Canada and the Makings of a Foreign Intelligence Capability, 1939-1951

by

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A thesis submitted to
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the requirements for the degree of
Doctor of Philosophy

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Abstract

The need for a foreign intelligence service was not obvious to Canadian policy-makers as the world approached war in 1939. This is a case study of how a government created an intelligence organization during war and how it subsequently revised this structure after the war.

The core of the thesis focuses on the contribution of intelligence to the war effort and how war-time experiences were adapted to a postwar mandate. The relationships between the intelligence entities within the Department of National Defence and the Department of External Affairs are explored and the study records how National Defence ceded control of foreign intelligence to External Affairs in the postwar period.

The thesis asks whether a Canadian interdepartmental vision of foreign intelligence existed, whether there was clear political commitment to the creation of foreign intelligence bodies, and, following World War II, whether policy-makers possessed a clear vision of the desired foreign intelligence capacity. The thesis demonstrates that the government was not actively engaged in creating the wartime intelligence structures and only partly so when restructuring foreign intelligence in the early postwar period.

Canada committed sufficient resources to gain access to pooled allied intelligence but stopped short of creating a clandestine service because Canada’s political leaders were risk adverse, parochial in outlook, and did not conclude that a clandestine intelligence service was imperative to meet national foreign intelligence requirements. This decision defined perceptions of Canada’s intelligence efforts among its allies.

The question arises as to whether Canada’s foreign intelligence community was autonomous. The postwar alliance which Canada entered into with the other Anglo-Saxon powers was unequal. While Canada’s foreign intelligence community was autonomous, it was also interdependent with its partners. Canada’s foreign intelligence collection efforts, limited as they were, ensured access to the intelligence gathered collectively by the alliance. As such, Canada’s foreign intelligence activities met a national objective and reflected an articulation of sovereignty.

By the early 1950s, Canada possessed foreign intelligence resources which rivaled or exceeded those of many nations. Canada could task, collect, collate, evaluate, and disseminate foreign intelligence in sufficient quantity and quality to meet its national requirements.
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Citation Abbreviations

DFAIT: Department of Foreign Affairs and International Trade

DND: Department of National Defence, Directorate of History and Heritage

NAC: National Archives, Canada

NARA: National Archives and Records Administration, United States

PRO: Public Record Office, United Kingdom

White Files: Archival records pertaining to Canadian wartime SIGINT activities which were forwarded to NAC in 2001 but had not been processed at the time this thesis was being prepared. A ‘private’ copy of the material was made available to the author to assist in this study. This material is expected to be fully integrated into the NAC records.
Glossary

Arlington Hall
Headquarters of U.S. Army’s Signals Intelligence Service. It was formerly a girls’ private school.

Army Security Agency (ASA)

BRUSA Agreement
SIGINT agreement between Great Britain and the United States, signed March 5, 1946.

British Security Coordination (BSC)
Amalgamated British security and intelligence agencies headquartered in New York under William Stephenson (‘Intrepid’) during World War II.

CANUSA
Canadian–United States Intelligence Agreement on SIGINT, concluded in May, 1948, but not signed until 1949.

Camp X
British special operations training school near Oshawa, Ontario. Camp X was the name used by David Stafford in his study of the Camp. The actual name was Special Training School 103 (STS103), the British designation, but also known as ‘The Country House’ (DEA) or S25-1-1 (DND), the name of the relevant file.

Canadian Joint Intelligence Committee (CJIC)
Created in 1942 by DND to conduct intelligence studies, in the postwar period its membership was expanded and it became the coordinating body for Canadian foreign intelligence activities.

Canadian “Y” Committee
Created on June 2, 1942, with Lt. Col. W.W. Murray, of Army Intelligence, as Chairman. Oversaw signals intelligence (W/T) collection by the three services. It was not responsible for cryptographic analysis.

COMINT
Communication Intelligence. Sometimes used to denote the broad range of technical intelligence gathering. Came into use during the postwar period.

Combined Intelligence Objectives Sub-Committee (CIOS)
British and American-led initiative, with Canadian participation, tasked to collect scientific and technical intelligence from the enemy. Initiated in September, 1944, and lasting till the end of the war.

Commonwealth Sigint Organization (CSO)
SIGINT agreement between Great Britain, Canada, Australia, and New Zealand, concluded in 1947.

Communications Branch National Research Council (CBNRC)
Postwar name for Canada’s SIGINT collection agency. The name was disclosed by the media in 1974 and CBNRC became the Communications Security Establishment (CSE), the name still in use.
Communications Research Centre (CRC)
Name given to Canada’s postwar SIGINT organization in April, 1946. The successor to the Joint Discrimination Unit, the CRC eventually became the CBNRC.

Communications Security Board (CSB)
Postwar name of senior committee overseeing SIGINT matters.

Coordinator of Information (COI)
U.S. intelligence predecessor to the OSS. Existed briefly during the lead-up to American involvement in the war. Headed by William ‘Wild Bill’ Donovan.

Defence Liaison 2 (DL2)
Postwar unit within DEA charged with responsibility for foreign intelligence matters.

Directorate of Military Operations and Intelligence (DMO&I)
The Department of National Defence military intelligence unit in the pre-war period.

Direction Finding (D/F)
Signals Intelligence activity involving several intercept stations which will identify the location of a radio signal by triangulation of the intercepts.

Discrimination Unit
Radio signals intercept unit operated by DND. Created on June 12, 1942, in addition to collecting signals for decryption, it was also involved in D/F work and inventorying foreign radio transmitters.

D.N.I.
Director of Naval Intelligence, Department of National Defence, Canada.

ENIGMA
German encryption machine which became operational before World War II. A series of rotors would electronically scramble letters which were typed on the machine to create an encrypted document.

Examination Unit
Canada’s SIGINT organization during World War II. Established in 1941 under the policy direction of the Department of External Affairs and housed with the National Research Council.

Foreign Intelligence Section (FIS)
Canadian naval intelligence unit established in 1939 as a D/F signals collector

GC&CS (UK Government Code and Cypher School)
Wartime name of Britain’s SIGINT service.

GCHQ (UK Government Communications Headquarters)
Postwar name of Britain’s SIGINT service. Succeeded GC&CS in June, 1946.

HUMINT
Human Intelligence; relates to intelligence derived from a human source.

HYDRA

viii
A secret Canadian communications installation located at Camp X during and after World War II.

JSC
Department of National Defence, Joint Staff Committee.

Joint Discrimination Unit
Merger of Examination Unit and Discrimination Unit under DND control. Came into being in August 1945.

Joint Intelligence Bureau (JIB)
Postwar Canadian intelligence unit created in 1947 tasked with collecting and collating information for defence purposes. Housed with the Department of National Defence. Sometimes called CJIB.

Joint Intelligence Committee (JIC)
See CJIC. British and American JICs also existed with the British JIC continuing until the present.

Joint Intelligence Staff (JIS)
Postwar Canadian intelligence unit created in 1947 and tasked with providing intelligence assessments. Sometimes called CJIS.

MAGIC
Code word given to American decryption of Japanese ciphered communications.

MOUSETRAP
British-Canadian diplomatic and economic intelligence collection program operated in Canada and the United States during 1942-1943.

NDHQ (National Defence Headquarters)
Headquarters of the Department of National Defence.

Office of Naval Intelligence (O.N.I.)
U.S. naval intelligence organization.

Office of Strategic Services (OSS)

OP-20-G
U.S. Navy SIGINT organization.

Privy Council Office (PCO)
Canada government department which act as the administrative arm of the prime minister; often acts as a centralized coordinator of policy. Was established during the war.

PURPLE
Name of Japanese code broken by the U.S. in 1940. See also MAGIC.

Radio Finger Printing (RFG)
See “Z” work.

Security Intelligence
Relates to counter-intelligence (catching spies) or, otherwise, protecting the nation (counter-terrorism, counter-insurgency, etc.).

**SIS (UK Secret Intelligence Service)**
Britain's Secret Intelligence Service, the covert foreign intelligence HUMINT collector. Sometimes known popularly as MI6.

**SIS (US Signals Intelligence Service)**
U.S. Army Signals Corps wartime SIGINT agency.

**Signal Security Agency (SSA)**
U.S. Army SIGINT organization.

**SIGINT**
Signals Intelligence; information obtained from technical monitoring and interceptions of signals or communications which travel through the air waves or on telegraphic wires (during the period of study). At its core, SIGINT is the listening to, recording of, and interpretation of electromagnetic signals captured from the air or from taken from wires used to transmit information.

**Special Intelligence Section**
Established within DEA in September 1942 as the analytical unit which interpreted decrypted SIGINT material and circulated it to a select readership.

**Telekrypton**
Enciphered communications, using hand-punched tapes, which was used by British Security Coordination to provide secure communications between Ottawa-New York-Washington. The first phase was introduced in January 1942. Canada came ‘on line’ in May 1942.

**UKUSA Agreements**
Postwar SIGINT agreement between the UK and the USA, concluded in 1948. Canada, Australia, and New Zealand became parties to the agreement.

**ULTRA**
Code word given to British decrypted SIGINT derived from breaking of German ENIGMA codes. In the postwar period came to be the code word for all SIGINT material among the UKUSA partners.

**“Y” Discrimination**
System for collecting data and plotting the locations of enemy radio signals. D/F triangulation, employed to locate other radio transmitters, was called “Y” work, a holdover from the First World War when it was discovered that three stations honing in on the strongest signal from a radio transmitter acted much like the spokes of the ‘y’ to pinpoint the location of a signal where the three spokes intersected.

**“Z” Work**
The identification of wireless transmitters by the characteristics of the signals emitted and of the radio operators by the rhythm of their morse transmissions.
Introduction

The need for a foreign intelligence capacity was not obvious to Canadian policymakers as the world approached war in 1939. Canadian political leaders did not discuss or decide in favour of the establishing of an intelligence capability in the period leading up to war. What information Canada possessed at the time about international events was derived from the reporting of a handful of Canadian diplomatic missions abroad and from selected British diplomatic and intelligence reports which were forwarded to Ottawa. Canada had no independent access to foreign intelligence, and the realization of the need for creation of an indigenous Canadian foreign intelligence organization to meet Canada's national requirements came slowly.

The creation of a Canadian foreign intelligence capacity was thus the result of a steady, incremental effort by a handful of individuals in positions of importance throughout the Canadian government who laboured to assemble the rudiments of a Canadian foreign intelligence community. While a blueprint for the wartime intelligence effort was quickly agreed upon once war began, it was not until after Dunkirk and the fall of France in 1940 that an urgency was evident and a more active approach was taken to the problem of intelligence gathering. The clear menace to the supply lines posed by the North Atlantic U-boat campaign was among the early catalysts creating the momentum towards the establishment of a foreign intelligence organization.

The innate minimalist approach of the Mackenzie King government and the perennial Canadian caution and penuriousness, ensured that Canada's foreign intelligence
collection community would remain small. The creation of a foreign intelligence organization was made further complicated because many persons who would have been of great assistance to intelligence work quickly became involved in other wartime activities and the intelligence organizations faced challenges in meeting their staffing requirements. Wartime intelligence activities also brought to light the lack of coordination between the armed forces intelligence services, the activities of the Department of External Affairs and the security intelligence role of the R.C.M.P. The latter was a member of the wider intelligence community and had responsibility for security matters but had only limited involvement with foreign intelligence issues.

Canada’s foreign intelligence capability grew from a small and limited existence within the prewar bureaucratic confines of the Department of National Defence (DND) to a community comprising not only DND but also the Privy Council Office, the Department of External Affairs (DEA), and a host of lesser players, including the R.C.M.P. and the National Research Council of Canada. It was some time, indeed, before progress in the establishment of an intelligence community was apparent.1 Once formed, however, the resources of the intelligence community provided Canadian decision-makers with a uniquely Canadian information perspective. Happening concurrently during the early phase of World War II, External Affairs formalized its

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foreign intelligence activities through the directed activities of individuals while the
collection and processing of signals intelligence was begun in earnest. Following in
quick succession, the Navy’s Operational Intelligence Centre was established to support
the battle against U-boats in the North Atlantic and External Affairs created the Special
Intelligence Centre within Canada’s cryptanalysis organization, the Examination Unit, to
exploit the intelligence which became available. When the war ended, the significant
step was taken of creating a more integrated SIGINT service, the CBNRC, while several
intelligence units (CJIC, CJIB, and CJIS) were established or expanded as the functional
units of foreign intelligence activities. Lastly, the Defence Liaison (2) Division (DL2), a
more formal acknowledgment of intelligence duties, was created within External Affairs
in the early days of the Cold War.

As the end of the war approached, Canada had begun a review of its foreign
intelligence elements in preparation for the transition to a postwar society. The review
lasted into the late 1940s, with caution and financial concerns dominating policy
decisions. Disagreement abounded around the extent to which Canada should become
involved in the field of foreign intelligence and a firm decision was taken not to establish
a clandestine intelligence service. The organizational structures which emerged at the
end of the postwar reorganization defined Canadian engagement in foreign intelligence
for many years. New administrative structures were established, such as the Canadian
Joint Intelligence Committee and its postwar related organizations, the Joint Intelligence
Staff and the Joint Intelligence Bureau.

Canada chose a ‘safe’ road for postwar foreign intelligence collection. No covert
HUMINT (Human Intelligence) foreign intelligence service was established between the end of the war and 1951, when this study concludes. Canadian decision-makers were never willing to accept the financial burden or the potential political risks arising from the kind of embarrassing disclosures which can be associated with a clandestine foreign intelligence service. SIGINT intelligence, the passive collection of radio signals from the air waves, was continued and expanded in the postwar period. A more structured intelligence analytical capability was also established after the war.

This thesis, then, explores how Canada created its foreign intelligence capability in the midst of war and how, after the conclusion of hostilities, it restructured much of what had been created under the pressures and constraints of conducting a war effort. In presenting the first comprehensive account, based on primary sources, of the birth and postwar reorganization of Canada’s foreign intelligence community, the thesis focuses on the contribution by intelligence services to the war effort and the way in which war-time experience was adapted for a postwar mandate. The bureaucratic relationships between the various intelligence entities, most of which existed within the Department of National Defence and the Department of External Affairs, are explored, and the study records how National Defence slowly ceded a greater role over foreign intelligence to External Affairs in the postwar period. The study is of the administrative history of the makings of a Canadian foreign intelligence capability. The study documents that Canada’s foreign intelligence activity in the early postwar period accomplished little more than ensuring membership in the postwar cooperative community of U.S., British, Canadian, Australian and New Zealand intelligence services. The findings demonstrate that the restructuring of
Canada's postwar intelligence community suffered from conflicting bureaucratic responsibilities, with no clear department in overall charge of intelligence and that the intelligence fiefdoms located in various departments, which had proven problematic during the war, remained largely unchanged. This may have been the pattern destined to emerge because of a clear ceding of responsibility for intelligence matters by the political leadership of Canada to senior civil servants. Nevertheless, in the postwar period External Affairs slowly came to dominate all committees and organizations in Canada. This did not discourage the other intelligence community partners from expressing firm views during administrative deliberations. But External Affairs assumed a central coordination role for foreign intelligence.

This thesis is a case study of how a government responded in the midst of a crisis to the need for an independent means to fill an information vacuum. The institutions created by Canada to address the lack of information consciously reflected a British approach to intelligence management. The British model represented an unstructured and informal committee format with vaguely defined relationships and reporting lines among the constituent elements. Administratively, this structure functioned quite well as long as Canada's intelligence community was in its infancy, but proved to have many deficiencies when applied to the postwar environment where the several poorly resourced units seemed excessive for the mandate.

This thesis also serves a larger purpose. It documents the changes in some aspects of Canada's foreign relations during 1940-1950 as the historical ties to Britain slowly loosened while those with the United States, already strong, became more entrenched.
This was not a shift in "dependency", with Canada jettisoning the vestiges of colonial ties to Britain in favour of military-industrial links with the United States. Such labeling oversimplifies the complexity of the events which occurred. Canada's drift away from Britain was a progressive twentieth century occurrence facilitated by the exceptional circumstances of World War II. The transition began in the years immediately after the end of World War II, although the intelligence links with Britain remained exceptionally strong, although not exclusive. The strengthening of ties between Canada and the U.S. may have been affected by the threatening environment of war but was a logical outcome of geographic proximity, cultural affinity, and a commonality of interests. While Canada certainly took the initial steps towards a "partnership" with the U.S. in the postwar world, it was a partnership which would be mutually advantageous and embraced by Canada because the international circumstances dictated this as being in the country's best national interest. For the U.S., the initiatives towards a partnership were equally welcomed; it was important to have a northern neighbour whose politics were predictable, whose friendship was assured, and whose landmass was not an undefended invasion route. The partnership, which began in the early postwar period, was not rooted in ideology nor a negation of Canadian sovereignty but premised on mutual respect and self-interest. What emerged was a pragmatic partnership between sovereign states entered into for reasons of national self-interest. The establishment of an autonomous Canadian foreign intelligence capability, modest as it was, provided Canada with one set of tools for exercising sovereignty.

The thesis demonstrates that Canada's engagement in foreign intelligence, while
neither significant nor adequately resourced, reflected a maturing of the nation in its international engagements. More precisely, the thesis addresses particular questions. Did a concerted Canadian interdepartmental vision exist for creating a foreign intelligence capability? Was there a clear political commitment to the creation of foreign intelligence bodies, and, following the experience of World War II, did Canadian policy-makers possess a clear vision of the foreign intelligence capacity which they wanted to retain for the postwar world? Was the elected government actively engaged in the drafting of Canada’s wartime intelligence structures and when revising the foreign intelligence assets during the early postwar period? Chapter 1 describes Canada’s foreign intelligence capability on the eve of war and during the early dramatic days of the conflict. The most significant intelligence development in Canada was the creation of SIGINT (Signals Intelligence) expertise, the early evolution of which, as Chapter 2 illustrates, was accompanied by confusion as both the Department of National Defence and the Department of External Affairs launched separate signals intelligence initiatives, which were not complementary. Chapter 3 records the early efforts at building intelligence alliances between the three principal partners of Great Britain, the U.S.A. and Canada. The partnership began before the U.S.A. became a belligerent and was cemented after the Americans joined the common battle.

The initial and modest Canadian engagement in HUMINT (Human Intelligence) is presented in Chapter 4. While Canada did not send covert operatives abroad during the war, considerable valuable HUMINT was exploited through censorship activities and from debriefings of prisoners-of-war. The merging of HUMINT and SIGINT efforts is
illustrated in Chapter 5, which describes an early operation within the United States in which Canadian representatives collected raw communications products for SIGINT exploitation. Chapter 6 merges many of the intelligence ‘pieces’ by outlining the impact, particularly that of SIGINT, of Canadian and Allied intelligence efforts to the mid-point in the war and the later stages of the conflict.

A discussion of the intelligence planning for postwar SIGINT, which was well underway long before hostilities were concluded, is outlined in Chapter 7. The creation of postwar intelligence structures, dealing primarily with collating and evaluating foreign intelligence, is discussed in Chapter 8. This subject proved critical in defining the future shape of Canadian foreign intelligence as policy-makers vacillated over whether or not to continue its foreign intelligence collecting activities. It provides an overview of decisions taken in the postwar period to establish the foreign intelligence machinery and outlines the manner in which many pieces of the wartime intelligence establishment was restructured. The chapter concludes with a discussion of a critical decision, taken in 1951, not to establish a Canadian clandestine intelligence service. Chapter 9 looks at postwar SIGINT collection and discusses Canada’s participation in a five-power alliance of the U.S., Great Britain, Australia, New Zealand, and Canada which provided communications intelligence coverage of most of the world.

