strong impression 'that he would be prepared to stoop to any underhand methods in an effort to discredit the military authorities.'<sup>157</sup>

Curiously, the damning report from Wellington had no apparent effect on the remainder of Folkes' wartime military career. The day after his reported arrival in London he rejoined the Intelligence Corps, now claiming an 'Extensive knowledge of New Zealand, Fiji Islands, Chatham Islands, Tonga, Raratonga [sic] [and] Samoa.'<sup>158</sup> Captain Folkes was soon sent on a wireless intelligence course in preparation for his work with the Psychological Warfare Branch (PWB) in Egypt and with the Allied Armies in Italy. He was re-granted the rank of Major in August 1944, serving as the Intelligence Officer with the PWB Sub-Mission in Bari, from whence were produced radio broadcasts and a range of printed propaganda material for use in Italy, Southern France, the Balkans and Greece.<sup>159</sup> Following the end of the war in Europe in May 1945 he served with the British occupation forces in Austria, which were headquartered in Vienna. Major Folkes, now the General Staff Officer II, was responsible for the administration and organisation of the Civil Censorship Group which assisted in the hunt for Nazi war criminals by the tapping telephones and intercepting letters.<sup>160</sup> His war ended on 4 October 1945, when he was placed on the Reserve List of officers, and in January 1946 he left the Army for his family, now in Bristol.<sup>161</sup>

Ross briefly reappeared in New Zealand newspapers in October 1943 when this 'incorrigible rogue' faced trial for escaping from Paparua Prison and unlawfully converting a bicycle. Ross claimed that he had escaped to try and get to the bottom of a 'dirty frame up' in Christchurch on petty charges which had resulted in him pleading guilty and being imprisoned for two and a half years with hard labour. One of the individuals involved in the 'affair' had written to Ross from Christchurch, and he had broken out of prison to find the letter writer. His quest proved futile, 'and I was a very disillusioned man at 2.15 the next morning as it was raining.' He claimed to have torn up the letter before giving himself up at the police station. The

Magistrate, Mr Levvey, believed none of it, refusing to swallow Ross' account of his work as Captain Calder. Ross received a further nine months' hard labour, and the recommendation from Levvey that he should take the alias of the fictional fantasist 'Baron Munchausen'.<sup>162</sup>

Following Folkes' departure, the Security Intelligence Branch was not disbanded. The Police were finding it difficult enough to retain and recruit staff while able-bodied men were still being mobilised for active service, meaning that having control of an organisation which was staffed and supported by the Army proved to be a godsend.<sup>163</sup> The Bureau therefore operated under Police control, responsible for port security, and providing an overview of internal and external security issues by means of regular bulletins.<sup>164</sup> A number of officers, including Lieutenant McLean, finally embarked for active service, while others, including Captain Meikle, who retained command of the Auckland office despite his central role in the Ross hoax, remained with the Branch until the end of the war.<sup>165</sup>

The work of the Bureau was henceforth much reduced. Any reporting to the Prime Minister and the War Cabinet was undertaken by Commissioner Denis Cummings while his brother Superintendent Jim Cummings was responsible for liaising with M.I.5.<sup>166</sup> Jim Cummings now passed instructions onto his Bureau with the words 'The Prime Minister has instructed me'. Amongst the work now undertaken by the S.I.B. was an investigation into a reported riot between army personnel and locals in Taupo in 1943 – the police having shown a marked reluctance to interfere with soldiers in uniform – and a joint investigation with the air force, customs and the office of the Censor into allegations that New Zealand and United States military aircraft were being used to ferry uncensored mail, illicit drugs and New Zealand deserters from the Pacific to uncontrolled airfields in New Zealand. A senior security intelligence officer assisted with a discreet check of the national gold reserves which had been distributed to small banks throughout the country for safe keeping. In 1945 the Bureau investigated a possible cases of arson on a military base, and recommended a range of fire prevention measures.<sup>167</sup>

In August 1943 M.I.5 suggested that 'a senior officer from the Australian and New Zealand security services' travel to England to help 'establish closer and more personal relations' with M.I.5. The invitation was evidently extended as an olive branch to the Australasian security services given the 'past unfortunate incidents which have occurred, for example, those connected with the Mawhood Mission to Australia and Folkes in New Zealand': Mawhood had been sent back to England in December 1942 under an even larger cloud than Folkes', due to the provision of advice beyond his remit, which had served to prejudice 'to mean extent the good name and authority of the Security Service'.<sup>168</sup> Cummings finally undertook his tour in March 1944, having added the security agencies of the United States and Canada to his itinerary, but when in London he vetoed the possibility of any further liaison visits by S.I.B. officers.<sup>169</sup>

In 1944 Prime Minister Fraser finally made a response in Parliament to a question regarding the 'secret service', stating that 'the man originally at the head of the Bureau was sent out from Britain' had proved to be 'an obvious misfit [who] later became involved in one of the silliest affairs that he had heard of and one which was worthy of Jules Verne.'<sup>170</sup> For Fraser, the Ross Case was 'one of the most extraordinary incidents of human credulity ever heard of', but thanks to the intercession of Superintendent Cummings 'the whole thing was cleaned up in 24 hours' and London was asked to take Folkes back.<sup>171</sup> An intriguing aspect of Fraser's comments, which had been noted down by a sharp-eared reporter from the *Evening Post*, was that they were not all included in official record of the parliamentary debates, including his description

of Folkes as a 'grave misfit'.<sup>172</sup> Someone within the S.I.B. was sufficiently moved by Fraser's reported assertions that he assisted with an article which appeared in the *New Zealand Observer* the following month. This article noted Folkes as a man of 'intellect and charm' who had 'definite ability as an intelligence officer' and who 'knew his job' and contended that Folkes' unacknowledged success had been an absence of sabotage and subversion: no more losses of ships to German raiders, 'No bridges were blown up, no dams destroyed, no aliens discovered in incriminating circumstances'.<sup>173</sup> This was a somewhat self-defeating argument, since the only threat to dams and bridges which Folkes ever identified were those dreamt up by Sydney Ross.

On 1 November 1944, James Cummings succeeded his brother Denis as the Commissioner of Police, and control of the S.I.B. passed to James Nalder. Nalder had been a member of the team who had exposed the Ross hoax and had, following Folkes' resignation, assumed the role of Deputy Director of Security Intelligence. Henceforth the S.I.B. operated as an appendage to the Police, undertaking specific investigations as directed.<sup>174</sup>

### **Institutional Suspicion - The enduring legacy of the S.I.B.**

On 30 August 1945, with the war in the Pacific drawing to a close, the announcement was made that 'The functions and duties of S.I.B. are to be taken over by the Civil Police immediately, and the Director, S.I.B. will issue executive instructions to his officers.'<sup>175</sup> As the remaining staff began to be demobilised and return to civilian life, Nalder supplied Army Headquarters with a nominal roll of the approximately 112 army personnel who had served with the S.I.B. between January 1941 and October 1945. Folkes' name was not included on the list.<sup>176</sup>

Sydney Ross died on 6 November 1946. An obituary printed in *New Zealand Truth* summed him up as 'a tall, slim crook who tried to bluff his way through life, but never thoroughly succeeded.'<sup>177</sup> Five days later, the *New Zealand Observer* published an interview between 'Corporal' and Folkes in the Livery Club in London. Folkes, no longer 'shackled by military secrecy', set out to refute Prime Minister Fraser's assertion, of the previous year, that he had been an 'obvious misfit'.<sup>178</sup> Folkes' version of events neatly excised his manifold failings with regards to security, intelligence, command and liaison, the very essence of his role as Director. Instead, he was a dutiful officer, unable to defend his reputation at the time, who instead resigned and went on to serve 'in more active theatres of war'; of his service in Italy and Austria, he noted that his 'military superiors did not question his suitability or ability for important posts.' In New Zealand, he claimed, he had achieved much to improve the nation's security despite the 'obdurate attitude of the police'. To his credit, he listed the testing of port and defence security, the work to prevent possible leakages of information by the Government, his 'Don't Talk' campaign and running to ground the ballot fraud in the National Service Department.

Of the Ross hoax, Folkes noted that he now accepted full responsibility for the activities of his Bureau but suggested that Fraser and Semple had set him up with Ross in March 1942, knowing of the latter's criminal record. He stated a hope that 'when the truth comes out', the 'perfidy of a good many persons and the 'ham' methods of a certain blue-uniformed organisation' would finally be revealed. He even claimed to have requested 'permission to inform the chiefs of Staff and the police of the situation' which led to the exposure of Ross, since his subordinates had taken 'a long time to satisfy themselves that Ross (and a few other people) were frauds'. Folkes was described as being in 'semi-retirement', at the advanced age of 41, and by

‘Corporal’s’ account planned to one day ‘write the full story of the ‘Ross Fraud’, which promised to ‘equal any thriller’. It was his conviction that Fraser, and in particular Semple, had yet to be held to account for their gullibility in accepting Ross’ story. In laying the blame for the Ross hoax at Folkes’ feet, Fraser had degraded parliament to the level of ‘the coward’s basher’.

Folkes never published his version of the ‘Ross Fraud’, returning instead to his work with the Midlands carpet-manufacturer where he had been employed before the war, and refining his reputation as a ladies’ man by becoming a serial husband with four marriages in nineteen years.<sup>179</sup> He died in obscurity in 1975, his headstone including the rank of Major and the award of the Distinguished Service Order. Perhaps this was Folkes’ final correction to the opprobrium which attached to his time in New Zealand, for no record can be found of him ever receiving such an award, especially for distinguished service. His enduring legacy, however, was an institutional suspicion in government circles of British military intelligence officers who were clearly not suited to ‘undertake duties of this kind in New Zealand’, matched with the confidence that the Police were best able to undertake security intelligence work.<sup>180</sup> This official opinion would endure until 1956, and the formation of the New Zealand Security Service.

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<sup>2</sup> See, for example, Hugh Price, *The Plot to Subvert Wartime New Zealand: The True Story of Syd Ross and His Imprudent Hoax That Convulsed New Zealand and Put A Shine Into The Darkest Days of WWII, and That The Commissioner of Police Declared "Beyond Comprehension." A Hoax, Moreover, That Was Extended to Challenge The Rule of Law In The Dominion* (Wellington: Victoria University Press, 2006); Graeme Hunt, *Spies and Revolutionaries: A History of New Zealand Subversion* (Auckland: Reed Publishing Limited, 2007), pp.140-144; Nancy M. Taylor, *The New Zealand People at War: The Home Front, Volume II* (Wellington: V.R. Ward, Government Printer, 1986), pp.884-885; Michael Parker, *The SIS: The New Zealand Security Intelligence Service* (Palmerston North: Dunmore Press, 1979), pp.10-13; and F.L.W. Wood, *The New Zealand People at War: Political and External Affairs* (Wellington: War History Branch, Department of Internal Affairs, 1958), pp.161-162.

<sup>3</sup> Winston Churchill, 'Finest Hour' speech to the British House of Commons, 18 June 1940, accessed at <https://www.winstonchurchill.org/resources/speeches/1940-the-finest-hour/their-finest-hour/> 6 February 2018.

<sup>4</sup> I.C. McGibbon, *Blue Water Rationale: The Naval Defence of New Zealand 1914-1942*, (Wellington: P.D. Hasselberg, Government Printer, 1981), pp.346-347.

<sup>5</sup> Examples include Arthur Browning's story of a young German who worked at the Makarewa Freezing Works, and who was found in possession of dynamite, a .303 rifle and rough invasion plans centred on Milford Sound and the young Alan Hubbard's suspicion that the music master at King Edward Technical School in Dunedin 'was really a German spy'. See Clive A. Lind, *The Keys to Prosperity: Centennial History of Southland Frozen Meat Ltd* (Invercargill: Southland Frozen Meat Limited, 1981), p.207; Virginia Green, *Alan Hubbard: A Man Out of Time* (Auckland: Random House New Zealand, 2010), pp.35-36; Taylor, pp.861-863; John Tonkin-Covell, 'The Collectors: Naval, Army and Air Intelligence in the New Zealand Armed Forces During the Second World War' (PhD thesis, University of Waikato, 2000), p.288.

<sup>6</sup> Christopher Andrew, *The Defence of the Realm: The Authorised History of MI5* (London: Allen Lane, 2009), p.223.

<sup>7</sup> National Archives of Australia (NAA), A5954, 427/3, London Cablegram of 22 January 1941.

<sup>8</sup> Ibid; Shirley Lithgow, 'Special Operations: The Organisation of the Special Operations Executive in Australia and their operations against the Japanese during the Second World War' (MA thesis, University College, University of New South Wales/Australian Defence Force Academy, 1992), p.23.

<sup>9</sup> The haste with which Military Mission 104 was raised was emblematic of the rapid expansion of Britain's security intelligence agencies in 1940, with a concomitant effect on the professionalism of such agencies, both established and new. See, for instance, M.R.D. Foot, *Memories of an S.O.E. Historian* (Barnsley: Pen and Sword Military, 2008), pp.177-178.

<sup>10</sup> NAA, B2455, MAWHOOD JOHN CHARLES.

<sup>11</sup> Colonel G.J. Younghusband, *The Story of the Guides* (London: MacMillan and Company Limited, 1908), p.4.

<sup>12</sup> Army Personnel Centre (Glasgow, UK), Support Division, Historical Disclosures, Army Record of 101799 Mawhood, John Charles; NAA, MT1487/1, MAWHOOD J C; Lithgow, p.28.

<sup>13</sup> Nick van der Bijl, *Sharing the Secret: The History of the Intelligence Corps 1940-2010* (Barnsley: Pen and Sword Military, 2013), pp.8-11.

<sup>14</sup> F. Spencer Chapman, *The Jungle is Neutral* (London: Chatto and Windus, 1949), p.7; M. Calvert, *Prisoners of Hope* (London: Jonathan Cape, 1952), p.11; Calvert, *Fighting Mad* (Shrewsbury: Airlife Publishing Limited, 1996), pp.53-55.

<sup>15</sup> Lithgow, p.24; Justin T. McPhee, 'Spinning the Secrets of State: The History and Politics of Intelligence Politicisation in Australia', (PhD thesis, RMIT University, 2015), p.175.

<sup>16</sup> Lithgow, p.25.

<sup>17</sup> NAA, MT1487/1, MAWHOOD J C. Mawhood was measured at 6 feet 1 inch tall in 1914. See also *New Zealand Observer* (NZO), 11 October 1944, p.6.

<sup>18</sup> Archives New Zealand (ANZ), R22042409-AAYT-8491-N2-2-08/1/25, 'Intelligence Centres – Security intelligence organisation New Zealand – August 1940 – March 1948', Naval Secretary, Wellington, to The Secretary, Organisation for National Security, Wellington, Secret Memo 14 August 1940.