A study such as the one undertaken requires a clear definition of what constitutes foreign intelligence. Popular perceptions, the media, and the entertainment industry have contributed to definitions of “intelligence” which are at variance with the understanding of the subject within the intelligence community. Similarly, a number of terms within the
genre need also be defined to permit an understanding of the subject.

Foreign intelligence is information relating to the capabilities, intentions or activities of foreign states, persons, corporations or organizations. Among the areas of interest is information of a political, economic, military, security, scientific or social nature, obtained from overt and covert sources, which may be collected from human sources or through technical means, or, indeed, through open sources. The security caveats associated with such information relate less to the data collected than the need to protect the methods and sources employed to gain access to the intelligence. Only one of many factors having an impact on political and military decision-making, foreign intelligence is neither omniscient nor infallible but a tool which, when used properly, enhances the policy-making process.

Military intelligence overlaps with foreign intelligence, the two differing largely in the fact that the former has a greater tactical focus while the latter is subject to a more strategic and political orientation. Military intelligence, in addition, has a greater focus on collating information on hostile or potentially hostile armed forces. Nevertheless, James Eayrs is entirely correct when he "rejects as outmoded and misleading the traditional division of national security policy into two compartments, one called foreign policy, the other defence policy."\(^2\) The two, Eayrs continues, are "indissolubly combined." While he makes his comment in the context of policy-making, it is equally true in the policy-supporting world of foreign intelligence.

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Security intelligence, which is often what the public associates with the concept of "intelligence", relates to counter-intelligence (countering the activities of hostile foreign intelligence services) or, otherwise, protecting the nation (counter-terrorism). A broad grey area exists where security and foreign intelligence overlap. Security intelligence, a substantial study in its own right, is only covered tangentially in this thesis.

In addition to an understanding of how foreign intelligence constitutes a unique form of information gathering, one also needs to be familiar with a number of terms within foreign intelligence. CJIC (the Canadian Joint Intelligence Committee), CJIB (the Canadian Joint Intelligence Bureau), HUMINT (Human Intelligence, both clandestine and overt), SIGINT (Signals Intelligence), MOUSETRAP (a specific intelligence collection program), and HYDRA (a communication station in southern Ontario) are among the acronyms and code-words which inhabit the intelligence world. To assist the reader, a glossary of the more unusual terms is found at the beginning of the thesis.

Few academic studies of Canadian foreign intelligence have been written. Much of the existing literature on "intelligence" in Canada has been anecdotal in nature and has often focused on "security intelligence".3 A country with little public knowledge or culture of foreign intelligence, Canada has not highlighted this side of its history.

The first book to treat the question of Canadian foreign intelligence seriously, and the only one to date which attempts to present a detailed picture of one important part of Canada's wartime foreign intelligence community, is John Bryden's Best Kept Secrets:

Canadian Secret Intelligence in the Second World War, published in 1993. This study has a clear focus on wartime SIGINT collection, largely because Bryden, in addition to looking at National Archives of Canada material, gained access to many files still held at the Communications Security Establishment (CSE), the successor to the Examination Unit, Canada’s wartime SIGINT organization. His text owes much to an unpublished internal history, *A History of the Examination Unit 1941-45*, prepared by the staff of the Examination Unit in 1945 under the guidance of Gilbert Robinson, one of the key directors of the Unit. This history, now available under the Access to Information Program, is one of several in-house historical studies of Canada’s signals intelligence organization. Bryden, however, has chosen a well-defined area of interest. His study does not seek a broader understanding of other facets of wartime Canadian foreign intelligence and is limited in its coverage of the transition to a postwar intelligence organization. Bryden’s book is flawed and not always reliable. He reaches conclusions on scant evidence and draws inferences not supported by the available evidence. Nevertheless, it remains the most extensive study of Canadian wartime foreign intelligence efforts which has been published. Examples of the flaws in Bryden’s book are found in the body of the thesis.

Prior to the publication of Bryden’s book, there had been few books published in Canada on the nation’s foreign intelligence activities. The literature, as it existed, reflects a slow evolutionary process, with many of the earlier efforts being very narrow in focus.

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Some studies correct or expand on what has gone before. Most of the literature is in the form of academic articles. The sheer paucity of academic coverage of this important field of Canadian foreign policy makes it difficult to assess the literature's trends or schools of thought. The eclectic nature of the available literature does not facilitate a historiographic review which goes much beyond reciting what is available accompanied by a critical evaluation of each article or book.

Journalist Bryden was not the first to broach the subject of Canada's wartime intelligence efforts. In 1981, the Department of External Affairs's official historian, Don Page, published an article, "Tommy Stone and Psychological Warfare in World War Two: Transforming a POW Liability into an Asset", dealing with a peripheral intelligence operation of World War II. While an early study of psychological warfare which touched on some aspects of intelligence operations, the article did little to establish a foundation for future intelligence studies, nor did it set out to do so. The same year saw the publication of Scarlet to Green: Canadian Army Intelligence, 1903-1963, by Major S.R. Elliot, which provided insight into the military intelligence of that period. This book is useful for its details, but it lacks analysis of events and is limited to matters pertaining to the army. Elliot is cursory in his coverage of foreign and signals intelligence, compiling instead a compendium of order-of-battle and military operational intelligence.

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6Maj. S.R. Elliot, Scarlet to Green: Canadian Army Intelligence, 1903-1963 (Toronto: Canadian Intelligence and Security Association, 1981).
work exclusively within a military setting. His book is useful for verifying the administrative details of Canadian military intelligence history, but is weak in its attempt to provide an understanding of, or context for, events.

Peter St. John's article, "Canada's Accession to the Allied Intelligence Community 1940-45", appeared in the mid-1980s. An early general study providing an overview of Canada's involvement in foreign intelligence, it suffers from limited access to archival raw material directly pertaining to its subject; some of St. John's inferences are not supported by the documentary evidence and the study is lacking in depth. Nevertheless, St. John's study was the first critical evaluation of Canada's foreign intelligence activities during the war. More detail and understanding of Canadian postwar foreign intelligence is to be found in Scott Anderson's "The Evolution of the Canadian Intelligence Establishment, 1945-1950." This article appeared about a decade after St. John's and built on the earlier study, while also benefitting from the greater availability of archival material. Anderson's study offers a good analysis of the postwar reorganization of the intelligence community. Nevertheless, a reader should be aware that some errors have crept into the study through acceptance of material contained in secondary sources. One example is the claim that Sir William Stephenson, head of British Security Coordination (BSC – the British secret service unit for North America) in New York, was involved in the interrogation of Igor Gouzenko, the Soviet defector.

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7 Peter St. John, "Canada's Accession to the Allied Intelligence Community 1940-45." Conflict Quarterly IV, 4 (Fall 1984), pp. 5-21.

There is no documentation to suggest that this is true; Canada's Norman Robertson, Under-Secretary of State for External Affairs, did meet with Stephenson at the time of Gouzenko's defection and sought his opinion on how to proceed, but did not invite Stephenson to be an active participant. Other British intelligence personnel, including one officer from Stephenson's organization in New York, did interview Gouzenko.

Wesley Wark published two related articles on SIGINT which are among the early studies of this subject and predate the research by John Bryden. Wark's "Cryptographic Innocence: The Origins of Signals Intelligence in Canada in the Second World War" and "The Evolution of Military Intelligence in Canada" highlight Canada's significant wartime SIGINT role. The first Wark study provides insight into the signals intelligence (SIGINT) facet of foreign intelligence during World War II, and is all the more remarkable because he did not have substantial original material with which to work. His second study is broader in scope and provides a good summary of foreign intelligence during the interwar period and (especially considering the date of publication and the availability of archival material) includes perceptive views on the early days of wartime intelligence organization. More than a decade later, Wark published another article entitled, "Creating a Cold War Intelligence Community: The Canadian Dilemma" which looks at the 1945 transition from war-time to peace-time foreign intelligence. It is, in

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10Wesley K. Wark, "Creating a Cold War Intelligence Community: The Canadian Dilemma." in Intelligence in the Cold War, eds. Lars Christian Jenssen and
part, an update of his earlier article on the wartime intelligence organization with the
additional perspective gained through access to more recently released archival
information.

J.L. Granatstein and David Stafford published *Spy Wars: Espionage and Canada from Gouzenko to Glasnost* in 1990. An excellent primer on intelligence issues relating
to Canada, *Spy Wars* reflects first rate scholarship and, given the sources which were
available at the time, captures the essence of the story. Although not construed as a
weakness, the book makes little distinction between security intelligence and foreign
intelligence and much of the book is focused on the former, on which a greater amount of
resource material was available.

Graeme Mount’s *Canada’s Enemies: Spies and Spying in the Peaceable Kingdom*, published in 1993, seems, at times, unable to decide between an academic
approach and an appeal to a mass market. Covering a cross-section of intelligence stories
which, one way or another, have reached the public domain, Mount resorts to a very
general portrayal of intelligence activities as they occurred throughout Canada’s history.\(^{11}\) The book is overly dependent on secondary sources to the exclusion of archival research,
lacks depth of analysis, and contributes little to advancing an understanding of the
evolution of foreign intelligence matters in Canada.

David Stafford’s *Camp X: Canada’s School for Secret Agents 1941-45* provides

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\(^{11}\)Graeme S. Mount, *Canada’s Enemies: Spies and Spying in the Peaceable Kingdom* (Toronto: Dundurn Press, 1993). Inexplicably, the cover of his book shows
a photograph of pre-World War II Riga, Latvia, a subject which is not central to his study.
very useful details on the relationship between Canadian foreign intelligence activities and British Security Coordination (BSC) in the U.S.\textsuperscript{12} Stafford makes a significant contribution to an understanding of Canada’s wartime foreign intelligence activities through his study of a British special operations training facility located in Canada. Although Camp X was a British site during its early period, its establishment and operation was conducted with the clear cooperation of Canada. Camp X was used by both countries until, towards the end of the war, it was turned over for the exclusive use of Canada. The Camp X story focuses on a narrow segment of Canada’s foreign intelligence experience but does it well.

Most books on Sir William Stephenson, popularly known by his alleged codename of ‘Intrepid’\textsuperscript{13}, are often dated and highly suspect, if not clearly incorrect. An exception is Bill Macdonald’s \textit{The True ‘Intrepid’: Sir William Stephenson and the Unknown Agents}\textsuperscript{14}, written in a journalistic style, which presents useful revelations about Stephenson’s Canadian youth and early years and provides information (although not always correct) about Canadians working for Stephenson in New York.\textsuperscript{15} However, once the book embarks on a review of Stephenson’s activities as head of British intelligence in


\textsuperscript{13}In fact, ‘Intrepid’ was the telegraphic address of BSC in New York. Stephenson’s coded signature was a numeric designation.


North America, it succumbs to a reliance on what has been previously written about Stephenson, without differentiating between the facts and the many errors which plague much of the literature on Stephenson.

More revealing is British Security Coordination’s own “lost” history, *British Security Coordination: The Secret History of British Intelligence in the Americas, 1940-1945*. Written in 1945 by one of Stephenson’s associates but not published at the time, the book is a study which was conducted at Stephenson’s behest and whose purpose was to laud his operation in North America. When the book was completed, the BSC archives were destroyed. The book was not written for an academic or popular audience but as a record of how an intelligence organization could be used to influence a foreign government, in this case that of the United States. As such, the book provides examples of how the BSC achieved its objectives rather than recording, in detail, historical events. In addition, the original draft, prepared in the closing months of World War II, is concerned with maintaining security of information and is often vague or cryptic when describing people and places. Nevertheless, the book appears to be factually correct; in places where references in the book can be tested against information held in the National Archives of Canada, it has proven accurate. The book was accessible for many years

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17Ibid. The format is difficult to comprehend given that the book had a high security classification and a circulation restricted to the British intelligence community. A copy was also provided to Canada and one perhaps to the United States.

18Kurt F. Jensen, review of *British Security Coordination: The Secret History of British Intelligence in the Americas, 1940-45*, edited by Nigel West, *Intelligence and
only to select British authors on intelligence matters, but was made available to the public in 1998. The copy given to the Canadian government in 1945 appears to have been lost.

A number of books and articles written from British, American, and Australian perspectives have discussed the intelligence relationship between the U.S., Great Britain, Canada, Australia, and New Zealand, which developed during their wartime alliance and became entrenched in a series of early postwar treaties. Australia’s experience most closely mirrors the Canadian foreign intelligence history. Not a great deal is available. Brian Toohey and William Pinwill wrote *Oyster: The Story of the Australian Secret Intelligence Service*, in 1989. The book follows a journalistic format of highlighting that which is most inflammatory and is rather lighter on analysis of ASIS as an organization. A more credible evaluation of the Australian Security Intelligence Organization (ASIO), the security service, was written by David McKnight in 1994 and is titled, *Australia’s Spies and Their Secrets*. McKnight, also a journalist, provides some information in his book on ASIS, the sister service to ASIO. An excellent study of the entire Australian intelligence community is found in Christopher Andrew’s “The Growth of the Australian Intelligence Community and the Anglo-American Connection,” which

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20 David McKnight, *Australia’s Spies and Their Secrets* (St. Leonards, NSW: Allen & Unwin, 1994).
covers the period from prewar to the 1970s.\textsuperscript{21}

Nicky Hager’s \textit{Secret Power: New Zealand’s Role in the International Spy Network}, is focused on New Zealand’s involvement in SIGINT activities. Although the book deals with more recent intelligence activities, it does contain some material on New Zealand’s early entry into the Anglo-Saxon intelligence club.

The most important of the studies to look at the overall Anglo-Saxon intelligence relationship is Richelson and Ball’s \textit{The Ties that Bind: Intelligence Cooperation Between the UKUSA Countries}.\textsuperscript{22} Probably the premier study of the postwar U.S.-Commonwealth intelligence relationship, this book achieves a high degree of accuracy and depth of detail. Numerous other studies make reference to Canadian participation in the five-power intelligence-sharing club, but few reflect as clear an understanding of the subject and provide as many details as do Richelson and Ball. While the Anglo-Saxon intelligence partners are increasingly revealing details of their intelligence relationships, none of the countries in the UKUSA alliance has acknowledged details of the treaties governing their intelligence sharing cooperation.

There is relatively little credible information in the public domain which throws light on the details and manner of collecting and decrypting of signals intelligence in the postwar period. Because of the making available of new information, books on postwar


\textsuperscript{22}Jeffrey T. Richelson and Desmond Ball, \textit{The Ties that Bind: Intelligence Cooperation Between the UKUSA Countries}, 2\textsuperscript{nd} ed. (Boston: Unwin Hyman, 1990).
SIGINT activities have not always aged well. Most of the literature on this facet of intelligence is focused on the United States, which has intelligence organizations so vast that diligent journalists and academics regularly uncover important new details. One of the prime authors on the subject, and likely the premier student of the architecture of the American intelligence community, is Jeffrey T. Richelson, whose *The U.S. Intelligence Community* is an exceptional resource, particularly on the electronic intelligence gathering.\(^{23}\) Complementing Richelson's study is Christopher Andrew's article, "The Making of the Anglo-American SIGINT Alliance," which covers the birth of the SIGINT relationship and is laudatory of the value of this tool in deciding the outcome of various facets of the Second World War.\(^{24}\)

Considerable other material has become available on wartime intelligence experience and the transition to a postwar foreign intelligence mandate. Among studies focusing on the American experience, one must start with the Department of State *Foreign Relations of the United States, 1945-1950: Emergence of the Intelligence Establishment*, an excellent collection of declassified documents on the organizational development and internal politics governing the early postwar American intelligence community.\(^{25}\) Complementing this study is Michael Warner's *The CIA Under Harry*


Truman, a collection of CIA documents recording the political machinations shaping American foreign intelligence. Thomas F. Troy’s Donovan and the CIA covers the wartime intelligence activities of the OSS and the abortive attempts to keep it alive in the postwar period. A CIA in-house study of the earliest days of the Agency, which was initially banned by Director Dulles for being critical of his 1949 study of the U.S. intelligence community, is Arthur B. Darling’s The Central Intelligence Agency: An Instrument of Government to 1950, which blames the military services for impeding the growth and development of the CIA. John Ranelagh’s The Agency: The Rise and Decline of the CIA, although dated, remains a good study of the CIA’s postwar history. More recent is Christopher Andrew’s For the President’s Eyes Only, providing an objective view of U.S. foreign intelligence by someone who is not an American.

A great deal of popular literature has been published on British intelligence. Among the better material paralleling the coverage of this thesis are Richard Aldrich’s The Hidden Hand: Britain, American and Cold War Secret Intelligence and “British

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Intelligence and the Anglo-American ‘Special Relationship’ During the Cold War."\textsuperscript{31}

The article summarizes the thesis of the book; both are excellent studies of British intelligence and the relationship with America. Philip H.J. Davies provides an excellent study of the British intelligence community from 1909 to the postwar transition in "Organizational Politics and the Development of Britain’s Intelligence Producer/Consumer Interface.\textsuperscript{32}" His other study, "From Special Operations to Special Political Action: The ‘Rump SOE’ and SIS Post-War Covert Action Capability 1945-1977" captures the transition to peacetime activity of a specialized element of British foreign intelligence.\textsuperscript{33} The evolution of the British Joint Intelligence Committee from its founding in 1936, its growth in authority, and its contribution to government thinking are covered in Percy Cradock’s \textit{Know Your Enemy: How the Joint Intelligence Committee Saw the World}.\textsuperscript{34}

Much of the documentary evidence recording the development of foreign intelligence activities by Canada was inaccessible until very recently, and there are few


\textsuperscript{34}Percy Cradock, \textit{Know Your Enemy: How the Joint Intelligence Committee Saw the World} (London: John Murray Ltd., 2002).
monographs on the subject in Canada. Somewhat more scholarship is accessible through academic articles. Nothing, however, merges a study of Canadian intelligence efforts during the war with the efforts made during the early years of the Cold War period.

This study is the first to bridge the wartime and postwar periods, drawing clear links between the two, correcting and expanding on the existing literature. While a number of well-researched studies of Canadian foreign intelligence subject now exist, particularly the work by Wesley Wark, as well as the less satisfactory study by John Bryden of the Examination Unit, much of the other historical work has suffered from a limited access to archival material or a very narrow focus. Spurred only in part by the terrorist attacks of September 11, there is a growing number of students and academics beginning to study subjects relating to intelligence. Much of the focus remains on security and terrorism issues, particularly among those from a political science discipline. However, responding to the ever growing body of archival material, a small number of historians are looking at facets of Canada’s foreign intelligence history, although little has as yet been published.

Much of the archival material in Canada relating to intelligence subjects is interspersed with other documentation and is not always easily retrieved. This is changing daily as Canadian documents relating to foreign intelligence become available to the public. A great deal of intelligence-related archival material has also reached the U.S. National Archives and Records Administration (NARA), where a significant number of files relate to Canadian wartime intelligence efforts. Some material can also be gleaned from the British public records. The situation will be eased when Canadian
government departments which have been engaged in intelligence matters decide to release their records to the National Archives of Canada. That, however, has not yet happened and is probably hampered by the sheer cost of vetting of the files which would be necessary.

A number of in-house histories of Canada’s SIGINT organization have been released under the Access to Information Program (ATIP) and contributed to this study. The National Archives holdings of material relating to intelligence is constantly expanding, although much material has not been processed or, if processed, remains closed and only available through ATIP challenges. ATIP, however, is not always an option. The glacial pace of ATIP is a growing concern. At the present time, it takes twelve months to have material reviewed under ATIP. If consultations on the contents are then required it can take two and a half years or longer to receive access to documents.