<sup>19</sup> Graeme Dunstall, *The History of Policing in New Zealand. Volume Four: A Policeman's Paradise? Policing a Stable Society 1918-1945* (Palmerston North: Dunmore Press, 1999), pp.305-306.

<sup>20</sup> ANZ, R22042409-AAYT-8491-N2-2-08/1/25, 'Intelligence Centres – Security intelligence organisation New Zealand – August 1940 – March 1948', Naval Secretary, Wellington, to The Secretary, Organisation for National Security, Wellington, Secret Memo 14 August 1940; Tonkin-Covell, pp.51-78. Note that the Royal Australian Navy had voiced similar concerns about defence security, and in particular the supervision of 'all disaffected persons' in Australia in order that 'bad types' and 'subversive influences' would not be employed in military roles. See Frank Cain, *The Origins of Political Surveillance in Australia* (Sydney: Angus and Robertson Publishers, 1983), p.267.

<sup>21</sup> Dunstall, p.304.

- <sup>22</sup> ANZ, R22042409-AAYT-8491-N2-2-08/1/25, 'Intelligence Centres - Security intelligence organisation New Zealand - August 1940 - March 1948', Naval Secretary, Wellington, to The Secretary, Organisation for National Security, Wellington, Secret Memo 14 August 1940; Wood, p.161; Taylor, p.865.
- <sup>23</sup> NZDF Personnel Archives and Medals, Trentham Camp, Service Personnel File AD/201/7228 of Folkes, K.B.T., Brigadier K.L. Stewart, Deputy Chief of General Staff, Wellington, Report on Major K. Folkes, Late Director, Security Intelligence Bureau, 19 April 1943.
- <sup>24</sup> ANZ, R18871869-ACIE-8798-EA1-623-87/18/3-1, 'New Zealand Forces – Training – Para Military Training (Mawhood Mission)', Fraser, Wellington, to Menzies, Canberra, telegram 26 November 1940.
- <sup>25</sup> ANZ, R21078487-ADQA-17211-AIR1-949-130/25/1-1, 'Plans: Security Intelligence Bureau: Policy and Organisation', Lieutenant-Colonel J.C. Mawhood, Wellington, to Chiefs of Staff, Wellington, Most Secret memo on Security Intelligence, undated but circa 26 November 1940; Van der Bijl, pp.10-11.
- <sup>26</sup> ANZ, R21078487-ADQA-17211-AIR1-949-130/25/1-1, 'Plans: Security Intelligence Bureau: Policy and Organisation', Organisation for National Security, Chiefs of Staff Committee Paper 60 – Security Intelligence Organisation, 26 November 1940; Foss Shanahan, Secretary, Organisation for National Security, Wellington, C.O.S. 60/note 27 November 1940.
- <sup>27</sup> Originally referred to as the Security Intelligence Organisation, with a bureau in each of the three Military Districts and a central security bureau in Wellington, by 1942 was formally known as the Security Intelligence Bureau. In order to avoid confusion, the term Security Intelligence Bureau (S.I.B.) is used throughout this article to refer to the organisation which operated over 1941-1945. ANZ, R18871869-ACIE-8798-EA1-623-87/18/3-1, 'New Zealand Forces – Training – Para Military Training (Mawhood Mission)', Fraser, Wellington, to Menzies, Canberra, telegram 26 November 1940.
- <sup>28</sup> Van der Bijl, pp.6-7; 26-27; ANZ, R21078487-ADQA-17211-AIR1-949-130/25/1-1, 'Plans: Security Intelligence Bureau: Policy and Organisation', Colonel L.G. Goss, General Staff, Wellington, to Headquarters of Northern, Central and Southern Military Districts, Most Secret Memo re Security Intelligence Organisation, 14 December 1940. A preliminary study of the calibre of the recruits to the organisation indicated that well over half of them (not including the support staff) were 'a talented group' of well-educated individuals. Jim Rolfe draft manuscript, chapter 12 'Security Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, p.34.
- <sup>29</sup> ANZ, R21078487-ADQA-17211-AIR1-949-130/25/1-1, 'Plans: Security Intelligence Bureau: Policy and Organisation', Colonel L.G. Goss, General Staff, Wellington, to Headquarters of Northern, Central and Southern Military Districts, Most Secret Memo re Security Intelligence, 7 February 1941.
- <sup>30</sup> ANZ, R22042409-AAYT-8491-N2-2-08/1/25, 'Intelligence Centres - Security intelligence organisation New Zealand - August 1940 - March 1948', Commodore W.E. Parry, Chief of Naval Staff, Wellington, to Major-General Sir John Duigan, Chief of the General Staff, Wellington, Most Secret Memorandum 23 January 1941.
- <sup>31</sup> *Auckland Star* (AS), 13 January 1941, p.4.
- <sup>32</sup> Jim Rolfe draft manuscript, chapter 12 'Security Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, p.93.
- <sup>33</sup> ANZ, R21078487-ADQA-17211-AIR1-949-130/25/1-1, 'Plans: Security Intelligence Bureau: Policy and Organisation', Colonel L.G. Goss, General Staff, Wellington, to Headquarters of Northern, Central and Southern Military Districts, Most Secret Memo re Security Intelligence, 7 February 1941.
- <sup>34</sup> NZDF Personnel Archives and Medals, Trentham Camp, Service Personnel File AD/201/7228 of Folkes, K.B.T., Brigadier K.L. Stewart, Deputy Chief of General Staff, Wellington, Governor-General, Wellington, to Secretary of State for Dominion Affairs, London, Most Secret Telegram, 28 November 1940.
- <sup>35</sup> Army Personnel Centre (Glasgow, UK), Support Division, Historical Disclosures, Army Record of 7688760 FOLKES, Kenneth Barnard Thomas.
- <sup>36</sup> Price, pp.116-117; Sir Jack Harris, *Memoirs of a Century* (Wellington: Steele Roberts Limited, 2007), pp.63-64.
- <sup>37</sup> Army Personnel Centre (Glasgow, UK), Support Division, Historical Disclosures, Army Record of 7688760 FOLKES, Kenneth Barnard Thomas; Van der Bijl, p.26.
- <sup>38</sup> Intelligence lecture delivered by Major K. Folkes to members of Central Security Bureau staff May 9 1941, in Jim Rolfe draft manuscript, chapter 12 'Security Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, Appendix D, pp.170-179.
- <sup>39</sup> NZDF Personnel Archives and Medals, Trentham Camp, Service Personnel File AD/201/7228 of Folkes, K.B.T., Defender, Wellington, to Troopers, London, Secret telegram, 30 November 1940. Michael Parker, in his 1979 unofficial history of the New Zealand Security Intelligence Service, notes that Folkes had been a hasty recruitment to M.I.5 in 1939 who was off-loaded to New Zealand as a 'dud' in February 1941. Actually, Folkes' previous position had been with the Corps of Military Police and Military Intelligence, and he had been singled-out by Mawhood for the New Zealand appointment. Graeme Hunt's history of New Zealand subversion provides a similarly erroneous account of Folkes' background. Even the official history of policing in New Zealand states that Folkes was 'a junior officer from MI5'. See Parker, pp.11-12; Hunt, pp.140-142; Dunstall, p.306. Michael Foot, the official historian of the Special Operations Executive, recalled that Major-General Sir Stewart Menzies, the wartime head of the Secret Intelligence Service (M.I.6), while officially known as 'C' was also 'widely thought in senior service circles during the war' to have been a 'dud'. See Foot, p.177.
- <sup>40</sup> NZDF Personnel Archives and Medals, Trentham Camp, Service Personnel File AD/201/7228 of Folkes, K.B.T., Army Secretary, Wellington, to Prime Minister, Wellington; memo 1 April 1943.
- <sup>41</sup> Tonkin-Covell, p.296, quoting the recollections of Folkes' secretary Molly Bishop and Captain R.S. Cutfield; Paul Lewis and Jock McLean, *TP: The Life and Times of Sir Terry McLean* (Auckland: HarperCollins Publishers, 2010), pp.77-78. McLean memorably describing Folkes thus: 'He had a quick, alert mind and, if I may be forgiven the vulgarism, a quick, alert cock.' See also Harris, p.63. Michael Parker erroneously claims that Folkes had been a 'land agent' prior to the Second World War who had joined M.I.5 in 1939. See Parker, p.11.
- <sup>42</sup> NAA, A373, 9374, Major Kenneth Folkes, Wellington, to Lieutenant-Colonel E. Longfield Lloyd, Canberra, Secret and Personal letter, 10 April 1941.



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<sup>43</sup> Price, p.40.

<sup>44</sup> NAA, A373, 9374, Major Kenneth Folkes, Wellington, to Lieutenant Colonel E. Longfield Lloyd, Canberra, Secret and Personal letter, 10 April 1941.

<sup>45</sup> NZDF Personnel Archives and Medals, Trentham Camp, Service Personnel File AD/201/7228 of Folkes, K.B.T., Brigadier K.L. Stewart, Deputy Chief of General Staff, Wellington, Report on Major K. Folkes, Late Director, Security Intelligence Bureau, 19 April 1943; Wood, p.161.

<sup>46</sup> NZDF Personnel Archives and Medals, Trentham Camp, Service Personnel File AD/201/7228 of Folkes, K.B.T., Brigadier K.L. Stewart, Deputy Chief of General Staff, Wellington, Report on Major K. Folkes, Late Director, Security Intelligence Bureau, 19 April 1943.

<sup>47</sup> Copy within Alexander Turnbull Library (ATL), MS Papers 6218-05, 'Security Intelligence Service – Major Folkes and the Calder Affair, Herbert Otto Roth Papers'; Price, pp.50-56; Tonkin-Covell, pp.300-301, 336-337 and Appendix Eleven. Note that Price identifies this as the 5 June 1941 edition of *Peoples' Voice*, while Tonkin-Covell dated it to August 1941. The copy in the Roth papers is undated.

<sup>48</sup> Details of T.H. Braun's engagement to Miss Joan Murphy, one of Taranaki's well-known Murphy twins, were published in late October 1941. See, for example, *Otago Daily Times* (ODT), 30 October 1941, p.5. Details of the work of the Superior Oil Company in New Zealand were also published in local newspapers. See, for examples, AS, 4 June 1941, p.4; 24 June 1941, p.3. On work on testing security arrangements and covert surveillance see Jim Rolfe draft manuscript, chapter 12 'Security Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, pp.69-70, 74.

<sup>49</sup> NAA, A373, 9374, Major Kenneth Folkes, Wellington, to Lieutenant-Colonel E. Longfield Lloyd, Canberra, Secret and Personal letter, 10 April 1941.

<sup>50</sup> Jack Fox of Dunedin recalled that he was visited by two members of the Security Intelligence Branch 'between January and March 1941'. Given that the S.I.B. was not established until February 1941, that Folkes did not arrive in New Zealand until March, and that Sergeant W.J. Noble was not appointed to the S.I.B. role in Dunedin until 25 March 1941, it seems reasonable to assign the establishment of the Radio Monitoring Service to March 1941. Fox received his full list of foreign radio stations to monitor in April 1941. Desmond Ball, Cliff Lord and Meredith Thatcher, *Invaluable Service: The Secret History of New Zealand's Signals Intelligence During Two World Wars* (Waimauku: Resource Books, 2011), pp.295-297; ANZ, R22438739-AAYS-8638-AD1-1333-319/1/92, 'Staff – Security Intelligence Branch – Appointments and Promotions', P.J. Nalder, Deputy Director of Security Intelligence, Wellington, to Lieutenant A.S. Blackie, Wellington, memo and attached list of Security Intelligence Bureau staff, 18 October 1945.

<sup>51</sup> Nigel West, *GCHQ: The Secret Wireless War 1900-86* (London: George Weidenfeld and Nicholson Limited, 1986), p.120; Max Hastings, *The Secret War: Spies, Codes and Guerrillas 1939-45* (London: William Collins, 2015), pp.58-59.

<sup>52</sup> Ball, Lord and Thatcher, p.298.

<sup>53</sup> Ball, Lord and Thatcher, pp.296-299.

<sup>54</sup> For example, in mid-1940 M.I.5 sought to acquire powers of arrest by means of employing Scotland Yard detectives. A compromise was reached whereby a small police unit was established within the Security Service. Regional M.I.5 Security Liaison Officers were now operating across England, thereby ensuring the primacy of the Police forces in investigating reports and enquiries from the general public and in arresting, searching and interrogating suspects. For details see F.H. Hinsley and C.A.G. Simkins, *British Intelligence in the Second World War, Volume 4: Security and Intelligence*, (London: Her Majesty's Stationery Office, 1990), pp.65-70; Rupert Allason, *The Branch: A History of the Metropolitan Police Special Branch 1883-1983* (London: Martin Secker and Warburg Limited, 1983), p.115; Hinsley and Simkins, pp.68-79.

<sup>55</sup> Direct access to the Prime Minister and Cabinet Ministers was already enjoyed by the Secretary of the Organisation for National Security, the principal difference between the ONS and the new Security Intelligence Organisation being that the Chiefs of Staff were fully represented on the ONS, but would only hear of the work of the Security Intelligence Bureau at the discretion of Major Folkes. See, for instance, Tonkin-Covell, pp.22-23.

<sup>56</sup> NAA, A373, 9374, Major Kenneth Folkes, Wellington, to Lieutenant-Colonel E. Longfield Lloyd, Canberra, Secret and Personal letter, 10 April 1941.

<sup>57</sup> David Horner, *The Spy Catchers: The Official History of ASIO 1949-1963, Volume 1* (Crow's Nest: Allen and Unwin, 2014), pp.20-21.

<sup>58</sup> NAA, A373, 9374, Lieutenant-Colonel E.L. Lloyd, Canberra, to Major K. Folkes, Wellington, Secret Letter, 28 April 1941. See also the *Press*, 22 October 1941, p.6, which carried a *Sydney Morning Herald* article on how Australian Military Intelligence provided insurance against the 'Spy Menace'.

<sup>59</sup> Horner, p.21.

<sup>60</sup> NAA, A373, 9374, Major Kenneth Folkes, Wellington, to Lieutenant-Colonel E. Longfield Lloyd, Canberra, Secret and Personal letter, 10 April 1941.

<sup>61</sup> Tonkin-Covell, pp.296-297.

<sup>62</sup> Taylor, p.867; Dunstall, pp.314-318.

<sup>63</sup> Taylor, p.884.

<sup>64</sup> Tonkin-Covell, p.297; Jim Rolfe draft manuscript, chapter 12 'Security Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, pp.69-70. A Vital Points Committee had been in existence since August 1938, Dunstall, pp.321, 323-325.

<sup>65</sup> Harris, pp.64-65.