Considerable historical material is also available at Canada’s Department of National Defence’s Directorate of History and Heritage, which is open to scholars and students. This reservoir of archival material contains a great deal of data relating to intelligence matters which is not available at the National Archives of Canada. A large volume of classified documents have also been released individually by Canadian government department under the Access To Information Program. Much of this information is readily available to researchers. This is especially true in the case of the Communications Security Establishment (CSE), a key entity within Canada’s foreign intelligence community, whose various internal histories have all become available with
little more than technical information apparently having been excised. CSE has stated that all its file material up to the end of World War II has now been released to the National Archives.

It is difficult to assess what significant archival gaps remain in the story of Canadian foreign intelligence. Relatively little material has been released by the Privy Council Office and the Department of Foreign Affairs and International Trade, although some of this would probably serve only to round out an understanding of the issues rather than to reveal information requiring a reinterpretation of the story. Many of the documents relating to the Special Intelligence Section (Examination Unit), CJIB, and less so to the CJIC, remain unavailable, particularly the intelligence assessments virtually all of which are absent from the National Archives. Some file material explains what has likely happened. A significant number of files relating to intelligence assessments contain only the file covers, some of which carry a notation indicating that the file contents were transferred to files which remain active.

Only by understanding the dynamics contributing to the creation of a Canadian

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35See for example, G. deB Robinson, ed., A History of the Examination Unit 1941-45 (Ottawa, 1945); Canada. Communications Security Establishment, History of the CBNRC (Ottawa, 1987); and, Canada. Communications Security Establishment, 25 Years of Signals Intelligence and Communications Security (Ottawa, 1971). The Communications Security Establishment is the successor to the wartime Examination Unit and the postwar Communications Branch, National Research Council, and is Canada's SIGINT organization.

36Private information to the author.

foreign intelligence infrastructure during the Second World War, and the critical
intelligence developments which followed during the early postwar years, is a foundation
established for further studies exploring the relationships and structures which define
Canadian foreign intelligence. This study looks at the administrative evolution of the
Canadian foreign intelligence segments from the beginning of the war until about 1951.
Chapter 1

Foreign Intelligence at the Beginning of the War

The coming of war in 1939 did not surprise Prime Minister Mackenzie King nor his close advisors. O.D. Skelton, the Under-Secretary of State for External Affairs and a staunch nationalist, was frustrated at the loss of Canadian independent control of her destiny as she was drawn into the coming conflagration in Europe by "policies and diplomatic actions initiated months ago without our knowledge or expectation."1 Lester B. Pearson of the Department of External Affairs had written to Skelton from London at the time of the Munich Crisis that, "It seems necessary to draw the conclusion that in the present state of Canadian opinion no Canadian Government is likely to be able to keep Canada out of a great war in which the United Kingdom is engaged." He continued, "Canadian self-government obviously is incomplete so long as the most vital decision which can arise in the life of a nation is not taken in fact as well as in form by the leaders of the Canadian people."2

Yet Mackenzie King was a political realist. There was never a moment when he doubted that Canada would have to stand shoulder-to-shoulder with Britain if ever the British Isles, and the imperial homeland, were threatened. Although attempting to follow a policy of isolation and despairing of Great Power politics, Canada was grudgingly

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drawn towards inevitable war in Europe in the shadow of Great Britain.

Although the coming danger of war was acknowledged, little was done by Canada's political leadership to provide the country with an independent source of information to corroborate and to complement the sparse diplomatic reports of the Department of External Affairs and various (and not always reliable) news sources. Canada had long been receiving British diplomatic and intelligence reporting to supplement its own meager resources. Sometimes voluminous and generally informative, the British reports were selected to meet a British interest as well as to address a Canadian information need. While the reports were often late in arriving, and may have been selected to support imperial objectives, they were not unwelcomed by the Mackenzie King government, which had little hard diplomatic intelligence on which to base a firm stance on issues. Pearson had acknowledged the dilemma in early 1939 when he wrote Skelton that, "... the Foreign Office, in certain telegrams which they send to the Dominions, are more interested in making a case than in providing information. I do not mean that they are attempting to expound in their telegrams, but that by careful selection and emphasis they can create an impression which may not always be strictly justified by the information on which the telegram is based."4

No Canadian diplomatic network existed beyond a small number of representatives at core centers of power. No independent sources of information were

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available to test and corroborate information made available through diplomatic sources. Canada did not have a foreign intelligence service to ferret out the shards of information which could confirm or deny reports which became available through other means. Nor did Canada have an intelligence resource to provide contextual knowledge to information already obtained through more accessible means. Although reliance by Canada on Britain’s Secret Intelligence Service (SIS, more popularly known as MI6) and the Government Code and Cipher School (GC&CS, the Signals Intelligence service) proved valuable, these were not a substitute for an independent Canadian source of information.

Canada’s lack of a secret intelligence service must be viewed in the context of the times. The Department of External Affairs had only been in existence for about thirty years and was grossly understaffed, with only a handful of diplomatic missions around the world. Great Britain still played a large role in formulating Canada’s view of the world. That Canada did not create a foreign intelligence service before World War II is understandable since the limited resources available to the country could more effectively be directed at expanding Canada’s diplomatic eyes and ears, to obtain openly available information. However, little was done by Canada, as the world was drawn towards war, to expand its diplomatic resources.

Rather late, as events turned out, Canada came to understand the need for a foreign intelligence capability. None existed within the sphere of foreign policy-making. Some rudimentary intelligence gathering was already available within the Canadian armed forces, although much less than required and not always under direct Canadian control. Each of the armed services had a unique approach to intelligence gathering.
With few exceptions, there was little effort among the services to coordinate intelligence activities and, indeed, intelligence gathering within the services was conducted with limited effectiveness until shortly before the coming of war. The lack of effectiveness reflected limited resources, deficiencies in leadership, complacency, and an absence of cooperation between the services.

The intelligence efforts of the Canadian army, a small service with an uncertain focus as to where future danger might lie, were inconsequential. What foreign intelligence Canada collected, or received from the United Kingdom, had little applicability to Canada’s limited areas of foreign policy interests. Nearly all intelligence relating to matters beyond the shores of North America seems to have come from the British War Office or the Dominions Office. During this period, Canadian military intelligence was little more than a library receiving and filing British reports, which were often unread.

In the decade following World War I, the military conducted only one training course on intelligence. In January 1929, shortly after becoming Chief of the General Staff, General A.G.L. McNaughton wrote his Minister seeking guidance. He noted that, “Most of the incoming [intelligence] information stops in the Department [of National Defence] and ... I do not think that we as a country are getting all the benefits out of it that we should.” McNaughton wanted to make the intelligence available to the Departments of External Affairs and Trade and Commerce.

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After he had discussed his proposal with External Affairs' Skelton, an intelligence exchange was begun. National Defence forwarded to External Affairs what information was available to it while the latter provided copies of the intelligence documents which the British Dominions Office sent to the Governor General to inform the Canadian government. The latter included such series as a Special Monthly Secret Intelligence Summary, a Confidential Intelligence Summary (monthly), a Weekly Secret Intelligence Summary from India, and various intermittent reports from elsewhere in the Empire, as well as copies of British diplomatic reports. A review of some of the intelligence reports which reached Canada at the time makes one wonder as to the applicability of such minutiae to Canadian foreign or defence policy. While the benefits of McNaughton's intelligence sharing initiative may well have been limited at a time when there was neither appreciation of the need for intelligence gathering nor much of a Canadian-directed intelligence collection program with which to balance the flow of British material, his effort probably constituted the first step in forming the entity which, in fits and starts, came to constitute the Canadian foreign intelligence community.

The thrust of Canadian military intelligence efforts in the latter part of the interwar period was directed towards support of fighting forces. Intelligence training and preparation were limited to teaching officers the rudiments of field reconnaissance. Much of what limited intelligence collection was carried out by the Canadian military focused exclusively on the United States. The Directorate of Military Operations and Intelligence (DMO&I), the then-military intelligence unit, controlled intelligence funds, which in 1927 amounted to a mere $1,500. In 1932 only $750 was expended on the purchase of
2,625 maps of New York, Pennsylvania, Illinois, Indiana, Michigan, and Wisconsin. During Fiscal Year 1933-34, the five military districts in Canada received a total of $250 (the lowest allocation being $30 while the highest was $70) for 'intelligence services,' which seem to have consisted of subscriptions to local and U.S. newspapers, and the purchase of maps, reports, and League of Nations Armaments Year Books. As late as 1938, the funding for intelligence-related activities in the military districts (of which there was now a greater number) remained roughly the same. While symptomatic of the lack of support given to intelligence matters during the period leading up to the Second World War, these allotments reflect only the resources made available to military districts, which had no substantive intelligence-collecting role at the time. More funding was clearly made available at the national level.

The near lack of involvement by Canada's army in intelligence matters had a number of causes: the army was small in peacetime with insufficient resources to do everything which was necessary; the absence of a credible military threat for much of the interwar period contributed to a disinterest in the mundane tasks which governed much of daily intelligence work; and, lastly, the popular articulation of Canadian nationalism which identified Canada as part of North America, increasingly divorced from European

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7Memorandum entitled Allotment of Funds for Intelligence Services, Fiscal Year 1933-34, 19 June, 1933, NAC RG24. Reel C-5068. File 4720.

affairs, influenced the thinking of many persons involved in policy-making. Mackenzie King had returned to government in 1935 intent on minimizing international commitments and maximizing international trade, as a way of escaping the impact of the economic depression.⁹

While the Canadian Army hardly rated an acknowledgment of having had a viable foreign intelligence program during most of the interwar period, the situation was different for Canada’s small navy. The evolution of engagement in intelligence matters in the Canadian Navy had come about differently. The Royal Navy was the premier service within the British armed services and close links had long existed with the naval resources of the Dominions in the effort to control the communications lines between parts of the Empire. The Canadian Navy’s more significant Imperial role in the early part of the twentieth century ensured a more effective engagement in all facets of naval duties, including intelligence. As a consequence, the interwar intelligence role of Canada’s Navy was more significant but must still be viewed in the context of limited resources and a mission which remained largely one of support to Imperial objectives. Efforts by the Canadian Navy to define an intelligence role for itself had begun in October, 1910, four years before the beginning of the First World War, when G. J. Desbarats, the Canadian Deputy Minister of the Department of Naval Service, wrote to the Assistant Secretary to the Admiralty in London advising that the Canadian Naval Service “is desirous of establishing a Naval Intelligence Branch and would be glad to receive the advice of the

Admiralty as to its proper organization."\textsuperscript{10} Desbarats went on to seek guidance on establishing arrangements for an interchange of intelligence material between the Imperial and Canadian navies, especially concerning the United States, Central and South American powers, and China and Japan in the Far East.

An imperious reply from the Admiralty the following December advised that "the Canadian Naval forces have not yet reached such a development that it was necessary to establish a separate Naval Intelligence Department on the lines of the Naval Intelligence Department of the Admiralty."\textsuperscript{11} The Admiralty then proposed to send to the Department of Naval Services "such intelligence as [the Admiralty] consider will be of use to the Canadian Naval forces."\textsuperscript{12} In exchange, the Canadian Navy was asked to report to the Admiralty such intelligence as it had collected. In what may have been symptomatic of friction in the United Kingdom over control of intelligence matters, the Admiralty proposed that the Department of Naval Services arrange with the Canadian Militia Department that the monthly intelligence diary, which the latter prepared and forwarded to the War Office in London, go to the Canadian Navy for collation with its own material before everything was sent directly to the Admiralty.

The proposal was taken to heart. From the vantage point of today, the arrangement appears as a constraint on Canadian sovereignty. At the time, however, the

\textsuperscript{10}Message from G.J. Desbarats to the British Admiralty, 28 October, 1910, NAC RG24. Vol. 3856. File 1023-4-1.

\textsuperscript{11}Ibid., Message from G.J. Desbarats to the British Admiralty, 14 December, 1910.

\textsuperscript{12}Ibid.
British proposal was accepted as reasonable and an appropriate means of gaining access to such intelligence material as the Admiralty deemed appropriate to Canadian needs. The Canadian offering was likely modest (no copies of Canadian reports have been located) and was viewed by Canadian officers, most of whom were British-trained, as a proper contribution to a collective Imperial undertaking. There is no indication that political sanction for the inter-services arrangement was sought in Canada.

With the outbreak of the First World War, the Canadian Navy was placed at the disposal of the Royal Navy. Canada’s minuscule naval intelligence organization became an element of British naval intelligence. At the end of the war the Canadian Navy sought to establish a permanent Canadian naval intelligence organization. This was driven, in part, by a Royal Navy plan to relocate the existing regional headquarters of the West Indies and North America (Intelligence) Station from Halifax to Bermuda.\textsuperscript{13} Canada got its naval intelligence organization, but the earlier ties to Admiralty Intelligence remained intact.

The early post-World War I Canadian naval intelligence organization amounted to little more than a few officers (three in 1921), a couple of “lady clerks,” cramped quarters, and a large number of shipping and marine journals as well as newspapers.\textsuperscript{14} Canadian naval intelligence did little more than study the naval affairs of nations in its area of interest.

\textsuperscript{13}Department of National Defence, Directorate of History and Heritage (hereafter DND), Notes on the History of Operational Intelligence Centre in Canada. Chapter First Phase 1910-1939, p. 3. File S1440-18 (1940).

\textsuperscript{14}Ibid., p. 5.
By 1920, a war-time arrangement for British Admiralty Naval Intelligence coverage of the coastal and ocean areas contiguous to North America was reorganized as the Ottawa (Naval) Intelligence Area, absorbing responsibilities hitherto allotted independently to the naval stations in Halifax and Esquimalt. The intent was to extend the Canadian naval intelligence coverage, still under the auspices and direction of the Admiralty, as far as the coasts of Central America with control centralized in Ottawa. Throughout the 1920s and 1930s, the Ottawa (Naval) Intelligence Area sent Canadian naval intelligence officers, on behalf of Admiralty intelligence, to conduct annual tours of one or the other of the American coasts, meeting with British Consular Reporting Officers residing in British Consulates in coastal cities. The information collected consisted largely of details of U.S. naval fleet movements, visiting war ships, shore facilities (dry docks and other infrastructure), coastal defences, and communications capabilities. Given the single annual visit of only one coast, the information collected must have been terribly outdated. Most of the information was clipped from newspapers, with news of U.S. naval movements often ceasing whenever the U.S. undertook even the most rudimentary forms of concealment. The consuls were willing and anxious to assist, even though not all were British subjects, but they complained about the difficulty of obtaining naval news.

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The management of naval intelligence in much of the Western Hemisphere by Canada's Navy on behalf of the British Admiralty was not always smooth. One minor incident marred the operation in 1921 when the British Naval Attaché in Washington, D.C. was curtly told by his superiors to cease interfering with British Consuls in the U.S. who were reporting on naval matters to Canadian naval intelligence. The British Naval Attaché was to restrict himself to the official intelligence exchange function for which he was accredited to the United States. This suggests that the contacts the Ottawa (Naval) Intelligence Area had with the British consulates in the U.S. may have constituted a form of covert intelligence gathering unknown to the United States.

The Ottawa (Naval) Intelligence Area continued its activities in the United States after the outbreak of the Second World War. There is some evidence that the Canadian naval officers may have gathered intelligence from Americans supporting Allied aims. This activity may not have been clandestine in nature, but more likely simply represented information provided openly and freely by friendly and helpful Americans unaware that it might constitute intelligence activity. By 1942, collection of naval information had

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17Message of 23 September, 1921 from Director, Naval Service, Ottawa, to Director, Naval Intelligence, Admiralty, 23 September, 1921, NAC RG24. Vol. 3817. File 1012-11-1.

been transferred to a new British unit in the United States, the amorphously named Consular Shipping Advisers, who continued the reporting to Canadian Naval Intelligence, but now in cooperation with U.S. authorities.

In addition to maintaining the Ottawa (Naval) Intelligence Area as an adjunct to British Admiralty Intelligence throughout the interwar period, the British Admiralty also asked the Canadian Navy in 1925 to establish a wireless and direction-finding station at Esquimalt on Vancouver Island. The station, which was a link in a growing British effort to maintain global surveillance of radio communications, would work in tandem with a similar station in Singapore. The Royal Navy trained the signals intelligence collection staff at Esquimalt, and may, indeed, have supplied their own intelligence staff. Details are sketchy but it seems possible that the Canadian Navy was not aware at the time of all of the intelligence gathering activities carried out by the British at Esquimalt. All intercepts and direction-finding data were forwarded to the Admiralty for processing.¹⁹

While the Canadian Navy cooperated closely with the British Admiralty on signals intelligence matters, other small SIGINT activities had been quietly launched during the interwar period elsewhere in the Canadian government. A Signals Communications Sub-Committee had been established by the Department of National Defence as early as June, 1921, to collect information on existing systems of signals

communication and on technical equipment. By 1930, the Committee had been made a sub-committee of the Joint Staff Committee. The Sub-Committee, which included representation from the R.C.M.P., but not from the Department of External Affairs, was directed to collect and study existing systems of signals communication and to examine all facets of operation, maintenance, and technical resources. The goal of the Sub-Committee was not to establish a Canadian intelligence collection program but to prepare for a potential capability in a vague and distant future. Few resources were available and existing efforts appear to have been directed toward identifying the assistance that Canadian telegraph and telephone companies could provide for the Army in time of crisis.

Apparently unrelated to the cautious Canadian initiatives outlined above, a meeting took place in London on July 28, 1937, to establish co-operation in wireless interception. No details of the actual meeting are available but the Dominions Office wrote to Dominion High Commissioners on August 30 asking them to name a national authority for wireless interception. Canada nominated a representative of the Ministry of Transportation. Some unclear link was maintained under this initiative with Canadian naval authorities, whose intercept station at Esquimalt “had done work on American and later Japanese traffic.” Very little is known of this initiative, which at face value


22 Appendix “A” to an unavailable report, undated but written after the start of the war, NAC RG24. Vol. 29164. File WWII-9 pt. 1 xu.
appears separate from other on-going wireless intelligence initiatives primarily with Canada's navy. Some contact, presumably by the British GC&CS (the SIGINT service), was maintained until after the beginning of the war. In early 1939, a program of work was assigned to each Dominion with Canada being responsible for intercepting Japanese commercial radio stations linking North and South America with Japanese merchant shipping in the North Pacific. Newfoundland, a separate Dominion, was responsible for German stations directed at the U.S.A. and German shipping in the North Atlantic. Such activity, however, amounted to little more than listening stations feeding collected information into the British SIGINT effort.\textsuperscript{23}

The Army's Royal Canadian Corps of Signals was not part of the foregoing arrangement. Already beginning in 1924, the Corps of Signals operated the commercial stations of the North West Territories and Yukon Radio system as well as maintained wireless beacons and other radio stations in support of the Trans-Canada Air Route. These stations were gradually taken over by the newly formed Department of Transport during the 1930s. They had no intelligence-related purpose when first established but would later become vital cogs in the wartime signals intelligence machine.\textsuperscript{24}

The first Canadian-directed effort in modern foreign intelligence collection occurred on April 5, 1938, when Major W.H.S. Macklin, a member of the General Staff at Army Headquarters in Ottawa, made a proposal for wireless intelligence collection to

\textsuperscript{23}Ibid.

\textsuperscript{24}Attachment dated 5 April, 1938 to Canadian Joint Intelligence Committee memorandum dated 27 August, 1945, NAC RG24. Vol. 8088. File 1274-10, vol. 1.
Colonel H.D.G. Crerar, the Director of Military Operations and Intelligence who would soon become Chief of the General Staff and leader of the First Canadian Army during World War II.\textsuperscript{25} Taking advantage of Mackenzie King's 1937 reararmament initiative, which included a decision to prepare coastal defences, Macklin set out, under the rubric of the coastal study, to make a case for establishing a comprehensive system of wireless intelligence gathering in Canada. At the time, wireless intelligence was relegated to the derivation of information from the nature of the signals intercepted, or to the deduction of information from the number, nature, activity, and frequency of stations heard. No cryptographic analysis – the breaking of codes – was involved. Macklin also suggested that intelligence could be gathered through position-finding methods; that is, determining from triangulation the location from which a signal originated, a strategy which would later prove critical during the North Atlantic U-boat war.