<sup>66</sup> *Press*, 28 April 1941, p.6. Problems with the security of shipping information, particularly with relation to the movements of troopships, had been of concern to both the Chief of Naval Staff and the Commissioner of Police since at least December 1940. See Tonkin-Covell, pp.297-298. Folkes delivered a similar speech on security on 10 May 1942 at Trentham Military Camp to New Zealand reinforcements about to embark for overseas service. See Tonkin-Covell, p.311. See also Jim Rolfe draft manuscript, chapter 12 'Security Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, p.76.

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- <sup>67</sup> *Evening Post* (EP), 13 June 1941, p.8.
- <sup>68</sup> EP, 14 June 1941, p.10.
- <sup>69</sup> Ibid; ODT, 16 June 1941, p.4.
- <sup>70</sup> EP, 14 June 1941, p.10; AS, 16 June 1941, p.2.
- <sup>71</sup> ANZ, R22438739-AAYS-8638-AD1-1333-319/1/92, 'Staff – Security Intelligence Branch – Appointments and Promotions', Liaison, London to Defender, Wellington, Secret Telegrams 21 March 1941, 17 May 1941 and 27 May 1941.
- <sup>72</sup> Ibid, Colonel L.G. Goss, General Staff, Wellington, to The Hon. Minister of Defence, Secret Memorandum, 14 June 1941.
- <sup>73</sup> Tonkin-Covell, p.298. See also ANZ, R22042409-AAYT-8491-N2-2-08/1/25, 'Intelligence Centres - Security intelligence organisation New Zealand - August 1940 - March 1948', N.T.P. Cooper, Naval Secretary, Wellington, to Naval Officers-in-Charge Auckland, Wellington, Lyttelton and Dunedin and Commanding Officers H.M. Ships *Achilles*, *Leander* and *Monowai*, Most Secret and Personal Memorandum 15 June 1941.
- <sup>74</sup> Lewis and McLean, pp.17, 21, 74; Maureen Birchfield, *Looking for Answers: A Life of Elsie Locke* (Christchurch: University of Canterbury Press, 2009), pp.177, 186, 219-220. Sir Terry McLean served as a security officer with the S.I.B. between April 1941 and June 1943.
- <sup>75</sup> Birchfield, pp.214-216; 220.
- <sup>76</sup> Ibid, p.218.
- <sup>77</sup> Ibid, pp.101-102, 221-222. Folkes' nonchalant attitude to communists for once reflected a wider tolerance of domestic communist parties which was observed amongst western intelligence agencies, particularly after 22 June 1941 and the German invasion of the Soviet Union, at which point the Soviet Union, and thereby syndicated communist parties around the world, joined the Allied war effort. The extent of the penetration of, for instance, the US, British and Australian Governments by communist party members on behalf of Soviet intelligence agencies was not discovered until after the war. See, for instance, Tonkin-Covell, pp.351-353.
- <sup>78</sup> Tonkin-Covell, pp.66-76.
- <sup>79</sup> ANZ, R21078487-ADQA-17211-AIR1-949-130/25/1-1, 'Plans: Security Intelligence Bureau: Policy and Organisation', Schedule 1 of the minutes of the 56<sup>th</sup> meeting of the Chiefs of Staff Committee held on Monday, 15<sup>th</sup> September, 1941; Organisation of National Security Chiefs of Staff Committee Paper 99 'Security Intelligence Organisation' 16 September 1941.
- <sup>80</sup> Jim Rolfe draft manuscript, chapter 12 'Security Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, p.68.
- <sup>81</sup> ANZ, R21078487-ADQA-17211-AIR1-949-130/25/1-1, 'Plans: Security Intelligence Bureau: Policy and Organisation', War Cabinet, Wellington, to the Organisation for National Security, Wellington, memo 30 September 1941.
- <sup>82</sup> ANZ, R22438739-AAYS-8638-AD1-1333-319/1/92, 'Staff – Security Intelligence Branch – Appointments and Promotions', Major K. Folkes, General Staff, Director, Security Intelligence, Wellington, to G.S.O. 1 Operations and Intelligence, Wellington, Secret Memo, 11 December 1941; ANZ, R21078487-ADQA-17211-AIR1-949-130/25/1-1, 'Plans: Security Intelligence Bureau: Policy and Organisation', Chiefs of Staff Committee, Organisation for National Security, Wellington, Secret Paper No.119, Security Intelligence Bureau – Increase in Establishment, 30 January 1941 [sic – 1942]; Tonkin-Covell, pp.301-304, 314-315.
- <sup>83</sup> O.A. Gillespie, *The Pacific* (Wellington: War History Branch, Department of Internal Affairs, 1952), pp.204-207.
- <sup>84</sup> Tonkin-Covell, pp.301-304.
- <sup>85</sup> ANZ, R21078487-ADQA-17211-AIR1-949-130/25/1-1, 'Plans: Security Intelligence Bureau: Policy and Organisation', Chiefs of Staff Committee, Organisation for National Security, Wellington, Secret Paper No.2 January 1941 [sic – 1942];
- <sup>86</sup> Ibid; Schedule No.III of the Minutes of the 69<sup>th</sup> Meeting of the Chiefs of Staff Committee Held on Wednesday 7 January 1942; Tonkin-Covell, p.307.
- <sup>87</sup> Ibid, Major Kenneth Folkes, Major, General Staff, Director Security Intelligence, Wellington to Foss Shanahan, Secretary, Organisation for National Security, Wellington, Secret Memorandum, 14 January 1942.
- <sup>88</sup> Jim Rolfe draft manuscript, chapter 12 'Security Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, p.80.
- <sup>89</sup> ANZ, R21078487-ADQA-17211-AIR1-949-130/25/1-1, 'Plans: Security Intelligence Bureau: Policy and Organisation', Major Kenneth Folkes, Major, General Staff, Director Security Intelligence, Wellington to Foss Shanahan, Secretary, Organisation for National Security, Wellington, Secret Memorandum, 14 January 1942.
- <sup>90</sup> Ibid. See also NZO, 13 November 1946, reprinted in Price, pp.145-157. See also Jim Rolfe draft manuscript, chapter 12 'Security Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, pp.72-73.
- <sup>91</sup> ANZ, R21078487-ADQA-17211-AIR1-949-130/25/1-1, 'Plans: Security Intelligence Bureau: Policy and Organisation', Chiefs of Staff Committee, Organisation for National Security, Paper 119 - Security Intelligence Bureau – Increase in Establishment, 24 January 1942.
- <sup>92</sup> Foss Shanahan, Secretary, Organisation for National Security, to the Chiefs of Staff, Commissioner of Police, Comptroller of Customs, Under Secretaries of Internal Affairs and Justice, Security Intelligence Bureau, Memorandum 'Port Security Control' 26 February 1942 and attached War Cabinet Minute 2 February 1942, reprinted in Jim Rolfe draft manuscript, chapter 12 'Security Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, pp.76-80. For a case of suspected sabotage on United States vessels, see p.75.
- <sup>93</sup> Dunstall, pp.307, 322-323.
- <sup>94</sup> ANZ, R21078487-ADQA-17211-AIR1-949-130/25/1-1, 'Plans: Security Intelligence Bureau: Policy and Organisation', Major Kenneth Folkes, Major, General Staff, Director Security Intelligence, Wellington to Foss Shanahan, Secretary, Organisation for National Security, Wellington, Secret Memorandum, 14 January 1942.
- <sup>95</sup> Tonkin-Covell, pp.309-311; ANZ, R22438739-AAYS-8638-AD1-1333-319/1/92, 'Staff – Security Intelligence Branch – Appointments and Promotions', Major Kenneth Folkes, General Staff, Director, Security Intelligence to Colonel General Staff, Army Headquarters, Wellington, memorandum 15 April 1942. See also Jim Rolfe draft manuscript, chapter 12 'Security Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, pp.72-73.