Macklin underscored the complexity of the task. The necessary equipment had to be capable of handling weak and fading signals on all frequencies as well as those transmitted at high speed, sometimes in a foreign language or in code. There had to be sufficient stations to permit the triangulation of signals in order to determine their geographic origins. More was needed than just the ability to intercept signals. Familiarity with foreign signaling procedures and knowledge of the type of equipment being used by other countries was necessary. In addition, operators had to be able to understand foreign language signals practices and morse code for symbols not found in the English alphabet or, indeed, in Latin script. A support structure had to be in place to

\textsuperscript{25}Ibid.
handle foreign language messages. Staff had to be identified and trained to collate, study, and interpret the information collected. All this had to be carried out under rules of exceptional secrecy.

Macklin bolstered his proposal by citing examples from World War I of the effectiveness of wireless intelligence. In fact, in making reference to the success of wireless intelligence in Canada during the earlier war, he asserted that “the use of the method did not cease with the armistice” but did not amplify that what was actually done was very limited in scope. He saw his scheme as potentially vital not only to the military but also to the navy and the air force, but Macklin acknowledged that he did not know “what stations, if any, of this nature are operated secretly by the Naval Service.” The proposed scheme would “be indispensable from the very outset of the war, and indeed probably even more so during a time of strained relations.” He urged that the stations be equipped with modern receivers and be supported by properly trained, skilled operators. Macklin had made a revolutionary proposal. If one acknowledged the value of such intelligence gathering, it followed that all three armed services stood to benefit. Since the Militia Service had the trained men, Macklin proposed that it operate the wireless intelligence gathering on behalf of all three services and make the findings available to all.

The Canadian Army’s Director of Signals, Colonel Earnshaw, was already in Great Britain learning about British successes with interception of wireless signals at the

\(^{26}\text{Ibid.}\)
time that Macklin’s proposal was being circulated. Earnshaw’s assistant, Major H.A. Young, immediately grasped the importance of the proposal and quickly volunteered a small number of trained operators. He also recommended the appointment of Major R.A.H. Galbraith, an experienced officer who had done direction-finding work during the First World War, to the position of Officer Commanding the Fortress Signals Establishment (the proposed name for the unit charged with wireless intelligence collection).  

Both the Chief of the Naval Staff and the Senior Air Officer informed the Chief of the General Staff of their strong support for the proposal, with the navy admitting that its own small efforts had suffered from insufficient resources. Later, the navy, under pressure from the British Admiralty, abandoned its support on the basis of “over-riding considerations.” This was an obvious effort by the Admiralty to maintain the covert wireless intelligence station which had existed at Esquimalt since 1925. The difference between the Admiralty effort at Esquimalt and what was contained in Macklin’s proposal was that the material collected at Esquimalt did not remain in Canada but was sent by surface mail to Britain, where it was processed by the GC&CS. Canada only benefitted from this program indirectly through whatever information Britain chose to send to Canada as decrypted and assessed material. From the available files, it is unclear whether

\[27\] Ibid. Attachment dated 20 April, 1938. Earnshaw’s first name is not recorded.

\[28\] Ibid.

\[29\] Ibid. Attachments dated 23 April, 1938 and 27 April, 1938.

\[30\] Ibid., Memorandum dated 27 August, 1945.
British Admiralty Intelligence was concerned with ensuring the continued smooth functioning of its existing SIGINT efforts, which included Esquimalt, unhampered by Canadian interference, or simply did not want Canada to have access to an autonomous source of intelligence.

In an obvious attempt to build on the initiative begun with the Macklin proposal, Crerar proposed on March 19, 1938, to the three Service Chiefs that a Joint Service Intelligence Section be formed as a Sub-Committee of the Joint Staff.\(^{31}\) His goal was to eliminate duplication of effort and to make the best use of the very limited Canadian resources dedicated to intelligence work. By April a sub-committee of the Joint Staff Committee had been formed to consider and report on the feasibility of inaugurating a Joint Service Intelligence Section.

Crerar’s initiative was really only the expansion of something already largely in existence. The Army and Air Force intelligence sections had been amalgamated six years earlier (at a time when the Air Force was at minimum numbers). By extending Army-Air Force intelligence cooperation to include the Navy, it was hoped that a force multiplier would be achieved through better use of existing resources. The Joint Service Intelligence Section would collate and correlate all sources at one central agency, with more information being more easily available for exchange among the services, a duplication of effort being reduced, savings from pooled newspapers, periodicals and other public sources permitting an increase in subscriptions, and, most importantly, inter-

service cooperation being enhanced to extend coordination of intelligence interpretation, with all the parties sharing a common perception of events.32

The Navy was initially cryptic in its response to Crerar’s proposal. At the beginning of May, 1938, it recommended “a closer co-operation between the intelligence sections of the three services as at present constituted. This must be largely a personal matter.”33 None of the other parties to the discussions seem to have understood the response from the Navy. It quickly became clear, however, that the Navy was opposed to the idea of inter-service intelligence cooperation beyond very limited coordination. The Navy thought its own intelligence efforts more focused than those of the other services and claimed that “the creation of a war room in which operational movements and Intelligence obtained from the separate sections may be co-ordinated requires further thinking.” This response was seen for the stalling tactic which it clearly was and the Navy was pressed for an unambiguous position. The answer was in the negative: the “…Canadian Naval Intelligence and Plans Division is part of the world-wide British Naval Intelligence Organization and is responsible, through the Chief of the Naval Staff, to [the British] Admiralty for the collection of intelligence in the North American area ....”34

At the same time as the Navy was rejecting the proposal for a Joint Service Intelligence Section, the Minister of National Defence appended his approval on May 5,


33Ibid., Memorandum dated 31 May, 1938.

34Ibid. Undated memorandum of May, 1938.
1938, to a memorandum which outlined the Macklin proposal for wireless intelligence collection as being of great value to the defence of Canada in the event of war. The memorandum to the Minister underscored that Canada had to rely on its own intelligence resources in the event of war with Japan and that the wireless system could not be hastily improvised in the midst of an emergency.\(^{35}\) In case of hostilities, Canada could expect to receive less assistance from the British Navy in defence of Canada’s Pacific Coast than would be available in the Atlantic. The necessity for great secrecy was stressed; the stations were to be provided security covers as the signals system of fortresses and port defences. The Minister agreed to the initial establishment of two or three wireless intelligence stations along the Pacific Coast with attendant administrative and technical support.

Within days of receiving the Ministerial approval, Colonel Crerar had established a sub-committee of the DND’s Joint Staff Committee (JSC). The first meeting was held on May 18, 1938, with representatives of the three service intelligence units; no representation was accorded to civilian organizations, including the Department of External Affairs.\(^{36}\) The Canadian Navy, while supporting the effort launched by Crerar, was not prepared to assist in a practical sense: “The commitments for Naval Signal personnel make it impractical for the Naval Service to provide any personnel for this


\(^{36}\)S.A. Gray, Getting to the Roots of a 291er (Canada: Department of National Defence, 23 January 1993), p. 3.
service [i.e., the project prepared by Macklin] now or in the near future...."\textsuperscript{37} The Navy was totally committed to its own limited direction finding signals efforts, conducted at behest of the British Admiralty. The Navy's attitude did later change as a result of influence from the British Admiralty, which eventually saw the benefits of a more holistic approach to wide interception of radio signals.

Although preparations for establishing wireless intercept stations were begun in 1938, there were no stations in place and operational when World War II began. The first army wireless intercept station only became operational in the fall of 1939, some time after hostilities had commenced.\textsuperscript{38} The breakdown in cooperation between the Army and the Navy in allotting resources to the project was just one of many setbacks experienced during the early signals intelligence efforts. Nevertheless, had preparations for signals intelligence gathering not been begun until after September, 1939, the implications for the North Atlantic U-boat war would have been greater. Major Macklin and Colonel Crerar were exceptional for their time for having the foresight to argue persuasively for the establishment of a Canadian signals intelligence facility in the face of great competition for limited military funding and insufficient understanding of the importance of the future wireless war.

While the Macklin initiative for an integrated tri-service approach to Canadian SIGINT collection had been defeated by naval intransigence, the Canadian Navy

\textsuperscript{37}Ibid.

\textsuperscript{38}Memorandum dated 27 August, 1945, NAC RG24. Vol. 8088. File 1274-10, vol. 1. The document lists the first Army station as commencing operations in December, 1939. This is wrong since the Rockcliffe station began operating in October, 1939.
continued its own signals intelligence efforts in cooperation with the British Admiralty. A new Canadian Director of Naval Intelligence, Commander E.S. (Eric) Brand, of the British Royal Navy, was appointed in June, 1939, with primary responsibility for overseeing what was expected to be a vital convoy link between Canada and Britain. At the time of his appointment, Canadian naval intelligence was expected to continue as an adjunct of Admiralty Intelligence. Before proceeding to Canada, Brand met with the British GC&CS (the SIGINT service) where he learned of the existence of the Canadian Navy’s signals intelligence station at Esquimalt. GC&CS made it clear that the British Admiralty would continue to provide taskings and direction to the Esquimalt facility. The Canadian contribution was solely to pass on the collected data without efforts at assessing or interpreting the information. The British Admiralty also asked Brand to establish a Direction Finding (D/F) intercept station in the vicinity of Halifax as a link in the chain of D/F stations which the Admiralty thought necessary to protect its trans-Atlantic supply lines.

When Brand assumed his duties in Ottawa on July 28, 1939, he found that only four reserve officers had been assigned with the outbreak of war to be mobilized as Intelligence Officers. All had been notified in March, 1939 to be available at a moment’s notice in the event of war. One of the four officers was Lieutenant Commander John Barbe-Pouget de Marbois of the Royal Navy Reserve. Already 51 years old when war

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40Ibid.
began and lately a language teacher at Upper Canada College, de Marbois was born on an island in the Indian Ocean near Mauritius, ran away to sea at age twelve, sailed around the world twice, survived shipwrecks and a bloody mutiny, became a British liaison officer on a Russian cruiser during World War I, and escaped from the Bolshevik revolution with his Russian countess fiancée. After stopping briefly in Nigeria, de Marbois settled in Canada.\textsuperscript{41}

Brand selected de Marbois to build up the Canadian Navy’s knowledge of signals intelligence. By this time Brand was no longer satisfied with having all signals intelligence direction come from the British Admiralty and must have been given some Admiralty latitude for building up the Canadian organization. De Marbois was placed in charge of a small unit named the Foreign Intelligence Section, with responsibility for passing Canadian naval signals intelligence to the Admiralty as well as for instituting a system for collecting “Y” discrimination data and plotting the locations of enemy vessels.\textsuperscript{42}

De Marbois would later recall arriving in Ottawa to find a naval signals intelligence organization which was little more than a post office forwarding collected material to the Admiralty for processing. De Marbois viewed the arrival on “virgin


\textsuperscript{42}At this time D/F triangulation, employed to locate other radio transmitters, was called “Y” work, a holdover from the First World War when it was discovered that three stations honing in on the strongest signal from a radio transmitter acted much like the spokes of the ‘y’ to pinpoint the location of a signal where the three spokes intersected.
ground” as an opportunity to build a Canadian direction-finding (D/F) organization which was “more progressive and modern in every point of view than the Admiralty.”\(^{43}\)

Although hardly modest, de Marbois was probably correct in his recollection. By the middle of the war, his collection of geophysicists and other scientists recruited from the National Research Board had sharpened the collection of D/F bearings to take into account earth magnetism, meteorology, and auroral activities to provide more precise pinpointing for intercepting radio signals. De Marbois’ scientific approach would later be copied by the Admiralty and the other allied signals intelligence services.\(^{44}\)

One of the reasons for de Marbois’ success was his rapid assembly of a Canadian naval “Y” organization. Among the first to whom he sent out a call for help was C.H. (Herbie) Little at Upper Canada College, who had been one of de Marbois’ German-language students at Upper Canada College. Little, a naval reservist, arrived on October 13, 1939, to assume charge of all documents and books and to assist de Marbois with translations.\(^ {45}\) Little and others quickly formed the nucleus of an intelligence unit which came to have an impact on winning the U-boat war in the North Atlantic.

De Marbois did, in fact, receive a great deal of assistance from many of the individuals who ran the British Admiralty’s own D/F operations. This assistance came in the form of personal letters from Captain H. R. Sandwith, who ran the Admiralty’s D/F


\(^{44}\) Ibid.

\(^{45}\) DND, Notes on the History of Operational Intelligence Centre in Canada, S1440-18 (1940). Chapter 1939, p. 3.
operation, and Admiral Clayton, a senior officer in Admiralty intelligence. The British had their own interests in establishing a credible Canadian signals intelligence unit. The Royal Navy urgently required stations in Canada to assist in plotting D/F bearings to help locate the enemy in the Atlantic. At this stage of the war, no one knew whether Britain itself would be invaded, with any remnants of Admiralty intelligence units being forced to flee to Canada. Or, perilously close to the center of the war, the Admiralty’s own signals intelligence stations could be disabled through aerial bombardment.

Because of the unavailability of navy radio receivers, de Marbois set about procuring assistance from the Department of Transport. Brand had already been in contact with Commander C.P. Edwards, the head of the Radio Division of Transport, and a former radio intercept officer during World War I. During a September 5 call from de Marbois to Edwards, the latter agreed to full cooperation.\textsuperscript{46} It is important to note the date of this meeting. Britain had declared war two days before, but it would be another five days before Canada formally went to war. It is also of interest to note that de Marbois, a reservist to be called up in the event of war, had reported for duty before Canada’s declaration of war.

Before long, Edwards agreed to use Transport funds to build a direction-finding signals station at Hartlen Point, near Halifax. The station was placed on a strip of land at the eastern gateway to Halifax harbour with a clear view of the sea in all directions. Operated by Department of Transport staff, the station did not become operational until late 1941 or early 1942. After that, however, Hartlen Point became a vital link in

\textsuperscript{46}Ibid.
Direction Finding (D/F) signals intelligence and critical in locating and attacking German submarines operating in the North Atlantic. Before long, the station at Hartlen Point, in cooperation with other stations in Bermuda and Jamaica, could D/F triangulate to pinpoint the location of German submarines in the North Atlantic.

The first Department of Transport radio station to be pressed into service for the Canadian Navy on “Y” efforts was in Strathburn, Ontario, assigned on December 8, 1939, to watch for German naval ciphers sent from German commercial stations. The station suffered from lack of proper equipment (not even a clock to record the time of transmissions) and it was some time before it functioned properly. Other Department of Transport radio facilities which the Canadian Navy pressed into service when war began included stations located at St. Hubert in Quebec, Shediac in New Brunswick, St. Louisburg in Nova Scotia, Forest in Manitoba, and Botwood in Newfoundland. Use of Botwood, which had been operated by the Department of Transport on behalf of the Air Ministry, required the approval of Britain, since Newfoundland was now under direct British control.

As the Canadian naval SIGINT operation grew, there came with it a natural inclination towards greater autonomy. In early 1941 the British Admiralty sought to reassert its control over the Canadian operations by having the Canadian stations become subordinate to the British admiral in Bermuda, with the collected data passing


through British naval headquarters in Bermuda before reaching the Admiralty Operations Centre in London. De Marbois, by this time promoted to Commander, made a visit to Bermuda in an attempt to resolve the matter but was not successful. The problem was only solved when the Canadian Chief of Naval Staff informed the British naval headquarters in Bermuda that the unique situation in Canada, involving many stations, some of which were manned and operated by the Department of Transport, necessitated that Canada deal directly with London for the sake of efficiency.49

While Canada’s Navy approached the coming war with the rudiments of an intelligence base because of its collecting ties to the British Admiralty, the Canadian Army started with an even weaker foundation. Canada’s first army signals intelligence station, which was inaugurated in October, 1939, was located at Army Headquarters at Rockcliffe Airport in Ottawa. The station had the designation VER, the international radio call letters assigned to Canadian Army HQ. Located in the basement of one of the airport buildings (formerly a garage), the station initially consisted of three operators, two of whom were brothers, under the command of Major W.J. McGill of the Directorate of Signals.50 By November, 1939, responsibility for the Rockcliffe station had passed to Captain H.D.W. Wethey as Commanding Officer of the Royal Canadian Signals Experimental Section, with Captain E.M. Drake as second in command. The early mandate of the Rockcliffe station is unclear but the very limited resources available to the


50 Ibid., p. 5.
station suggests that little of consequence could be accomplished.

In November, 1940, the Canadian Army sent Drake on a mission to Washington to seek assistance and advice from the United States on the establishment of a Cryptographic Bureau in Canada. Ostensibly, the reason for the visit to the U.S. was for Drake to obtain technical information on certain radio equipment manufactured by American firms, to assess their performance, and to determine if appropriate equipment could be purchased by Canada.\(^{51}\)

It was while preparations for Drake’s visit were still underway that planning assumed a new direction. Lieutenant Colonel H.E. Taber, the Canadian Army’s Acting Director of Signals, informed Drake that his mission now had an additional fourfold purpose.\(^{52}\) His primary objective became to assess the feasibility of organizing a Canadian cryptographic section within the Canadian Army’s Signal Corps, essentially an expansion of the work which Drake was already conducting. Canada knew that the United States was carrying out cryptographic work, although there does not seem to have been any understanding of the details. Drake’s second objective was to assess whether there was scope for wireless monitoring cooperation with U.S. services. He was also to

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\(^{51}\) Undated November 1940 memorandum from Capt. E.M. Drake to Col. W.W. Murray, White Files, Examination Unit folder; and memorandum dated 20 November, 1940, NARA Box 798 Nr. 2282 CBLL35 11622A 19401120. (The White Files are files released by CSE to NAC, copies of which were provided to the author to overcome lengthy processing times at NAC.)

\(^{52}\) Memorandum from Lieut. Col. H.E. Taber to Col. Letson, the Canadian military attaché in Washington, 11 November, 1940, White Files. Examination Unit Folder.
learn of any U.S. experience using radio amateurs for monitoring duties and sought access to a U.S. monitoring station to study its organization. The redirection of the purpose of Drake’s visit simply reflected a Canadian effort to capitalize on the trip to derive as much benefit as possible.

The Canadian Army’s decision to send Drake to Washington instead of London is inexplicable. Nothing in the files suggest any motivation, nor do available documents allude to any consideration being given to visiting London. While close cooperation existed between Canada and Britain in all defence matters, exchanges often involved administrative issues rather than innovative initiatives. The decision in favour of visiting Washington may have resulted from as mundane a reason as less expensive travel costs, or have been tied to the original purpose of the visit, which was to secure equipment. More likely, it reflected an assumption that the U.S. would be more receptive than Britain to a request for assistance in creating an autonomous radio intercept facility. It must be remembered, however, that at the time of the visit, Canada was at war while the U.S. was a neutral.

The Canadian military attaché in Washington arranged for Drake to meet with Major General Joseph O. Mauborgne, Chief Signal Officer of the U.S. Army. Drake’s meeting with Mauborgne, on November 19, lasted two and a half hours, an indication of their mutual interest and importance given to the talks. Mauborgne was surprised that Canada did not have a cryptographic bureau and made it clear that he thought it vital for a nation at war to have access to the type of information which might be derived from signals intelligence. Although forthcoming and helpful, Mauborgne explained that the
United States was not at war and that, as such, details of the activities and locations of U.S. Army monitoring stations could not be discussed. He was clearly surprised that the Canadians even knew the stations existed. He did admit that much of the U.S. signals intelligence collection effort was carried out in cooperation with the U.S. Federal Communications Commission (FCC).\textsuperscript{53}

Much of the meeting centered on a discussion of the breaking of enemy codes and ciphers. It was Mauborgne’s opinion that Canada should not become involved in cryptographic work with less than a staff of about 200 persons. To assist the Canadians, Mauborgne would arrange for them to receive various U.S. cryptographic training manuals. For his part, Drake informed the Americans of signals and call letters originating in the U.S. from stations which the Americans had not known existed and which the Canadians had been intercepting. Drake also gave Mauborgne the details of some German stations and frequencies which Canada had recorded.

In response to the question of closer and on-going cooperation which was raised during the discussions, Drake was informed that there were already talks underway between the FCC, Canada’s Department of Transport and the armed services of the U.S., Canada, and Britain.\textsuperscript{54} Mauborgne cautioned the Canadians that, because of the U.S.

\textsuperscript{53}Details of Drake’s visit to Washington can be found in G. deB. Robinson, ed., A History of the Examination Unit 1941-45. (Ottawa: 1945), pp. 3-10; Memoranda dated 20 November, 1940 and 26 November, 1940 White Files, Examination Unit folder; and memorandum dated 20 November, 1940, NARA. RG457, Box 798 Nr. 2282 CBLL35 11622A 19401120.

\textsuperscript{54}If these talks took place and dealt with foreign intelligence matters, they were likely of a very preliminary nature since no substantive agreements emerged nor is there any trace of such talks evident in Canadian or American archival records. Possibly,
status as a non-belligerent, the U.S. Army Signal Corps would want to keep its activities hidden from the public. The Canadian military attaché accompanying Drake responded that the question of formal and on-going cooperation would be a matter which could be referred to the Canada-U.S. Permanent Joint Board on Defence, the bilateral defence forum which permitted a measure of Canadian-American military cooperation notwithstanding U.S. neutrality. Mauborgne was encouraging of the Canadian suggestion but the U.S. record of the meeting also states that, “Nothing was said about existing proposals along this line.”

Mauborgne suggested that the Canadians discuss their proposal with the British, recommending that Canada ask the British for copies of available German, Italian, Russian and Japanese codes or cipher systems, as the first step in launching a cryptographic effort. It must have become apparent to him during the meeting with the Canadians that such codes and cipher systems had not been provided to Canada. The U.S. Army Signal Corps was encouraging and willing to assist the Canadians but also cautious of the American political position; the American notes of the meeting record a willingness to assist once the Signal Corps had been provided with the policy direction to

Mauborgne could have reflected a British proposal in the talks with the Americans of using Canada as an intelligence platform.

55Details of Drake’s visit to Washington can be found in G. deB. Robinson, ed., A History of the Examination Unit 1941-45. (Ottawa: 1945), pp. 3-10; Memoranda dated 20 November, 1940 and 26 November, 1940 White Files, Examination Unit folder; and memorandum dated 20 November, 1940, NARA. RG457, Box 798 Nr. 2282 CBLL35 11622A 19401120.
do so.\textsuperscript{56}

As a result of Drake's visit, a recommendation was forwarded to the Canadian Chiefs of Staff Committee proposing the establishment of a Cryptographic Bureau of approximately 200 persons, including cryptographic specialists, translators, and clerks. Because such a sizable staff was required, it was recommended that a conference be held among the three Canadian armed services to arrive at a decision on creating a joint operation. Perhaps recalling the earlier failure of the 1938 Macklin initiative, the drafters of the recommendation stated that, if the Navy and Air Force did not want to participate, the Army should begin organizing its own cryptographic section with whatever resources could be made available.\textsuperscript{57}

The Chiefs of Staff Committee turned down the proposal for a Canadian military SIGINT bureau on December 11, 1940, because the cost was too great. The decision by the Chiefs of Staff Committee must be seen in the context of the times. Canada was newly at war and resources were at a premium. There was no guarantee at the time that the cryptographic effort would be effective. The Navy was opposed to the idea, stating that such a bureau duplicated existing facilities in London and Washington.\textsuperscript{58} It is not entirely clear whether the Canadian Navy understood that cryptographic activity was not the same as "Y" work, the direction-finding activity which was so vital to the Navy in the

\footnotesize\textsuperscript{56}Ibid.

\footnotesize\textsuperscript{57}Ibid.

North Atlantic U-boat war, and which was the only signals intelligence activity with which the Canadian Navy was engaged. Furthermore, there is no evidence that U.S. cryptographic-derived intelligence had been made available to Canada up to this time.

No information is available on what foreign intelligence activities may have been initiated during the period up to 1940 by the Department of External Affairs. Most likely there was little explicit intelligence-related work being done. The department was in the midst of a great expansion of its diplomatic activities during the early part of the war – in 1940 there were still only 44 officers and 328 other staff in DEA.\(^{59}\) But, obviously, there was ongoing intelligence liaison work with the British, as had been the case for many years. Contacts existed between the Canadian High Commission in London and the British Secret Intelligence Service (SIS). This was a one-way relationship, providing Canada with intelligence which had been interpreted through the eyes of Britain. Prior to the outbreak of war, the flow of intelligence was of little direct benefit to Canadian decision-makers, who maintained very narrow foreign policy interests. The flow of information did not alter in quantity or quality until the war when the volume increased so significantly that it caused Winston Churchill in December, 1940, to decry the scattering of "so much deadly and secret information over this large circle."\(^{60}\)

By the end of 1940 Canada had been at war for more than a year. France had fallen to the German onslaught; Scandinavia and the Low Countries had earlier

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succumbed. Though far from disinterested, the United States remained neutral. Britain was not quite alone. Beside her stood Canada, already being thought of as a refuge for the British government and the Royal Navy if the home isles were successfully invaded by Hitler. In addition, the remainder of the British Empire, primarily Australia, New Zealand, South Africa and India, became important players.

Between the outbreak of war and the end of 1940, the Department of National Defence budget rose from $112 million in fiscal year 1939-40 to $647 million in the next. The number of Canadian men under arms doubled to 124,800 by 1940, in addition to some women in auxiliary roles.\(^6\) That Canada did not do more to harness the various, and disjointed, efforts to engage in foreign intelligence activities at this juncture of the war is understandable. Foreign intelligence was viewed as important but not vital, given the paucity or resources. Some intelligence initiatives were launched and proved successful at this stage, as was the case with the Navy’s Operational Centre. In other cases, as with Drake’s unsuccessful effort to establish a cryptographic unit within the Department of National Defence, there was failure, perhaps because the impact on the overall struggle was less immediate and less discernible.

However, for the first year and a half of war, establishing a Canadian foreign intelligence program was not a Canadian policy priority; it was an issue on which the government was not actively engaged. There were many reasons for this. Not only was there no substantial experience with, or understanding of, the concept of foreign

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intelligence, but Canada’s overtaxed and limited resources, coupled with the more immediate need of creating an army of substance and building an industrial base for war, relegated foreign intelligence to secondary importance. And there was virtually no existing intelligence infrastructure on which to build.

Notwithstanding the competition for resources, some steps had been taken by 1940 in the direction of intelligence collection. Canada’s rudimentary interwar intelligence efforts provided little foundation on which to establish wartime intelligence needs. Perhaps because the Navy was so close to British Admiralty Intelligence, it had a clearer understanding of its priorities and was more active than the other services in intelligence matters. Cooperation with the other Canadian services in intelligence matters was not among the Navy’s priorities, but protecting the North Atlantic convoy route was. By the end of 1940 the Canadian Navy had a respectable SIGINT operation covering High Frequency (H/F), Direction Finding (D/F), and “Y” activities using stations at Hartlen Point, St. Hubert, Botwood, Esquimalt, Ottawa (Rockcliffe), Strathburn, Forrest, Vancouver, and Newfoundland. A staff of more than 110, using more than 40 receivers and other equipment, collected and processed the signals. By early the next year, there was even talk of establishing an intercept station at Julianhaab, Greenland, to extend the range of signals which could be collected.  

Canada only established foreign intelligence priorities and created the supporting

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63 Ibid., Memorandum of 3 April, 1941.
infrastructure in 1941, and success was not immediate. Failures and lack of clear
direction marred the journey, but before the end of the following year Canada had
elaborated most of the instruments of foreign intelligence collection which remained in
place for the duration of the war.
Chapter 2

Birth of the Examination Unit

At the beginning of 1941, Hugh Keenleyside, a somber, precise person, known for his managerial skill, who represented the Department of External Affairs on the National Research Council’s War Technical and Scientific Development Committee, enquired of the Department of National Defence whether it had carried out any work towards creating a cryptographic capability. Near the end of January, he received a reply from Captain E.S. Brand, Director of Naval Intelligence, briefly stating that the Chiefs of Staff had reviewed the issue in December and had deferred the matter until a later date.¹ Keenleyside expressed surprise that this was the first intimation that DEA had received of the Chiefs of Staff’s decision, believing that his department should have been informed.² Since DEA was at that moment conducting its own study on the creation of a cryptographic unit, he asked for the rationale behind the Chiefs of Staff’s decision. Brand’s response, quoted directly from the Minutes of the Chiefs of Staff meeting, conveys the pervading institutional attitudes in Canada:

The Committee decided they were unable to recommend the institution of a Cryptographic Branch in Canada, and felt that we should continue to use the United Kingdom facilities for this work. In the event of these being seriously interfered with by enemy action, a similar organisation exists in the U.S.A. which would be available to assist in the event of the United States’ entry into the war.

¹Letter from Capt. E.S. Brand to Dr. H.L. Keenleyside, 21 January, 1941, White Files. Examination Unit folder. See Citation Abbreviations, p. vi, for explanation on source of White Files.

²Letter from H.L. Keenleyside to Capt. E.S. Brand, 27 January, 1941, White Files. Examination Unit folder.
They also considered that the cost of such an organisation in Canada could not possibly be justified at the present time.\(^3\)

In fact, at the time that he received the response, Keenleyside was very likely already aware that DND had turned down the proposal to establish a cryptographic unit. Captain E.M. Drake, the signals intercept officer who had gone to Washington to discuss a Canadian cryptography unit, and Lieutenant Herbert Little, of Naval Intelligence, had already been in contact with T.A. Stone, the officer at External Affairs charged with foreign intelligence matters, to discuss the possibility of External Affairs establishing a cryptographic unit. For the relatively junior Drake and Little to have taken this initiative without the knowledge or consent of their superior officers (who likely would have denied them the authority to proceed) was a very serious matter in the midst of a war. Stone, having been briefed by Drake and Little, had discussed the proposal with Norman Robertson, the new\(^4\) Under-Secretary of State for External Relations, and received his support to actively pursue the matter.\(^5\) Nothing is known of Drake’s motivation for speaking with DEA about DND’s decision to reject the proposal for a cryptographic unit. Perhaps it was simply an innocent conversation bereft of insubordinate intent. Whatever the cause, Drake became an individual highly regarded by DEA for the rest of his career.

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\(^3\)Ibid. Letter from Capt. E.S. Brand to Dr. H.L. Keenleyside, 29 January, 1941.

\(^4\)Robertson succeeded O.D. Skelton who died as a result of a massive heart attack while driving home for lunch on January 28, 1941. Skelton had led DEA for much of its history until then, and been one of Mackenzie King’s key advisors and confidants. See Norman Hillmer and J.L. Granatstein, *Empire to Umpire; Canada and the World to the 1990s*, (Toronto: Cobb Clark Longman Ltd., 1994), pp. 164-66.

A few days following the Brand letter, Norman Robertson received a letter from L.B. Pearson, who was posted at the time to the Canadian High Commission in London. Pearson wrote that the British War Office was reluctant to continue decrypting intercepts from the Vichy legation in Ottawa, which the Rockcliffe station was recording and forwarding to British intelligence for processing. The War Office asked whether Canada was giving any thought to establishing a cryptographic bureau of its own, and offered to provide assistance.  

Several months elapsed before a meeting occurred between the Department of National Defence and the Department of External Affairs, on April 22, 1941, to discuss the advisability of establishing a cryptographic unit as well as constructing a Canadian Government cipher. The meeting was reported to Norman Robertson with DND remaining opposed to the idea of establishing a cryptographic bureau of its own in view of the earlier Chiefs of Staff decision. Robertson decided to have DEA proceed with the study.  

The Acting President of the National Research Council (NRC) had already sent letters to Canadian universities in January enquiring about the availability of mathematicians with an interest in cryptography. Keenleyside, who was shepherding the project for DEA, was surprised by the large number of responses but, knowing little about cryptography himself, admitted defeat at assessing whether the many respondents

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6Letter from L.B. Pearson to Norman Robertson, 1 February, 1941, White Files. Examination Unit folder.

claiming a knowledge of codes and ciphers actually possessed any real skills. ⑧

Among the names sent to Ottawa in response to the NRC query were those of Dr. Gilbert de B. Robinson and Dr. H.S.M. Coxeter, who had been proposed by the president of the University of Toronto. Neither of the two heard anything from the NRC until April, when they were suddenly invited to a meeting in Ottawa. Dean C.J. Mackenzie, head of the NRC, introduced the two to Little, who explained that National Defence collected radio signals and that the NRC would make available a room where a small number of individuals could work on decrypting the messages. ⑨ Little inexplicably did not brief the two on the earlier visit to Washington by Captain Drake, of which he must almost certainly have been aware. Similarly, no rationale is evident for Little’s briefing of the two mathematicians, given that DND was not involved in exploring creation of a cryptographic unit. One can only surmise that, with the small circle of individuals engaged in signals intelligence matters, DEA had asked Little to carry out the briefing because of his greater technical expertise.

Robinson and Coxeter were recruited for the summer university break and Mackenzie suggested that they begin their task with an exploratory visit to Washington. As it happened, both were well acquainted with Dr. Abraham Sinkov, a cryptanalyst with the U.S. Army’s Office of the Chief Signal Officer, with whom they were expected to meet to discuss possible training facilities, the organization of a cryptographic bureau, ⑧Letter from H.L.K. Keenleyside to Dr. C.J. Mackenzie, 13 February, 1941, White Files. Examination Unit folder. ⑨G. deB. Robinson, ed. A History of the Examination Unit 1941-45. (Ottawa: 1945), p. 11.
and the profile of the sort of person best suited for the type of work.\textsuperscript{10}

Coxeter and Robinson arrived in Washington on May 1, 1941, a Thursday. After a preliminary meeting the same day with a U.S. Army Signal Corps officer, they were informed that Major General Joseph O. Mauborgne, Chief of the Signal Corps, would receive them on Friday morning. Mauborgne opened the meeting the next day by enquiring about the connection of the visit of the two mathematicians with that by Drake in the previous November. Coxeter and Robinson were stupefied, knowing nothing of the earlier visit, and could only say that they were there representing the National Research Council. Mauborgne, probably cautious about dealing with disorganized Canadians, was unwilling to go into details of his own organization and its links with other U.S. intelligence agencies.\textsuperscript{11} He wondered aloud why the U.K. was unwilling to assist the Dominions, adding that he had had a similar approach to that of the Canadians from the South Africans.

As he had with Drake, Mauborgne suggested that any cryptographic bureau should be centralized and would need about 250 staff (he had told Drake 200). He also indicated that the training material, which had been put together for Canada in response to a request from Drake, could be made available. National Defence had never made the official request for the training material and it had remained packaged and ready on a shelf.

\textsuperscript{10}Ibid., pp. 11-12; and letter from C.J. Mackenzie to Norman Robertson and communication signed WMH to the Canadian Legation in Washington, both 24 April, 1941, White Files. Examination Unit folder.

\textsuperscript{11}Report by H.S.M. Coxeter and G. deB. Robinson to Dean Mackenzie, 3 May, 1941, White Files. Examination Unit folder and Yardley folder.
Mauborgne added that a skilled instructor would be needed and that he could not spare any of his staff although he proposed that Canada should contact either Rosaria Candela, a wealthy Italian lecturing on cryptanalysis at Hunter College in New York City, or Major Herbert O. Yardley, founder of the U.S. cryptography bureau.\textsuperscript{12} Mauborgne added that Yardley had recently returned to Washington from China, where he had worked for the Kuomingtang government, and was now without a job.

Returning to the Canadian Legation, Coxeter and Robinson received authority by telephone from Mackenzie to contact Yardley. They also briefed Hume Wrong and R.M. Macdonnell of the Legation about their meeting with Mauborgne, and Macdonnell reported separately on the meeting to senior officials at DEA.\textsuperscript{13} Arrangements were made to meet Yardley at the Legation at 4 P.M.

Yardley met with Coxeter, Robinson and Macdonnell to describe to them his intelligence work in China. He was of the opinion that cryptographic training under his direction could be shortened to about six weeks and that a smaller staff of 10-15 was all that was needed with which to begin. This was welcome news to the Canadian representatives, who knew intuitively that Ottawa was unlikely to be receptive to the

\textsuperscript{12}Following his employment with U.S. cryptography bureau, Herbert O. Yardley wrote \textit{The American Black Chamber} (Indianapolis: The Bobbs-Merrill Co., 1931), an exposé of American signals intelligence successes during World War I. Yardley also wrote \textit{The Chinese Black Chamber} (published years after his death) on his SIGINT experience in China before coming to Canada, as well as several novels (one was made into a film) and \textit{The Education of a Poker Player}, which remains a classic and in print.

\textsuperscript{13}Report to the National Research Council of Canada re Cryptographic Project, prepared by H.S.M. Coxeter and G. DeB. Robinson, 3 May, 1941, White Files Examination Unit folder.
staffing projections presented by Mauborgne.

Wrong, a seasoned and effective diplomat who had been a teacher of history at the University of Toronto when recruited for the Department of External Affairs, sent a reporting telegram to Ottawa dated May 3 (Saturday), two days after the arrival in Washington of Coxeter and Robinson.¹⁴ One of the surviving copies of the message indicates that the telegram was referred to the Secretary of State for External Affairs, Mackenzie King, with a copy sent to the Minister of National Defence. This suggests that King was kept briefed and may have had an interest in the issue.¹⁵ There may also have been some urgency associated with the visit to Washington given the speed with which meetings were held and decisions taken. A decision to proceed with a cryptographic bureau must already have been made.

The message of May 3 is important for other reasons. According to Wrong, who sent the message, while Mauborgne supported the Yardley candidature, he had been frank in providing details of his lack of favour in Washington because of his book on American SIGINT experience, which was perceived by some U.S. officials as a betrayal of trust. Wrong also recorded that Keenleyside had telephoned him at the Legation to ask him to arrange an invitation for Yardley to visit Ottawa, and to instruct Wrong that the U.S. Department of State was not to be consulted at this stage. The NRC’s Mackenzie was nervous about Yardley’s background and wrote a couple of days later cautioning

¹⁴Letter from H.M. Wrong to the Secretary of State for External Affairs, 3 May, 1941, White Files. Examination Unit folder and Yardley folder.

¹⁵Ibid.
against an invitation “until the matter had been canvassed diplomatically.”\textsuperscript{16} But it was too late. Keenleyside responded that an invitation had already been extended to Yardley and that he would arrive within a week.\textsuperscript{17}

Yardley came to Ottawa on May 12 and met with the Interdepartmental Committee on Cryptography, the ad hoc working group which Keenleyside had assembled to launch the cryptographic bureau. The group met in the East Block of the Parliament Buildings, the home of the Department of External Affairs. In addition to Keenleyside, who chaired, and Yardley, present were T.A. Stone from DEA, Captain E.S. Brand and Lieutenant C.H. Little of naval intelligence, Lieutenant Colonel W.W. Murray of military intelligence, and Miss D. Geary, representing the absent Dean Mackenzie of the NRC.