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Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, pp.70-72 and Appendix E, Duties of Field Security Personnel, Lecture by Major Folkes, Trentham, 31.3.42, pp.180-196.

<sup>96</sup> Tonkin-Covell, pp.308-309, 311-312.

<sup>97</sup> Lewis and McLean, p.78. The suspect was identified elsewhere by McLean as Arthur Francis Humphries Sutherland, a company director. See page 2 of McLean's observations about the Security Intelligence Bureau in ATL, MS-Papers-11459-058, 'Security Intelligence Bureau – Newspaper Cuttings'.

<sup>98</sup> EP, 10 February 1942, p.6; 11 February 1942, p.6.

<sup>99</sup> Ibid.

<sup>100</sup> EP, 13 March 1942, p.8.

<sup>101</sup> Ibid.

<sup>102</sup> ANZ, R21078487-ADQA-17211-AIR1-949-130/25/1-1, 'Plans: Security Intelligence Bureau: Policy and Organisation', H.G.R. Mason, Attorney-General, Wellington, to the War Cabinet, Wellington, Secret Memorandum 18 September 1942.

<sup>103</sup> Redmer Ysker, 'Ain't got no body: NZ's history-making murder case', *New Zealand Listener*, 11 December 2014, available at <https://www.noted.co.nz/archive/listener-nz-2014/aint-got-no-body-nzs-history-making-murder-case/>, accessed 24 July 2018.

<sup>104</sup> Specifically, claims of a German-sponsored plot involving sabotage, subversion, political assassination and invasion, echoed the plot of the 1940 Hollywood potboiler *British Intelligence*, while claims that a group of New Zealand sympathizers were prepared to assist in a German invasion mirrored a treasonable pro-Japanese conspiracy in Australia which was just making headlines in New Zealand. Price, pp.24-25. Note that Denis Cummings, the Commissioner of Police, thought that the Ross case 'read like a Dennis Wheatley novel', Price, p.91; AS, 30 March 1942, p.4; Paul Hasluck, *The Government and the People, 1942-1945* (Canberra: Australian War Memorial, 1970), Appendix 5 'The Australia First Movement'; Rachel Barrowman, *Mason: The Life of R.A.K. Mason* (Wellington: Victoria University Press, 2003), p.283.

<sup>105</sup> Price, pp.24-26, 81. Note that Ross referred to the Security Intelligence Bureau as the Gestapo. See also Tonkin-Covell, pp.316-317; Dunstall, pp.307-308.

<sup>106</sup> Price, pp.30-31; ANZ, R21078487-ADQA-17211-AIR1-949-130/25/1-1, 'Plans: Security Intelligence Bureau: Policy and Organisation', H.G.R. Mason, Attorney-General, Wellington, to the War Cabinet, Wellington, Secret Memorandum 18 September 1942.

<sup>107</sup> Peter Cooke, *Defending New Zealand: Ramparts on the Sea 1840-1950s, Part 2* (Wellington: Defence of New Zealand Study Group, 2000), pp.560, 650-651, 653-654.

<sup>108</sup> ATL, MS-Papers-11459-057, 'Security Intelligence Bureau – Instructions and working papers', Charles Remmers, Ngongotaha, to Mr Watt, Probation Officer, Wellington, letter 25 July 1942; Barrowman, p.283; Birchfield, p.219; Tonkin-Covell, pp.327-328.

<sup>109</sup> Major Kenneth Folkes, General Staff, Director, Security Intelligence, Wellington, to Prime Minister Fraser, Wellington, letter 10 June 1942, reproduced in Price, pp.34-36. Price identified the radio technician as Walter Gilbert Crackles Ashbridge, based at the Musik Point station in Auckland. Price, p.61. See also Tonkin-Covell, pp.328-239.

<sup>110</sup> ANZ, R21078487-ADQA-17211-AIR1-949-130/25/1-1, 'Plans: Security Intelligence Bureau: Policy and Organisation', H.G.R. Mason, Attorney-General, Wellington, to the War Cabinet, Wellington, Secret Memorandum 18 September 1942.

<sup>111</sup> Major Kenneth Folkes, General Staff, Director, Security Intelligence, Wellington, to Prime Minister Fraser, Wellington, letter 10 June 1942, reproduced in Price, pp.34-36. The Bundesnachrichtendienst, the German Federal Intelligence Service, recognised the danger of a case officer becoming so captured by the 'labyrinth of lines' created by defectors willing to lie to enhance their value as an intelligence source to the extent that the officer would 'fall in love' with the informant. Bob Drogin, *Curveball: Spies, Lies, And The Man Behind Them: The Real Reason America Went to War with Iraq* (London: Ebury Press, 2007), p.24.

<sup>112</sup> Drogin, pp.24-25; 51, 67.

<sup>113</sup> Wood, p.161.

<sup>114</sup> *New Zealand Herald* (NZH), 4 June 1942, p.3. This reprinted a 3 June 1942 report from Perth.

<sup>115</sup> Price, quotes a letter written by Ross on 2 August 1942 and expands upon Ross' observations to conclude that 'Major Folkes and some of his men were organising an act of subversion, by which he and a few of his army intelligence officers were busy manufacturing a threat, while Folkes pressed the Prime Minister for powers to deal with it' a military conspiracy to acquire 'some very significant powers from the elected government ... and vest them in a small junta.' If this were indeed a military conspiracy, built upon Ross' tall tales, then it was enfeebled from the start by Folkes himself, already at odds with the military and police establishments, and now rapidly losing credibility with his political masters. Price, pp.36-37, 80, 92.

<sup>116</sup> See, for instance, Jim Rolfe draft manuscript, chapter 12 'Security Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, p.81, and Appendix E, Duties of Field Security Personnel, Lecture by Major Folkes, Trentham, 31.3.42, pp.180-196, particularly 'Legal Relationship of F.S.P. and Civilian Population', pp.194-195. See also Wood, pp.161-162.

<sup>117</sup> Dunstall, p.311.

<sup>118</sup> NZDF Personnel Archives and Medals, Trentham Camp, Service Personnel File AD/201/7228 of Folkes, K.B.T., Brigadier K.L. Stewart, Deputy Chief of General Staff, Wellington, Minute Sheet 27 March 1942. Brigadier A.E. Conway, the Adjutant-General, reminded Stewart that the decision had been made to appoint a Territorial Officer as Commandant, and Cutfield was recommended as the most suitable officer. See also Tonkin-Covell, pp.312-313.

<sup>119</sup> ANZ, R22438739-AAYS-8638-AD1-1333-319/1/92, 'Staff – Security Intelligence Branch – Appointments and Promotions', Brigadier L.G. Goss, Assistant Chief of the General Staff, Wellington, to the Minister of Defence, Wellington, Secret Memorandum, 10 July 1942.

<sup>120</sup> Tonkin-Covell, pp.314-315; Dunstall, p.307.

<sup>121</sup> Price, pp.75-76.

<sup>122</sup> Ibid, pp.67-76. There was clearly no cooperation between the S.I.B and the Police at this juncture. See for instance Jim Rolfe draft manuscript, chapter 12 'Security Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, p.56 and the recollections of a senior S.I.B. officer that 'there was almost a constant war going on' between the two organisations.