The meeting began with a statement from Lieutenant Colonel Murray stating the military’s view that it was “futile to embark now on any expensive undertaking to break down high-grade cipher, and that our efforts should be confined to comparatively simple activities such as interception and deciphering of the illegal wireless messages being sent from stations” in the Western Hemisphere. Lieutenant Little added that the breaking of simple agent codes was already being done in cooperation with the R.C.M.P.\textsuperscript{18}

\textsuperscript{16}Ibid. Letter from C.J. Mackenzie to Dr. H.L. Keenleyside, 6 May, 1941.

\textsuperscript{17}Ibid. Letter from H.L. Keenleyside to Dr. C.J. Mackenzie, 7 May, 1941.

\textsuperscript{18}Report of a Conference of the Interdepartmental Committee on Cryptography by D. Geary, 12 May, 1941, White Files. Examination Unit folder and Yardley folder; and U.S. National Archives and Records Management (NARA) RG457, Box 1358, Nr. 4166 ZEMA 168 44121A 19410201.
Yardley was of the opinion that it would be best to start small but with work carried out on both illegal agent traffic and diplomatic material. He suggested that activity begin on Japanese diplomatic material, with which he was already familiar because of his activities in China. The Japanese codes employed a transposition system which was relatively easy to decrypt. Yardley was averse to attacking the German codes, which were complex and would require that an intelligence service buy information about the code books from German traitors. He proposed a staff made up of himself, an assistant cryptographer, two typists, and “someone with a good brain.” Yardley indicated that there was an experienced woman working for Mauborgne in Washington with particular skills deciphering Japanese codes, whom he thought he could arrange to have released to assist him. The report provides no additional information on this woman, Edna Ramsaier, who was, in fact, Yardley’s mistress.

When the Interdepartmental Committee on Cryptography met again the following day, Keenleyside stated that he was inclined to recommend to the War Technical and Scientific Development Committee that the sum of $10,000, which had been allotted for cryptography, be used to establish a small unit under Yardley’s direction. This money

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21Report on Further Conference of the Interdepartmental Committee on Cryptography, 13 May, 1941, White Files. Examination Unit folder and Yardley folder; and NARA RG457, Box 1358, Nr. 4166 ZEMA 168 44121A 19410201. Letter dated 16/5/41.
was possibly part of $25,000 which had been made available to the National Research Council in March, 1941, "in connection with experimental work upon, and manufacture of radio equipment." Keenleyside set out three objectives for the unit: continue and expand the intercept of illegal code traffic already being done by Lieutenant Little; attempt to break the Japanese diplomatic code; and, act as a cryptographic training unit. The unit would be given funding for six months, during which it would have to prove itself. At this point Brigadier Maurice Pope intervened to express DND support for ongoing financial assistance if the experiment proved successful. This heralded a significant departure from previous DND positions.

Yardley and Ramsaier were to be offered six-month contracts, Professors Coxeter and Robinson from the University of Toronto were to be offered positions (only Robinson accepted), and some additional support staff were to be recruited. It was agreed that the cryptographic unit was to be administratively housed within NRC but was to report to DEA. For the sake of security, Yardley was asked to assume an alias so that his notoriety, from the publication of *The American Black Chamber*, would not draw attention from the media. He would use the name Herbert Osborn during his stay in Canada. This was the same name he had used in China where his activities were known

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22 Cabinet War Committee Minutes, item on Report on Financial Assistance to the National Research Council, 5 March, 1941, NAC RG2. Reel C-11789.

23 Report on Further Conference of the Interdepartmental Committee on Cryptography, 13 May, 1941, White Files. Examination Unit folder and Yardley folder

24 Letter from Thomas A. Stone to C.J. Mackenzie, 3 June, 1941, White Files. Examination Unit folder and Yardley folder. Herbert Osborn was, in fact, Yardley's first and middle names.
to U.S. authorities. This was a ploy unlikely to fool anyone.\textsuperscript{25}

The R.C.M.P. was asked the following week to participate on the cryptographic bureau’s supervisory committee and to provide a Japanese translator (the R.C.M.P. was unable to meet this request).\textsuperscript{26} Space for the unit was found at the NRC’s Montreal Road Laboratories and Canada’s new cryptographic unit was to be called the Examination Unit, an ambiguous title which would be acceptable as the name of a department of the NRC.\textsuperscript{27}

The Examination Unit came into being on June 9, with Yardley reporting to the Supervisory Committee, Examination Unit, National Research Council, which had succeeded the Interdepartmental Committee on Cryptography.\textsuperscript{28} The new committee had the same composition as its predecessor, with the addition of Postal Censorship.\textsuperscript{29} The first organizational meeting of the Examination Unit took place on June 11. A week later the training material promised by Mauborgne arrived.\textsuperscript{30} A month after that, having by

\begin{itemize}
\item[26]Ibid. Letter from Thomas A. Stone to Commissioner S.T. Wood, 23 May, 1941.
\item[28]It is difficult to follow the constant name changes of committees overseeing Canada’s intelligence activities. Since the titles were often largely descriptive, it is conceivable that some of the names reflected individual descriptive whimsy at the moment of writing a memorandum.
\item[30]Letter from R.M. Macdonnell to Thomas A. Stone, 17 June, 1941, and reply from Thomas A. Stone to R.M. Macdonnell, 23 June, 1941, White Files. Examination Unit folder.
\end{itemize}
this time seen some of the Canadian decrypted product, Mauborgne sent an additional 30 sections of the American cryptanalyst manual to the Examination Unit.\footnote{Ibid. Letter from T.A. Stone to Herbert ‘Osborn’ [Yardley], 25 July, 1941 and reply from Herbert ‘Osborn’ [Yardley] to T.A. Stone, 26 July, 1941.}

The day to day intelligence tasks at External Affairs were run by T.A. Stone, whose intelligence activities were shrouded under the guise of responsibility for economic warfare, which allowed him to obtain information through censorship activities and other sources of intelligence.\footnote{More information about this part of Stone’s intelligence role will be found in Chapter 4.} A short, stocky man, Thomas Archibald Stone hailed from Chatham, Ontario, where he was a childhood friend of Lester B. Pearson, and was educated at the University of Toronto and the Ecole Libre des Sciences Politiques in Paris. He originally joined External Affairs in 1927 but resigned in 1935 to marry an American heiress from Charleston. However, he returned to DEA with the coming of war and is remembered by one of his closest wartime associates as “the most alive and enthusiastic kind of person. He was always wanting to start something new.”\footnote{Interview with Mr. George Glazebrook, February 8, 1977, p. 21, DFAIT Special Registry; and David Stafford, \textit{Camp X: Canada’s School for Secret Agents, 1941-45} (Toronto: Lester & Orpen Dennys Ltd., 1986), p. 41.}

Among Stone’s responsibilities was oversight of the Examination Unit, and other foreign intelligence matters, whose activities were scattered amongst a host of fiefdoms, civilian and military, and whose heads were more preoccupied with protecting their independence than with banding together to achieve a significant impact. Stone sought to bring the various Canadian intelligence units into harmony by arranging greater
coordination among them. At a June 5 meeting with the National Defence intelligence services, he underscored that Naval Intelligence conducted a great deal of wireless interception, much of which was passed directly to London. Only some of it circulated to various departments in Ottawa. Although Canada’s security operations were working well, Stone explained, there was a need for “some central organization in Ottawa, through which the activities of the various Intelligence Branches could be co-ordinated.”

While Canada’s various foreign intelligence organizations continued to cooperate and exchange information, throughout this period there was a strong reluctance from the National Defence intelligence services to extend cooperation to any endeavor which might threaten their own powers. Such an attitude was not unnatural. The DND intelligence chiefs had assumed their positions during the prewar period when DEA had demonstrated little interest in foreign intelligence. The military was cautious about succumbing to the embrace of DEA on intelligence matters.

DEA instructed the High Commission in London on June 5, 1941 to inform the British authorities about Canada’s recruitment of Yardley. Canada welcomed any British suggestions which might be helpful and offered cooperation with British cryptographic efforts. By the end of July, after only one month in operation, the Examination Unit appeared well launched. There was early and considerable success in decrypting

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35 Telegram from the Secretary of State for External Affairs to the High Commissioner, London, 5 June, 1941, White Files. Examination Unit folder and Yardley folder.
intercepted messages which involved a transposition cipher. Four copies of decrypted material were made: one file copy, one each to military and naval intelligence, and one to Stone at DEA. There had been some successes against the Vichy ciphers, and German traffic between Hamburg and Rio de Janeiro was also being deciphered. Expenditures for the month had totaled just over $2600. The Japanese Diplomatic Section of the Examination Unit began operating on August 8, 1941, and quickly provided a satisfactory output of reports in terms of quantity and quality. By now, the staff of the Examination Unit had grown to a dozen. There had already been one notable success when SIGINT, decrypted by the Examination Unit, led to the arrest of a German agent by the FBI in June.36

Then disaster struck. A month after the Canadian High Commission had been instructed to inform British authorities about the new Examination Unit, a strange telegraphic query was received from London about a Mr. Emeley, a name cited in the June 5 message from Ottawa on the recently appointed head of the Examination Unit. The High Commission wondering whether it could be the same person as H.O. Yardley since the alleged Emeley had also worked in China and had written a book on American cryptography.37 The encrypted message to the High Commission in London naming

36Ibid. Financial Statement -- Examination Unit, 31 July, 1941, memoranda from Herbert ‘Osborn’ [Yardley] to Chairman, Supervisory Committee, Examination Unit, 5 August, 1941, and 15 August, 1941; the memoranda from Herbert ‘Osborn’ [Yardley] to Chairman, Supervisory Committee, Examination Unit, 5 August, 1941, and 15 August, 1941 are also found in NARA RG457, Box 1358, Nr. 4166 ZEMA 168 44121A 19410201.

Yardley as the new head of the Examination Unit had been garbled, with Yardley rendered as Emeley, when the message reached London.

The Department of External Affairs knew that Yardley had a checkered past for having disclosed the secrets of American cryptography and breaking of Japanese codes during the interwar period. Norman Robertson replied to Vincent Massey, High Commissioner in London, explaining the error in ciphering in the earlier message and acknowledging Yardley’s checkered career. Robertson underscored that Yardley had made his peace with the U.S. intelligence services and close cooperation now existed with them. Indeed, he explained, the U.S. Army’s Signals Intelligence Service continued to furnish secret training material to the Examination Unit. Robertson added that the FBI, which was maintaining an interest in Yardley, had informed the R.C.M.P. that its intelligence sources indicated that Yardley was working in Canada under the alias ‘Osborn’.

L.B. Pearson, who by now had returned to Ottawa, was anxious to enhance the cryptographic relationship with Britain and to allay British concerns over Yardley. In a message to Massey on August 22, Pearson encouraged him to impress upon the British the high desirability of closer cooperation. But the British sent two senior intelligence

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38Letter from N.A. Robertson to Vincent Massey, 7 July, 1941, White Files. Examination Unit folder and Yardley folder.

officers to Canada who were unequivocal that there could be no cooperation between British services and the fledgling Examination Unit as long as Yardley remained in Canada’s employ. One of the British representatives was Alastair Denniston, head of GC&CS (the British SIGINT service), who had been in Washington to negotiate a work-sharing arrangement with the Americans. Denniston added that Canada should also expect no cooperation from the Americans if Yardley remained. Canadian protestations that Yardley had been hired on the recommendation of Mauborgne counted for naught. Mauborgne’s views, the response went, were his own and were not shared by the U.S. intelligence services. To soften the blow, the British offered to supply one of their own cryptographic intelligence officers to assist Canada. However, Canada had signed a six month contract with Yardley; two and a half months of it remained.

Pearson quickly asked Vincent Massey to inform the British of a decision not to renew Yardley’s contract, and to assure them that Yardley had had access to no information which he could use to his own benefit and that Canada welcomed the offer of a senior British officer being seconded for SIGINT work. Upon informing the Canadian Embassy in Washington of the decision on Yardley and while seeking clarification of U.S. attitudes towards Yardley, External Affairs learnt that Mauborgne had retired and that the U.S. State Department was probably never made aware that Yardley was in

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In the interim, the Examination Unit under Yardley, still known locally as Osborn, continued to function effectively. Throughout this period Yardley had no intimation of the discussions being conducted concerning his future. The Examination Unit continued successfully to decipher both Vichy and German agent traffic. Canadian authorities finally confronted Yardley in November. After securing confirmation from London that Britain would lend Canada an experienced cryptographic expert, Pearson and Stone met with Yardley on November 22 to ask if he would extend his six month contract by three weeks until January 1, 1942, after which his services would no longer be needed. What followed was "a most unpleasant half hour" as Yardley indignantly claimed that Canada had picked his brains dry and was now dismissing him. The tirade unsettled Pearson and Stone, who became unsure of themselves and arrangements were quickly made for Pearson to visit Washington to clarify "vague and unsatisfactory references to the book which [Yardley] published."  

When Pearson, accompanied by Lieutenant Little of Naval Intelligence, arrived in Washington, they learned that there was relatively little concrete information against Yardley beyond his penchant for self-promotion and an American feeling of betrayal.

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41 Letter from T.A. Stone or L.B. Pearson (names are penned in accompanied by a question mark) to Vincent Massey, 23 September, 1941, and letter from H.H. Wrong to T.A. Stone, 8 October, 1941, White Files. Examination Unit folder and Yardley folder; the letter of 23 September, 1941 is also in NARA RG457, Box 1358, Nr. 4166 ZEMA 168 44121A 19410201.

42 Letter from T.A. Stone to Hume Wrong, 22 November, 1941, White Files. Examination Unit folder and Yardley folder.
arising from publication of his book on American SIGINT during World War I. The extent of the evidence against Yardley, following a number of meetings with senior U.S. intelligence representatives, amounted to his being “unreliable and untrustworthy.” An informal meeting with Dr. William Friedman, the chief cryptanalyst in the U.S. War Department, who would come to be viewed as the father of post-war U.S. cryptography, elicited the information that the hostility towards Yardley was almost exclusively tied to the publication of his book, which was said to have damaged U.S. interests. Friedman speculated that, as a result of publication of Yardley’s book, the U.S. had lost access to Japanese codes, which had hitherto been easily solvable. The American attitude towards Yardley was framed by emotion, but would almost certainly preclude cooperation between the Examination Unit and U.S. and British intelligence services.

The documentary evidence is clear that Britain would not deal with Canada’s Examination Unit as long as it was under the direction of Yardley. The British knew of American objections to Yardley, and shared concerns about possible future revelations by Yardley, but also wanted to exert a measure of control over the direction of the nascent Canadian SIGINT activities, in order to secure their own more important ULTRA efforts of which Canada might become aware, and this could most easily be accommodated by having someone from GC&CS assigned to manage the Examination Unit. Yardley’s departure from the Canadian organization would also permit Britain to champion a trilateral intelligence relationship.

43Ibid. Memorandum on Visit to Washington to Enquire into the Situation Regarding H.O. Osborn [sic. Yardley], 28 November, 1941 [first page records 26 November which is wrong].
John Bryden, in his *Best Kept Secrets: Canadian Secret Intelligence in the Second World War*, argues that Britain wanted Yardley out of the way as a means to gain access to Canadian success in “breaking South American [German] traffic that neither the British nor the Americans had mastered.” Britain, Bryden asserts, wanted to bolster the position of William Donovan, the U.S. Coordinator of Information, the forerunner to the OSS, who was working very closely with British intelligence and who was experiencing heavy opposition from the FBI and the armed services, both of which resented Donovan’s incursion into foreign intelligence. Under existing procedures, the Examination Unit, under Yardley, was handing decrypted material about German spies in the Western Hemisphere to the R.C.M.P., which passed it to the FBI. However, in Bryden’s view, Britain wanted to pass the information through its own intelligence services to Donovan so he would reap the credit.

There is, however, no documentary evidence in the archives to support Bryden’s interpretation. Pearson’s meetings with the Americans in Washington about Yardley’s employment by Canada underscore the fact that the U.S. opposition to Yardley was visceral. From his talks with the Americans, Pearson emerged with little more than an American sense of betrayal stemming from Yardley’s decision to publish his book. There was no wider conspiracy by Britain to gain influence over American intelligence through the championing of Donovan.

Yardley, meanwhile, was mustering his defences. These included interventions

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with Eleanor Roosevelt, wife of the U.S. President, by a friend of Yardley with access to the White House, and also letters from Yardley to Mrs. Roosevelt. An attempt was also made by a friend of Yardley to meet with President Roosevelt, but there is no evidence that such a meeting took place. Nothing came of these efforts. Canada was prepared to sacrifice Yardley in the interest of gaining access to broader intelligence cooperation with Britain and the United States. Canada’s situation is summed up in a letter from Pearson to Massey in London. Pearson attributed much of the American objection to Yardley to the “professional jealousy involved in this business” and acknowledged that Yardley had been “industrious, reliable, and most efficient.”\footnote{Letter from L.B. Pearson to Vincent Massey, 9 December, 1941, White Files. Examination Unit folder.} Anxious to have Yardley and Edna Ramsaier, whose employment was also to be terminated, end their sojourn in Canada without animosity, External Affairs arranged for their assignment on “special duty in Washington” for two and a half month, both to cover transitional financial needs and to overcome an unresolved issue of a Canadian income tax liability.\footnote{Tbid. Letter from N.A. Robertson to Major H.O. Yardley, 6 January, 1942, letter from N.A. Robertson to C.J. Mackenzie, 9 January, 1942, and unsigned draft letter to C.J. Mackenzie, 12 January, 1942.} Yardley and Ramsaier left Canada just before the Japanese attack on Pearl Harbor.

The attack on the American fleet at Pearl Harbor altered the nature of the war. In the interregnum between Yardley’s departure and the arrival of his successor, the British High Commissioner to Canada, Malcolm MacDonald, asked Norman Robertson whether Britain and Canada could coordinate their joint activities and eliminate duplication in
their SIGINT intercept activity. The British proposed that they, themselves, should assume responsibility for all European and trans-Atlantic traffic including that between South America and Europe. Canada, Britain hoped, would assume responsibility for trans-Pacific traffic. It was important to have access to Japanese communications traffic with the Western Hemisphere, Malaya, and the East Indies. United Kingdom authorities, MacDonald explained, “would deeply appreciate it if the Canadian service (whose efficiency in intercepting enemy secret service wireless traffic is well known and is most highly valued) could give first priority to this work from the earliest possible moment.” Britain was prepared to send a trained officer to assist with Japanese encryption techniques. Before Canada formally responded, Pearson telephoned the British High Commissioner to accept the loan of a British officer. Canada’s response a few days later agreed that it was time to distribute assignments among all intercept facilities available to Commonwealth and Allied countries.

Canada then, astutely, set some conditions for agreeing to the British proposal. Canada would cease all interception of German agent traffic between South America and Europe if Canada received deciphered British copies of those intercepts. Intercept collection in support of Canadian naval activity would not be curtailed at stations such as Esquimalt, Forest, and Harden Point, which covered the Pacific, but some additional

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47 Letter from Malcolm MacDonald to N.A. Robertson, 24 December, 1941, NAC RG24. Vol. 5264. File 24-14-3. The laudatory terms coming so shortly after British efforts to oust Yardley, may be more reflective of British fears than genuine acceptance of Canadian capabilities.
resources could be made available at Victoria and Point Grey to collect Japanese traffic.\textsuperscript{48} Pearson met with Army, Navy and Transport representatives at the end of January, 1942, to obtain agreement to the new collection regime. The following months were taken up with finding the necessary linguistic skills to meet the new tasks.\textsuperscript{49}

The War Committee of the Cabinet was informed on January 26, 1942, of Yardley's departure from the Examination Unit. An update on the SIGINT collaboration then emerging between Britain and the United States was provided at the same time, stressing that Britain hoped Canada and the other Dominions would participate in the new cryptographic structure and that Britain was prepared to send to Canada a cryptographic specialist to replace Yardley.\textsuperscript{50} With Yardley's departure the Examination Unit was accorded a more formal stature as an Associate Committee of the National Research Council, with $100,000 appropriated for its work in the next fiscal year.

True to its word, Britain lent Canada a replacement for Yardley. Prior to being sent to Canada, Oliver Strachey had headed the GC&CS team working on German overseas intelligence ciphers. When he assumed responsibility for the Examination Unit on January 15, 1942, Strachey was already 67 years old. His arrival in Canada has been

\textsuperscript{48}Ibid., Letter from N.A. Robertson to Malcolm MacDonald, 27 December, 1941.

\textsuperscript{49}Memorandum from Chief of Naval Personnel to Director of Naval Intelligence, 24 February, 1942 and Report of Work Undertaken by Far Eastern Intelligence, 13 February, 1942, NAC RG24. Reel C-5849. File 1023-4-15.

\textsuperscript{50}Memorandum for the War Committee of the Cabinet, 26 January, 1942, White Files. Examination Unit folder and Yardley folder. One of the copies of the memorandum has added by hand, "Approved by War Committee. 28.1.42." A copy of the annotated document is available in NARA RG457, Box 1358. Nr. 4166 ZEMA 168 44121A 19410201.
described by historians J.L. Granatstein and David Stafford as “Canada’s willing surrender of its independence as the price of joining the global signals-intelligence war.”

The fact is simply that Canada, because of its prewar neglect of intelligence matters, had no option but to seek help from the Americans, in the case of Yardley, or the British, in the case of Strachey. Whatever the impact on sovereignty of key intelligence functions being directed by foreign nationals (and, indeed, Strachey continued to be paid by London), Canada had no other option if it wanted to play a significant role in SIGINT; Canada at the time did not have the domestic talent to provide the training to develop the skills to operate a cryptographic organization. Strachey brought with him the benefits of British strides in SIGINT collection and cryptography. He had extensive knowledge of, and experience with, the current techniques and cryptographic tools. In addition, Strachey brought assurance of British commitment to assisting Canadian SIGINT efforts and, by extension, the potential for a more formal tie to the United States.

Within days of Strachey’s arrival, the ad hoc committee responsible for the organization and work of the Examination Unit was reorganized under DEA chairmanship. The new title was the Associate Committee for the Examination Unit and it was to function as an Associate Committee of the National Research Council. Membership included Dean C.J. Mackenzie of the National Research Council as

51J.L. Granatstein, and David Stafford, Spy Wars: Espionage and Canada from Gouzenko to Glasnost, (Toronto: McClelland & Stewart, 1992), p. 34.

52Letter from Thomas A. Stone to Commissioner, R.C.M.P., 19 January, 1942, White Files. Examination Unit folder. Variations of the Committee name cited in other documents suggest that members had trouble recalled the cumbersome title.
Chairman, Lieutenant Colonel Murray from National Defence, Little from Naval Affairs, Group Captain R.E. McBurney from National Defence for Air, Inspector C. Batch from the R.C.M.P., and L.B. Pearson from External Affairs, as Secretary. Oliver Strachey was an ex-officio member.\(^{53}\)

The spring of 1942 was one of expansion for the Examination Unit. Additional new staff was found. Some came from the British Censorship office in Vancouver; others were reassigned from the armed forces. The U.S., finally in the war, was moving rapidly forward in mobilizing for the coming conflict. Britain, after tremendous effort and brilliant research, was having greater successes with its attacks against the German Enigma codes. Strachey had brought with him cipher keys for German non-Enigma and Japanese traffic, although Canada’s own set of keys to German traffic was found to be nearly as complete as the set provided by London.\(^{54}\) Prior to Strachey’s arrival, ties between the Examination Unit and British and American SIGINT organizations had been informal and infrequent. Deciphered text were forwarded indirectly through the R.C.M.P. or British Security Coordination (BSC) in New York. However, cooperation with other SIGINT centres began that spring under Strachey’s tutelage. By March, the growing Examination Unit had run out of space at the facilities provided by the National Research Council. New quarters were located at 345 Laurier Avenue, East, Ottawa, a stately Victorian house of about 5,500 square feet, available at a rent of $300 per month.

\(^{53}\) Ibid. Memorandum from C.J. Mackenzie to Mr. Eagleson, 4 February, 1942.

for a period running to six months after the end of the war. It had all the comforts of home. Work was conducted in bright airy rooms and there was a convenient kitchen with a stove and icebox and the necessary accouterments for tea. The lovely enclosed garden allowed the staff to relax outside.

Because the house on Laurier Avenue East was bigger than even the growing Examination Unit required, it was arranged that the Army's Discrimination Unit, when it was formed on June 12, 1942, under Captain Drake, would share the premises. Up until then, the Army's intercepted signals traffic had been forwarded to the Director of Military Intelligence and the Navy's Operational Intelligence Centre (OIC) and its Foreign Intelligence Section (FIS) under Commander J.M. de Marbois.\(^{55}\) With the Examination Unit finally coming of age, the Army was also restructuring its signals intelligence service to operate on a more sophisticated level. The Discrimination Unit was on the main floor and the Examination Unit was on the second. Shortly after arriving at the house on Laurier Avenue, the Examination Unit established secure communication links with the BSC in New York (which passed messages to London) and to Arlington Hall in Washington, the former private girls' school which housed the American SIGINT agency. In spite of their co-location, there was no thought at the time to amalgamating the Examination Unit and the Discrimination Unit. Indeed, there is no evidence that this possibility was even raised. No consideration was given to a more centralized approach instead of the \textit{ad hoc}, patchwork series of governing committees which were the

Canadian norm.

The house on Laurier Avenue was next door to the home of Canada’s Prime Minister. Mackenzie King was probably aware about his new neighbours; he did not like surprises and officials in DEA or PCO would have kept him apprized. Certainly, he was aware of Canada’s SIGINT efforts.56 Later, members of the Unit would recall seeing Mackenzie King and his dog strolling outside, always courteously tipping his hat when passing any of the staff.57

Strachey lasted only about seven months in Canada. Although bearing his years well, he was a man from an earlier generation and was not one to develop existing talent within the Examination Unit. He could recognize the skills of individual staff but could not nurture latent abilities. Clearly, as G. de B. Robinson, author of the 1945 internal history of the Examination Unit, writes, Strachey was “a man whose best work has been done.”58

Strachey’s successor, and the third director of the Examination Unit in less than a year, was F.A. Kendrick, who took over in July, 1942. Kendrick was in his thirties, rather

56Mackenzie King’s files in the NAC contain many examples of SIGINT which were provided to the Prime Minister during the war and which were made available to the public by NAC staff at a time when Canada had yet to acknowledge that this type of SIGINT had been collected. The SIGINT pieces are not distinguishable but represent reports about progress of the war from an enemy perspective, often Japanese or Italian, which could only have been obtained from decrypted enemy diplomatic reporting.


shy, more dynamic than Strachey although suffering from a handicap (possibly polio),
and better qualified to decrypt modern machine-encrypted messages; both Yardley and
Strachey had been more familiar with older transpositional types of encryption. Kendrick
was interested in research into individual ciphers, including those which were machine
generated. Once he had mastered a problem, he was inclined to pass the results to his
staff to carry out the ongoing decipherment. The Examination Unit began to flourish
under Kendrick with extensive work being carried out on both French (Vichy as well as
Free French) and Japanese traffic. Training by Britain’s CG&CS was provided to some
staff. With the passing months, the work began to shift towards coverage of Japanese
traffic. The Examination Unit continued to grow until space again became a problem.
Eventually, in the fall of 1942, the Army’s Discrimination Unit moved out of the house
on Laurier Street.

A small Examination Unit Information Centre was established in the spring of
1942 to provide researchers, translators, and cryptographers with information facilities.
For example, the Information Unit would track down press releases referred to in Vichy
intercepts. Having the full and correct text of something which might be quoted in a
ciphered communication could help break the code for that message segment by
providing a segment of known text, or ‘crib,’ thereby giving insight into the working of
the entire cipher. The Information Centre acted as an autonomous advisory authority in
the manner of a specialized library.

The Department of External Affairs was the prime consumer of the SIGINT
provided by the Examination Unit. Stone, concerned with making the best use of the
intelligence collected, particularly the Japanese material, established a Special
Intelligence Section of the Department of External Affairs in September, 1942, under the
direction of E.H. Norman, who had recently been repatriated from Japan where, as a
member of the Canadian Legation, he had been interned after the outbreak of war with
Japan. William Stephenson, the Canadian head of British Security Coordination (BSC),
may have encouraged Stone to establish the unit as a way of having a DEA office with
which BSC could liaise on SIGINT.\textsuperscript{59} Although the officers of the Special Intelligence
Section were drawn exclusively from the Department of External Affairs, albeit with
support personnel supplied by the Directorate of Censorship, the section was housed with
the Examination Unit at 345 Laurier Avenue East.\textsuperscript{60}

Norman’s principal work was to prepare intelligence reports which brought
together secret information from various sources concerning Japan and the Far East.
These were prepared bi-weekly and distributed to the Prime Minister, Norman Robertson,
and the three service Chiefs.\textsuperscript{61} Norman had full access to all SIGINT material as well as
all significant information passing through the various divisions at External Affairs.\textsuperscript{62} He
remained focused on Japanese diplomatic decrypted traffic with only a small number of

\textsuperscript{59}John Hilliker, \textit{Canada’s Department of External Affairs: The Early Years,

\textsuperscript{60}Letter to Dean Mackenzie from Thomas A. Stone, 24 September, 1942,

\textsuperscript{61}Interview with Arthur Menzies by Harjit Virdee, 8 December, 2003.

\textsuperscript{62}Memorandum for Messrs.. Beaudry, Wrong, Read, and Keenleyside from
NAR (N.A. Robertson), 25 September, 1942, NAC RG24, Vol. 29165, File WWII-15
pt. 4.
Japanese economic and military intelligence reports being prepared. During the first year of operation, the reports were largely edits and interpretation of individual intercepted messages. After awhile, however, this was changed to using the contents of several messages to prepare longer reports.  

Norman was joined in November by A.R. Menzies, who assumed responsibility for interpreting the French traffic, primarily Vichy but later also Free French. Norman, however, retained responsibility for purely Far Eastern French traffic, which was studied against Japanese traffic for more insightful analysis. As a result, the analysis of events in French Indo-China, for example, achieved a high level of detail and accuracy. Menzies, who had no prior experience in intelligence and defined his job description as doing "what Norman did not want to do," also did some work on Spanish language intercepts which were decypted by the Examination Unit. He stayed with the Special Intelligence Section until February, 1944, when he was replaced by G.W. Hilborn. The Special Intelligence Section was never staffed by more than two officers at any time, supported by appropriate administrative assistance.

The Japanese diplomatic traffic provided an intelligence insight into anywhere that Japan had diplomatic missions. While Japan still had missions in some Latin

63 Special Intelligence Section of the Department of External Affairs, 19 March, 1945, NAC RG 24, Vol. 29164, File WWII-8 XU.

64 Ibid.

65 Interview with Arthur Menzies by Harjit Virdee, 8 December, 2003.

66 Special Intelligence Section of the Department of External Affairs, 19 March, 1945, NAC RG 24, Vol. 29164, File WWII-8 XU.
American countries, it was possible, through the Japanese intercepts, to gain insights into the personalities and activities of pro-Axis politicians in countries such as Chile and the Argentine.\textsuperscript{67} Excellent Japanese diplomatic reporting was also obtained from their missions in Moscow, Finland, Bulgaria, Roumania, Sweden, Portugal, Berne, Turkey, Afghanistan and elsewhere. The smaller Japanese missions seem also to have been used for collecting and forwarding of intelligence. As Japanese missions in these areas became increasingly isolated, diplomatic couriers could no longer bring new ciphering systems and the Japanese traffic could more consistently be followed.\textsuperscript{68}

Many of the Japanese missions in Europe, with the exception of Moscow, repeatedly reported on the expectation that the Soviet Union would end its alliance with the Anglo-Saxon countries. The Japanese diplomatic traffic was particularly beneficial to the Allies, particularly because of the exceptional reporting by the Japanese ambassador in Moscow, who was an objective and intelligent diplomat, but also for providing a window on the situation in countries where the Allies had little or no diplomatic access. As well, policy telegrams from Tokyo often provided clues to Japanese estimates of Allied plans and policies, in addition to information on the Japanese home front.\textsuperscript{69}

By the fall of 1944, the Special Intelligence Section was no longer considered essential, given the staff shortages being experienced by External Affairs, and a decision was taken to draw down the Section and have Norman and Hilborn return to the

\textsuperscript{67}Ibid.

\textsuperscript{68}Ibid.

\textsuperscript{69}Ibid.
department the following January. However, Norman, after his return to External Affairs and new responsibilities, continued to review Japanese diplomatic traffic on behalf of External Affairs but the practice of preparing more extensive intelligence reports on the intercepts was discontinued. The files which the Special Intelligence Section had created were considered valuable and were transferred to External Affairs.

The Special Intelligence Section files, however, no longer appear to exist, although the material was transferred to External Affairs after the Section was wound up. Arthur Menzies, who worked with Norman for two years in the Section, has stated that he "doubts this stuff [Section reports] got into the archives." However, the raw decrypts of Japanese, German and French (Vichy and Free French) diplomatic traffic have recently been made available at National Archives. Only one report of the Special Intelligence Section, prepared by Herbert Norman, has been recovered and it is a report he wrote on the basis of interviews and readings collected in Washington during a visit to the OSS. The report was prepared in 1943 on the Japanese in the Netherlands East Indies, and is a

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71Memorandum for Mr. N.A. Robertson, 25 August, 1944, NAC RG24, Vol. 29164, File WWII-8 XU.

72Interview with Arthur Menzies by Harjit Virdee, 8 December, 2003. Provided by Mr. Virdee.

73The Spanish language intercepts have not been traced but may exist in the NAC backlog of material awaiting processing. An evaluation of the French decrypts, both Vichy and Free French, is provided in Chapter 6.
well written analysis of Javanese and Sumatran society, nationalism, ethnicity, and the impact of the Japanese occupation.\textsuperscript{74} One cannot say with certainty, but it is very likely that this report was typical of the sort of intelligence analysis which was prepared by the Special Intelligence Section.

Today, Norman is not remembered for his wartime involvement in Canadian intelligence but as the brilliant scholar-diplomat who, because of a youthful flirtation with Marxism, was hounded by American McCarthytites in the post-war period until, while stationed as Canada’s ambassador in Cairo in 1956, he leapt from a building to his death.\textsuperscript{75} In 1942, however, Norman was a junior DEA officer, recently repatriated from Japan and noted for his Japanese language skills (he was born in Karuizawa, Japan) and his seminal doctoral dissertation, and subsequent book, \textit{Japan’s Emergence as a Modern State}.

By the time that the Examination Unit was on its third director, cooperation with the Army’s Discrimination Unit under Lieutenant Colonel E.W. Drake was well entrenched. The move of the Discrimination Unit from 345 Laurier Avenue East, when space proved insufficient, did nothing to hamper a close working relationship. The Discrimination Unit was relocated to the third floor of the La Salle Academy, located

\textsuperscript{74}The Japanese in the Netherlands East Indies, 16 October, 1943, NAC RG24, Vol. 29163, File WWII-5 pt. 3.

\textsuperscript{75}Although controversy continues to haunt Norman’s memory, and two books (taking opposing views) have been written about his alleged Communism, there has never been a shred of concrete evidence presented to show that he betrayed his country. More telling, in the nearly half century since his death, no defector from the then USSR or its East European satellites has ever suggested that Norman was a traitor.
between St. Andrew and Guignes Streets in Ottawa. Drake, it will be recalled, had joined the Royal Canadian Corps of Engineers' "Experimental Station" in Rockcliffe, Ottawa, in March, 1940, as a lieutenant. While still a captain and stationed at Rockcliffe, he had taken a great personal risk after the military establishment had rejected the proposal for a cryptographic unit by turning to the intelligence managers at External Affairs and planting the idea with them for SIGINT work. Two years later, in June 1942, Drake had been transferred to National Defence Headquarters and was immediately promoted to major, and established as head of MI2, the unit responsible for the Discrimination Unit. By the fall he was a lieutenant-colonel.

By the spring of 1942, the Army operated the Rockcliffe Station, by now called No. 1 Special Wireless Station, Ottawa, the No. 2 Special Wireless Station being located in Grande Prairie, Alberta, and the No. 3 Special Wireless Station in Victoria, B.C. In addition to intercepting wireless traffic, the stations were equipped with direction-finding equipment. But none of the stations had their full complement of signals operators, although additional staff were expected very shortly. Apart from the three existing facilities, negotiations were also underway for handing over to the Army two or three Department of Transport stations. The resources were totally inadequate for the task at hand, given the size of the country, but the Canadians can be commended for what had been accomplished in so short a time. It was during this same period that the Army assumed full responsibility for intercept coverage of diplomatic and commercial traffic,
something which hitherto had been shared with the Canadian Navy.\textsuperscript{76}

Naval Intelligence had not been idle and by 1942, the navy was obtaining
intercepts and direction-finding signals from about 19 sites.\textsuperscript{77} The Navy's "Y"
organization, the direction-finding function, was working well and had materially assisted
the war effort in spite of a shortage of staff and equipment. One weakness was the
shortage of Kana operators; that is, operators trained in the Japanese morse system, which
left much Japanese Naval communications traffic untranscribed for the cryptanalysts.

Planning was underway for doing the SIGINT job well, although shortages of
personnel and equipment continued to plague the Canadian effort. This was somewhat
offset by greater understanding of what was needed and what could be done by the
different organizations. It had been about a year and a half since Keenleyside had
prompted the National Research Council's War Technical and Scientific Development
Committee, in the weeks before Christmas, 1940, to look into cryptography as a tool to
aid in the war effort. The decision to establish a cryptographic bureau had acted as a
catalyst to provide direction to the disparate signals intelligence efforts underway within

\textsuperscript{76}Report on Canadian Military "Y" Organization by Capt. H.R. Sandwith R.N.,

\textsuperscript{77}A figure of 19 sites is cited in S.A. Gray, Getting to the Roots of a 291er, (Canada:
Department of National Defence, 1993), p. 15; and Report on Royal Canadian Naval "Y"
1008-75-20, lists 15 stations with an additional 4 proposed sites: Harbour Grace (NF),
Botwood (NF), Hartlen Point (NS), Cap D'Espoir (PQ), Pennfield (NB), St. Hubert (PQ),
Ottawa, Stratburn (ON), Winnipeg (MN), Portage la Prairie (MN), Rivers (MN), Point
Grey (BC), Gordon Head (BC), Coal Harbour (BC), and Ucluelet (BC), with additional
stations proposed for Masset (BC), Grand Prairie (AB), Red Deer (AB), and Lethbridge
(AB). Some of the stations were operated by the Department of Transport.
the armed forces. Finally, there was a Canadian purpose to the activities. No longer was Canada merely a supplier of raw material, collecting opportunistic radio waves which traversed the sky and were easily captured for onward passage to the British. Two years into the war, Canada was making a contribution on the intelligence front. Albeit at a level significantly lower than those of either of its allies and involving less complex decryption tasks. And although the Examination Unit was directed by a representative of GC&CS, it remained largely a homegrown enterprise. Detracting from an otherwise exemplary performance was the absence of integration of foreign intelligence efforts. Collection was carried out by the military services, while decryption was done by the Examination Unit and interpretation of the material was conducted by the Special Intelligence Section from External Affairs.
Chapter 3

Building Alliances

Canada lived under a geopolitical protective umbrella during the war. Both Great Britain and the United States were protective of Canada for reasons of their own self-interest, as well as their historical and familial ties to Canada. Britain saw in Canada both an ally in the war and a supplier of raw materials; the United States wanted the continuance of a stable, independent North American continent. For historical, geographical, and traditional reasons, Canada derived benefit from its position between the two.