<sup>123</sup> ANZ, R21124632-ACGR-8477-PUTTICK5-3/23, 'Memorandum a Security Intelligence Bureau concerning incapacities - Copy of General Puttick - 21 December 1942', Chiefs of Staff Committee, Organisation for National Security, Wellington, to Prime Minister Fraser, Wellington, draft paper on the Security Intelligence Bureau, 21 December 1942.

<sup>124</sup> Tonkin-Covell, pp.323-324; Dunstall, pp.307-308; D.J. Cummings, Commissioner of Police, Wellington, to Prime Minister Fraser, Wellington, Memorandum 9 August 1942, reprinted in Price, p.131.

<sup>125</sup> Tonkin-Covell, p.324; Dunstall, p.308.

<sup>126</sup> Price, pp.81, 84-90, 128-129.

<sup>127</sup> ATL, MS-Papers-11459-057, 'Security Intelligence Bureau – Instructions and working papers'. For further analysis, see Yska, *Truth: The Rise and Fall of the People's Paper* (Nelson: Craig Potton Publishing, 2010), pp.99-100.

<sup>128</sup> Price, pp.97-99.

<sup>129</sup> Cummings, Wellington, to Fraser, Wellington, Memorandum 9 August 1942, reprinted in Price, pp.126-131.

<sup>130</sup> ANZ, R21078487-ADQA-17211-AIR1-949-130/25/1-1, 'Plans: Security Intelligence Bureau: Policy and Organisation', H.G.R. Mason, Attorney-General, Wellington, to the War Cabinet, Wellington, Secret Memorandum 18 September 1942; Dunstall, p.308.

<sup>131</sup> Price, pp.132-140. Sir Terry McLean recalled Meikle as the 'top man' who had won the Military Cross in the First World War and who was 'Very able, a fine soldier'. ATL, MS-Papers-11459-057, 'Security Intelligence Bureau – Instructions and working papers', Sir Terry McLean, Auckland to Group Captain Colin Hanson, Wellington, letter 16 May 1989. The 5 June 1941 edition of *People's Voice* which profiled Folkes and his organisation described Meikle as 'an ex-serviceman [who] will not stoop as low as Folkes and his stay-at-homes.' ATL, MS Papers 6218-05, 'Security Intelligence Service – Major Folkes and the Calder Affair, Herbert Otto Roth Papers', 'This Fair Country Now Has Its Himmler and Its SS Men'.

<sup>132</sup> ANZ, R21078487-ADQA-17211-AIR1-949-130/25/1-1, 'Plans: Security Intelligence Bureau: Policy and Organisation', H.G.R. Mason, Attorney-General, Wellington, to the War Cabinet, Wellington, Secret Memorandum 18 September 1942.

<sup>133</sup> ATL, MS-Papers-11459-058, 'Security Intelligence Bureau – Newspaper Cuttings', Major Kenneth Folkes, Wellington, to Lieutenant T.P. McLean, Central District, Security Intelligence Bureau, Wellington, letter 23 October 1942.

<sup>134</sup> ANZ, R22438739-AAYS-8638-AD1-1333-319/1/92, 'Staff – Security Intelligence Branch – Appointments and Promotions', Major Kenneth Folkes, General Staff, Director of Security Intelligence, Wellington, to Deputy Chief of General Staff, Wellington, memorandum 29 September 1942, and appended note dated 3 October 1942 [author unknown] which stated that Folkes' request was held over at the direction of the Minister of Defence until the future of the S.I.B. had been determined.

<sup>135</sup> ATL, MS-Papers-11459-058, 'Security Intelligence Bureau – Newspaper Cuttings', Major Kenneth Folkes, Wellington, to Lieutenant T.P. McLean, Central District, Security Intelligence Bureau, Wellington, letter 23 October 1942.

<sup>136</sup> NZH, 28 October 1942, copy in ATL, MS-Papers-11459-058, 'Security Intelligence Bureau – Newspaper Cuttings'.

<sup>137</sup> *Star*, 20 October 1942; NZH, 22 October 1942; NZO, 28 October 1942. Copies in ATL, MS-Papers-11459-058, 'Security Intelligence Bureau – Newspaper Cuttings'.

<sup>138</sup> Jim Rolfe draft manuscript, chapter 12 'Security Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, pp.82-83.

<sup>139</sup> Price, pp.80-81.

<sup>140</sup> ANZ, R22849371-AEFZ-22614-W5727-121-130/0056-0062, 'Security Intelligence Bureau', Major K.W. Bourne, Chief Security Officer, British Security Co-ordination, Washington D.C. to T.R. Aickin, New Zealand Legation, Washington, letter 19 October 1942.

<sup>141</sup> ANZ, R22042409-AAYT-8491-N2-2-08/1/25, 'Intelligence Centres - Security intelligence organisation New Zealand - August 1940 - March 1948', Lieutenant-Commander H.S. Barker, Intelligence Officer, Naval Intelligence, Secret Navy Office Minute 19 November 1942.

<sup>142</sup> Ibid, Lieutenant-Commander F.M. Beasley, Director of Naval Intelligence, Wellington, Secret Navy Office Minute 19 November 1942. See also Tonkin-Covell, pp.330-333, and Jim Rolfe draft manuscript, chapter 12 'Security Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, p.54.

<sup>143</sup> ANZ, R21124632-ACGR-8477-PUTTICK5-3/23, 'Memorandum a Security Intelligence Bureau concerning incapacities - Copy of General Puttick - 21 December 1942', Chiefs of Staff Committee, Organisation for National Security, Wellington, to Prime Minister Fraser, Wellington, draft paper on the Security Intelligence Bureau, 21 December 1942; ANZ, R22042409-AAYT-8491-N2-2-08/1/25, 'Intelligence Centres - Security intelligence organisation New Zealand - August 1940 - March 1948', Chiefs of Staff Committee, Organisation for National Security, Secret Paper 156 Security Intelligence Bureau, 22 December 1942; Tonkin-Covell, pp.332-333.

<sup>144</sup> H.G.R. Mason, Attorney-General, Wellington, to Prime Minister Fraser, Wellington, Urgent Memo, 6 February 1943, reprinted in Price, pp.139-140. On the finances of the S.I.B., see Jim Rolfe draft manuscript, chapter 12 'Security Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, p.88.

<sup>145</sup> Major Kenneth Folkes, Director Security Intelligence, Wellington, to Prime Minister Fraser, Wellington, letter 17 February 1943, reprinted in Price, pp.113-114.

<sup>146</sup> *Dominion*, 2 February 1943, p.5.

<sup>147</sup> Prime Minister Fraser, Wellington, to Major K. Folkes, Wellington, letter 19 February 1943, reprinted in Price, p.115.

<sup>148</sup> NZDF Personnel Archives and Medals, Trentham Camp, Service Personnel File AD/201/7228 of Folkes, K.B.T., Superintendent J. Cummings, Director, Security Intelligence, Wellington, to Lieutenant-General E. Puttick, Chief of the General Staff, Wellington, Memorandum 23 February 1943; Wood, p.162.

<sup>149</sup> ANZ, R21078487-ADQA-17211-AIR1-949-130/25/1-1, 'Plans: Security Intelligence Bureau: Policy and Organisation', notes of a meeting of representatives of the Intelligence and Security Branches of the Service Departments and the Police Department, Wellington, 26 February 1943.

<sup>150</sup> ANZ, R22438739-AAYS-8638-AD1-1333-319/1/92, 'Staff – Security Intelligence Branch – Appointments and Promotions', Army Headquarters, Wellington, to All Districts and Div[isions], Secret and Immediate Telegram, 20 February 1943.

<sup>151</sup> NZDF Personnel Archives and Medals, Trentham Camp, Service Personnel File AD/201/7228 of Folkes, K.B.T., B.C. Ashwin, Secretary to the Treasury, Wellington, to F.B. Dwyer, Army Secretary, Wellington, Memorandum 12 March 1943.

<sup>152</sup> Ibid, Major K.B.T. Folkes, General Staff, Hot Springs Hotel, Morere, to The Accountant, Army Headquarters, Wellington, letter 25 March 1943.

<sup>153</sup> Ibid, F.B. Dwyer, Army Secretary, Wellington, Minute, Note for File, 5 April 1943. There was also a suggestion that Folkes had been paid £7,000 due to the 'early termination of his contract', but he was in fact a serving army officer on loan to New Zealand from the War Office who returned to the Intelligence Corps upon his return to England. Jim Rolfe draft manuscript, chapter 12 'Security Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, p.59.

<sup>154</sup> NZDF Personnel Archives and Medals, Trentham Camp, Service Personnel File AD/201/7228 of Folkes, K.B.T., J. Cummings, Director Security Intelligence, Wellington, to F.B. Dwyer, Army Secretary, Wellington, Memorandum 3 May 1943.

<sup>155</sup> Ibid, B.C. Ashwin, Secretary to the Treasury, Wellington, to F.B. Dwyer, Army Secretary, Wellington, Memorandum 3 November 1943; F.B. Dwyer, Army Secretary, Wellington, Minute 10 December 1943; Lieutenant-Colonel O.D. Sutcliffe for the Quartermaster-General, Wellington, to Mrs K.B.T. Folkes, Colyton, Feilding, letter 8 February 1944. Kenneth and Emily Folkes divorced in August 1946.

<sup>156</sup> Ibid, New Zealand Liaison Officer, New Zealand High Commission, London, to Army Headquarters, Wellington, Telegram 1 April 1943.

<sup>157</sup> Ibid, Brigadier K.L. Stewart, Deputy Chief of General Staff, Wellington, Report on Major K. Folkes, late Director, Security Intelligence Bureau, 19 April 1943.

<sup>158</sup> Army Personnel Centre (Glasgow, UK), Support Division, Historical Disclosures, Army Record of 7688760 FOLKES, Kenneth Barnard Thomas

<sup>159</sup> A REVIEW OF THE ACTIVITIES OF THE POLITICAL WARFARE EXECUTIVE SUB-MISSION (BARI) – *now known as THE PSYCHOLOGICAL WARFARE BRANCH*, BARI *From its formation in January, 1944 up to mid-October, 1944*, available at <https://www.psywar.org/content/pwbbari>, accessed 15 July 2018. Apparently a 'senior SIB officer' who had volunteered for active service – presumably Lieutenant T.P. McLean – met Folkes in Italy in 1944. Jim Rolfe draft manuscript, chapter 12 'Security Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, p.53.

<sup>160</sup> Van de Bijl, pp.179-183;

[https://www.cia.gov/library/readingroom/docs/CIA%20AND%20NAZI%20WAR%20CRIM.%20AND%20COL.%20CHA P.%2011-21%20C%20DRAFT%20WORKING%20PAPER\\_0001.pdf](https://www.cia.gov/library/readingroom/docs/CIA%20AND%20NAZI%20WAR%20CRIM.%20AND%20COL.%20CHA P.%2011-21%20C%20DRAFT%20WORKING%20PAPER_0001.pdf), accessed 15 July 2018.

<sup>161</sup> Army Personnel Centre (Glasgow, UK), Support Division, Historical Disclosures, Army Record of 7688760 FOLKES, Kenneth Barnard Thomas. See also NZO, 13 November 1946, reprinted in Price, pp.145-157.

<sup>162</sup> *Dominion*, 8 October 1943, p.4.

<sup>163</sup> Dunstall, pp.337-339.

<sup>164</sup> Jim Rolfe draft manuscript, chapter 12 'Security Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, p.84; Dunstall, p.309.

<sup>165</sup> ANZ, R22042409-AAAYT-8491-N2-2-08/1/25, 'Intelligence Centres - Security intelligence organisation New Zealand - August 1940 - March 1948', J. Cummings, Director, Security Intelligence, Wellington, to Lieutenant-Commander H.S. Barker, Director of Naval Intelligence, Wellington, Memorandum 11 May 1943; Jim Rolfe draft manuscript, chapter 12 'Security Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, pp.89-91.

<sup>166</sup> Tonkin-Covell, pp.338-339, 346-347.

<sup>167</sup> Jim Rolfe draft manuscript, chapter 12 'Security Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, pp.65, 69, 73-76; Dunstall, pp.309, 331-332.

<sup>168</sup> Horner, pp.21, 28, 59; ANZ, R18869690-ACIE-8798-EA1-215-59/2/16-1, 'Visits - Superintendent J Cummings, Director of Security Intelligence Bureau to UK and US', Secretary of State for Dominion Affairs, London, to High Commissioner for the United Kingdom, Wellington, Secret Telegram 4 August 1943.

<sup>169</sup> ANZ, R18869690-ACIE-8798-EA1-215-59/2/16-1, 'Visits - Superintendent J Cummings, Director of Security Intelligence Bureau to UK and US', Prime Minister Fraser, Wellington, to the War Cabinet, Wellington, Authority for Superintendent J. Cummings, approved 21 March 1944; Jim Rolfe draft manuscript, chapter 12 'Security Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, p.82.

<sup>170</sup> EP, 16 September 1944, p.5.

<sup>171</sup> Ibid.

<sup>172</sup> Price, pp.117-118; Jim Rolfe draft manuscript, chapter 12 'Security Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, pp.140-142.

<sup>173</sup> NZO, 11 October 1944, p.6.

<sup>174</sup> Dunstall, p.309. See also Jim Rolfe draft manuscript, chapter 12 'Security Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, pp.75-76.

<sup>175</sup> ANZ, R22438739-AAYS-8638-AD1-1333-319/1/92, 'Staff – Security Intelligence Branch – Appointments and Promotions', Brigadier A.E. Conway, Adjutant-General, Wellington, Memorandum for All Districts, 30 August 1945. See also Jim Rolfe draft manuscript, chapter 12 'Security Intelligence 1915-1945', Security Papers Collection, Victoria University of Wellington, pp.91-93.

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<sup>176</sup> ANZ, R22438739-AAYS-8638-AD1-1333-319/1/92, 'Staff – Security Intelligence Branch – Appointments and Promotions', P.J. Nalder, Deputy Director Security Intelligence, Wellington, to Lieutenant A.S. Blaikie, Army Headquarters, Wellington, Memorandum 18 October 1945, and attached list of Security Intelligence Bureau staff.

<sup>177</sup> *New Zealand Truth*, 8 November 1946, reprinted in Price, pp.158-160.

<sup>178</sup> NZO, 13 November 1946, reprinted in Price, pp.145-157.

<sup>179</sup> Price, pp.116-117.

<sup>180</sup> ANZ, R22042409-AAYT-8491-N2-2-08/1/25, 'Intelligence Centres - Security intelligence organisation New Zealand - August 1940 - March 1948', Foss Shanahan, Secretary, Chiefs of Staff Committee, Wellington, to Chiefs of Staff, Wellington, Top Secret Memorandum, 3 March 1948 and attached Top Secret Minute of Discussions 'Security Intelligence', 2 March 1948.