Canada played on its symbiotic relationships with Britain and the United States to full advantage, leaning first towards one country and then to the other. In the realm of foreign intelligence collection, Canada followed a pattern of balancing between the two powers. Canada sought assistance and guidance from the two more powerful nations and thought it natural that it, in turn, should do everything it could to assist the others. Canada, however, never acted as a catalyst to bring the other two countries closer together in matters relating to foreign intelligence. The intelligence relationship which developed between Great Britain and the United States even before the two were formal allies in World War II occurred for reasons of state. That relationship did, however, easily and naturally draw Canada into its fold.

The early and cautious intelligence mating dance between Britain and the United States has been well documented in such studies as Bradley F. Smith’s *The Ultra-Magic*
Deals and the Most Secret Special Relationship, 1940-1946. Smith places the starting point for U.S.-British intelligence-sharing as late 1939, with the arrival of William Stephenson as head of British intelligence in the United States. Inexplicably, Smith gets the date wrong, since Stephenson only arrived at the British Consulate in New York in June, 1940, assigned as the British Passport Control Officer, the conventional and paper-thin mask for British SIS officers operating abroad under official cover (i.e., as declared 'diplomats'). The amalgamation of the SIS office with other British security agencies in the United States under a single head, Stephenson, only came later.

Neither side was quite certain how much intelligence to provide the other, nor at what cost. Bradley Smith states that by May, 1940, (again, the date must be wrong) Stephenson had taken on the task of slipping 'Most Secret'-sourced intelligence to the Americans. This was not as exceptional as it may seem. Intelligence services often shared intelligence with the services of other states with which they were not allied, but where the sharing of information satisfied a policy objective. Probably a more correct start of the British-U.S. intelligence relationship is August, 1940, when Commander


2Ibid., p. 36.

3Nigel West, intro., British Security Coordination: The Secret History of British Intelligence in the Americas, 1940-45, (New York: Fromm International, 1999), pp. ix-x. Stephenson had also made an earlier brief visit to Washington in April, 1940.

Alistair Denniston of Britain’s GC&CS (the SIGINT service) agreed with Dr. William Friedman, of the U.S. Army’s Signals Intelligence Service, to exchange cryptanalytic data. Ultimately, the meetings between British and American intelligence officials gave rise to the Ultra-Magic deal, the exchange of the key cryptographic achievements of the two countries, namely the British decryption of the German Enigma coding machine (ULTRA) and the breaking of the Japanese Purple code (MAGIC) by the American.

Canada became a real partner of Britain and the United States with the establishment of the Examination Unit, since Canada’s earlier role had been relegated to that of a supplier of raw SIGINT traffic for the British. During the Yardley era, the Examination Unit passed decrypted SIGINT to the R.C.M.P. for forwarding, through its existing liaison channels, to the FBI in the United States. The intelligence links between the three countries remained informal arrangements which had been quickly crafted in the midst of rapidly changing circumstances, as the three countries established and then expanded their intelligence resources before the United States finally joined the war effort. The early informal signals intelligence-sharing arrangements worked well but were initially limited to exchanges of strategies for attacking encrypted enemy messages, only later evolving to include extensive exchanges of decrypted traffic, sometimes hampered by a duplication of effort. Cooperation between the intelligence partners,

which Britain initiated, emerged slowly, with many faltering steps, and with no template for establishing the intelligence relationships. It was clearly Britain’s decision to initiate the relationship since, at first, the U.K. was the only one of the partners able to make a substantial contribution. The relationship between Britain and the United States was entrenched, however, by the American decision to share MAGIC, the U.S. ability to decrypt Japanese enciphered communications. This cemented the relationship between Britain and the United States, and later extended it to include Canada and others in full and unfettered cooperation.

An early effort to place the emerging intelligence-sharing activities on a structured basis was launched by the U.S. Federal Bureau of Investigation in late 1941. In November, 1941, the U.S. State Department extended an invitation to Britain and Canada to attend a Washington meeting arranged by the FBI, to be held in January, 1942, “to discuss organization of Intelligence Services in the Western Hemisphere.”\(^6\) The FBI initiative was very likely tied to the struggle over control of foreign intelligence which was taking place in the United States between the FBI, the various armed services intelligence organizations, and the efforts by William Donovan to establish a civilian foreign intelligence organization, the eventual Office of Strategic Services (OSS). The FBI invitation was extended prior to the December 7 Japanese attack on Pearl Harbor while the U.S. was still a neutral non-combatant, when many Americans did not support Great Britain. No one could have anticipated that the United States would be at war by

the time that the conference occurred.

There was much uncertainty within America’s fledgling intelligence establishment. The Coordinator of Information (COI) position, the predecessor to the OSS, with William Donovan as its head, was only created by the U.S. President on July 11, 1941, after some initial wrangling between the U.S. armed services. At this time, and for some time following, the FBI retained responsibility for U.S. intelligence activities in the Western Hemisphere, although the demarcation of authority between the FBI and virtually all others became increasingly contested. Since both the armed services and Donovan’s organization were also engaged in foreign intelligence work, this was a period of confusion and uncertainty as the U.S. intelligence community attempted to create itself and develop relationships and inter-connectivity.

The FBI conference proposed to limit itself to “establishing a more closely correlated and official machinery for handling of investigative activities in the Western Hemisphere.” The goal of the meeting was to improve exchanges of information, to establish liaison representatives among the parties, and to create “an International Body to convene from time to time for the purpose of outlining investigative and operational procedure as joint undertaking and on a hemispheric basis.”

Canada was interested in attending the meeting, although there was concern about the implications of the absence

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of U.S. Military and Naval Intelligence organizations from among those invited.⁹

The conference was scheduled to take place on January 5, 1942, and Canadian and British delegates were making their preparations for attending when, suddenly, on January 1, the conference was canceled. No reason was provided but it was most likely the result of the infighting occurring between the various U.S. intelligence organizations, particularly during the confusing period immediately following upon the attack on Pearl Harbor. However, on January 21, the Canadian Legation in Washington informed the Department of External Affairs that the conference was rescheduled to begin at the end of the month.¹⁰

The Hemispheric Intelligence Conference was held on January 29, 1942, in the office of the Director of the Federal Bureau of Investigation, J. Edgar Hoover. In addition to the FBI, the U.S. was represented by Adolf A. Berle, Jr., a senior official of the State Department. Britain was represented by Stephenson, who by this time headed British Security Coordination (BSC), the office housing all British security and intelligence services in the U.S. The Canadian delegation was led by Hume Wrong, who at the time was the senior political officer at the Canadian Legation to the U.S. (the Canadian delegation included representatives of the R.C.M.P.). Berle opened the meeting by explaining that the objective of the conference was to develop liaison between the civilian intelligence services of the U.S., U.K., and Canada, and that the discussion would be

⁹Ibid.

limited to civilian intelligence. It was underscored that the FBI had exclusive U.S. jurisdiction in the civilian field in the Western Hemisphere.\textsuperscript{11}

By the time of the conference, a line had already been drawn in the sand between Donovan of the COI, who was strongly supported by Stephenson of BSC, and Hoover of the FBI. The BSC had the protection of the White House, which was concerned with the greater geo-political issues and wanted to assist Britain to the greatest extent possible, using the British intelligence service as an unofficial communications channel.\textsuperscript{12} Hoover did not trust Stephenson, although the degree of enmity was probably exaggerated in the early books on Stephenson, which were written at a time when Hoover had fallen from favour. Obviously expressing a concern over the activities of the BSC, Berle stated that "... no country can be expected to be permitted to operate an intelligence service inside another country; that certain activities had been overlooked during peace-time, but now that the United States is at war it was logical that the FBI should take care of intelligence activities in this country and that the other representatives should take care of the intelligence activities in their own countries..."\textsuperscript{13} While sparring continued between

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\textsuperscript{11}Ibid., FBI Minutes of Working Committee of Hemispheric Intelligence Conference held in office of Federal Bureau of Investigation. 29 January, 1942.
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\textsuperscript{12}Thomas F. Troy, \textit{Donovan and the CIA}, (Washington: Central Intelligence Agency, Center for the Study of Intelligence, 1981), p. 36. Stephenson, through his contact with Bill Donovan, had very close access to the White House. Stephenson was able to inform London of the favourable decision on bases-for-destroyers deal before the official announcement took place.
\end{flushright}

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\textsuperscript{13}FBI Minutes of Working Committee of Hemispheric Intelligence Conference held in office of Federal Bureau of Investigation. 29 January, 1942, NAC RG24, Vol. 5264, File 24-14-3.
\end{flushright}
Hoover and Stephenson, Wrong stated that Canada wanted to cooperate and eliminate duplication of effort in intelligence matters.

Although the conference was attended by undercurrents of distrust between the FBI and the BSC, it was not a failure. Very sound constructive work on the mechanics of intelligence liaison relationships emerged from the meeting. The FBI proposed to set up a radio transmitter in the U.S. Legation in Ottawa to facilitate communications between the various parties, and there was a proposal to station an R.C.M.P. liaison officer in Washington. There was agreement to liaise further and to strengthen security. The constructive achievements of the conference, however, tended to be in the area of security-intelligence with which the FBI probably felt more familiar. More might have been achieved had there not existed FBI distrust of what the BSC was doing, which was probably exacerbated by the FBI’s police-security approach to intelligence cooperation. The conference ended on a note of admonition from Hoover not to ignore the Communist problem. Such a preoccupation with an enemy who was not then threatening any of the three nations participating in the conference is instructive of Hoover’s thinking and likely did little to cement a foreign intelligence partnership with the British.

A follow-up meeting was again held in Washington on March 16. Apart from the R.C.M.P. and the FBI, it is uncertain who else participated.\textsuperscript{14} By the time of this second meeting discussions had clearly shifted to an entirely security-oriented agenda, an area

\textsuperscript{14}Minutes of the Hemisphere Intelligence Conference Held (blacked out) on Monday, March 16, 1942. CSIS ATIP 117-91-71. Much of the ATIP-released information has been blacked out, including the location, but the R.C.M.P. “left” Ottawa and, presumably, traveled to Washington.
with which the R.C.M.P. and the FBI were more comfortable and which fell within their respective areas of responsibility. A third conference followed in Ottawa on August 3. This meeting had a more extensive agenda than the second meeting and again was focused on security issues although discussions also covered establishment of more formal liaison relations between the R.C.M.P. and the FBI, including securing radio communications between the two organizations. Security matters relating to POWs were also discussed with many sections blacked out so as not to permit interpretations of all the points which may have been raised.

Following the August conference, External Affairs, which likely attended neither of the follow-up meetings, sought access to the R.C.M.P.’s minutes of the meetings. The R.C.M.P. informed the Under-Secretary of State for External Affairs that it felt “duty bound” to inform Director Hoover of the FBI of the request before copies would be made available. The response from External Affairs was swift and unequivocal. Robertson informed Commissioner S.T. Wood of the R.C.M.P. that he could not “agree that the views [blackened out — presumably Hoover] should be solicited in this matter. The Secretary of State for External Affairs is responsible for the conduct of the international affairs of this country.” Robertson went on to suggest that the letter to Hoover should

\[15\] Ibid., Minutes of the Western Hemisphere Intelligence Conference held at Ottawa, Canada, on Monday, August 3rd, 1942.

\[16\] Ibid., Letter with addressee blacked out (presumably Hoover) and titled, ‘Re: Co-ordination of Intelligence Activities in the Western Hemisphere,’ and letter to N.A. Robertson, both dated October 20, 1942.

\[17\] Ibid., Letter to Commissioner S.T. Wood, dated October 21, 1942.
be recalled, something which was duly done. What happened next is uncertain. Only one additional file entry was released under Access to Information and it relates to the suspension of the Working Committee Meetings of the Western Hemisphere Conference about one year later. The reason for External Affairs’ ire is not entirely clear but probably stemmed from the R.C.M.P.’s wish to seek Hoover’s agreement to sharing the conference minutes with Canada’s foreign ministry. While External Affairs was, indeed, responsible for the conduct of Canada’s international relations, the R.C.M.P. had a legitimate right to deal with the FBI on matters relating to security intelligence.

Shortly after the FBI launched its first Hemispheric Intelligence Conference, a United States-British Naval Intelligence and Security Conference, was held in Kingston, Jamaica, during February 26-March 6, 1942, attempting to add structure to the existing naval cooperation among the three Anglo-Saxon powers by shifting some of the responsibility of the Ottawa (Naval) Intelligence Area for monitoring of shipping in North America to U.S. control. A more substantive inter-Allied intelligence conference followed with the British-Canadian-American Radio Intelligence Discussions, which took place in Washington during April 6-17, 1942. The conference had been proposed in January by GC&CS (British SIGINT) because of its correct perception that knowledge by

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\begin{enumerate}
\item Ibid., Letter to N.A. Robertson, dated October 24, 1942.
\item Ibid., Memorandum to the D.C.I., dated November 25, 1943.
\item Final Report, British-Canadian-American Radio Intelligence Discussions, Washington, D.C., April 6-17, 1942, DND 97/3 File 3848 and NARA RG457, Box 1292, Nr. 3848 ZEMA 108 32863A 19420417.
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the U.S. and Canada in wireless intelligence collection was not extensive. The conference gathered radio signals collectors rather than individuals engaged in decryption and was the most substantial of a series of Allied intelligence conferences attempting to bring organization and harmony to what was still an industry in its infancy. Because so much had been accomplished so quickly, there was great disarray, duplication and overlapping of activities between the three partners and even between organizations within the three countries.

The Washington conference began with the dispatch of a British Admiralty “Y” Commission (that is, relating to activities pertaining to signals direction finding and collection) to North America to bring Canada and the United States up to date on the latest “Y” equipment and techniques and to advance mutual cooperation. At that time, Canada’s three armed services were independently engaged in interception of “Y” material. The Canadian Navy, on the West Coast, concentrated on Japanese naval and diplomatic traffic, and on direction-finding. All the material collected was sent to Admiralty Intelligence in London. The Army’s activities on the West Coast duplicated those of the Navy, although more attention was paid to Japanese army and air force traffic. All of the material collected by the Army was sent directly to British Security Coordination in New York for transmittal to Canadian Army Intelligence in Ottawa, to Britain’s GC&CS, and to the U.S. Military Intelligence Service. Discrimination of the

\[\text{\textsuperscript{21}}\text{DND, Notes on the History of Operational Intelligence Centre in Canada, (Ottawa, undated), Chapter 1942, p. 1, DND S1440-18 (1940).}\]

\[\text{\textsuperscript{22}}\text{Ibid., Chapter “Between the Wars”, p. 4a.}\]
material (that is, interpretation of the traffic but not its decryption) was done by Canada’s Wireless Intelligence Section of the Army Intelligence Branch. Material was also forwarded to the Examination Unit for decryption. At this phase of the war, the Canadian Air Force was only just becoming involved in SIGINT collection.  

Within Canada there was little coordination among the armed services on the collection of SIGINT, with no single body overseeing the activities of the various monitoring operations or collating the material for examination and analysis. This situation existed in large measure because of the different types of warfare, and intelligence requirements, with which each service was confronted. Before the Canadian delegation went to Washington, agreement had already been reached in Ottawa that something had to be done about an intolerable situation which was wasteful of resources and accomplished less than could be achieved through even a moderately cooperative effort. Work was already under way between individual officers within the armed services to make improvements, but inter-services jealousies were significant factors in promoting the chaotic state of affairs which existed. Much of what was done, or not done, harkened back to the lack of coordination among the armed services when they had initially embarked on foreign intelligence gathering.

The Washington conference was the most ambitious of inter-allied discussions which had been attempted. The agenda was large and the conference eventually was constituted as an initial gathering which postulated the challenges, and which was

23Notes on the “Y” Committee Conference at Washington, 17 April, 1942, White Files. Y Material folder.
attended by a dozen separate sub-committees addressing various narrower issues (such as W/T Interception and Aerial Systems Employed) and concluding with a final gathering which attempted to bring the findings together.24 The number of delegates was not large. An actual count of the number of participants is difficult to make since no master list exists and the names of some participants appear only as presenters associated with one sub-committee meeting. Canada probably had fewer than a dozen delegates drawn from the armed services.25

The April conference successfully imposed organization upon a chaotic state of Allied intelligence gathering. Divisions of labour were agreed upon, duplication of efforts were eliminated, technology exchanges took place, and, most importantly, not only for the war effort but also for the longer term, the conference framed the intelligence effort then underway as a team effort in which all parties had roles to play and where no partner could easily return to a single autonomous national effort. The critical outcome of the April conference was a recognition by all the participants that the challenges were greater than could be met by the resources of a single nation. The conference established the principle that the sole path to victory lay in cooperation among the Allies. In that sense, this conference marks the beginning of the intelligence sharing club of the United


24Final Report: British-Canadian-American Radio Intelligence Discussions, Washington, D.C. April 6-17, 1942, undated, DND 97/3 File 3848. The DND copy is a photocopy obtained from U.S. Archives; Canada has not released the report. The report totals hundreds of pages of dense, highly technical electronic intelligence information. Several copies are in U.S. Archives, including NARA RG 457, Box 1292 Nr. 3848 ZEMA 108 32863A 19420417.

25Ibid., the Final Report lists five Canadian delegates although records of the sub-committees indicate that there was at least one other Canadian in attendance.
States, Great Britain, and Canada — soon to be joined by Australia and New Zealand —
which has lasted to the present day.

One outcome of the Washington conference for Canada was that the cooperation of U.S. and Canadian intercept stations would be arranged by a committee residing in Washington, with collection of Japanese naval intercepts being directed by the U.S. station at Bainbridge Island on the West coast, working directly with the Canadian intercept station at Esquimalt. A clear decision of the conference was that Britain would leave to the United States and Canada the responsibility for all “Y” traffic over the Pacific Ocean. Canada was also to establish an ionosphere station at Churchill, Manitoba (listed erroneously in the final report as being in Ontario). Many of the other deliberations related to technical matters and to the transmittal of collected information. The conference was a meeting of technical experts and it did not attempt to reach agreement on the distribution of the intelligence derived from the collection efforts.²⁶

U.S.-Canadian success against Japanese communications would depend on both countries establishing “Y” Committees on the existing British model and the integration of the Canadian facilities with those of the United States. New communications means were organized for the rapid exchange of collected information, one of which involved the linkage of the existing BSC circuit between Ottawa-New York-Washington with another one between Bainbridge Island and Victoria, B.C. (Esquimalt). Canadian raw intelligence was forwarded to the Americans with Canada receiving in return whatever decrypted intelligence products emerged.

²⁶Ibid., The Final Report, minus appendices, is 11 pages in length.
For Canada, an enduring outcome of the Washington conference was the creation of a Canadian “Y” Committee. Canada’s signals intelligence collection facilities had grown by this time to such an extent that a unifying structure was required. A number of British delegates to the Washington conference, led by Captain H.R. Sandwith R.N., the senior British representative, had stopped in Ottawa enroute to Washington to explain the British “Y” Committee and to suggest the creation of something similar in Canada. A “Y” Committee, they explained, should include representatives of all of the armed services and related departments. Most importantly, it should coordinate all “Y” operations, allocate priorities in interception, and ensure that the monitored material was forwarded to appropriate recipients for decryption and discrimination. A “Y” Committee would bring together, and make available to the three services, all of the collected information of the individual services.\textsuperscript{27}

The Canadian “Y” Committee was created on June 2, 1942, with Lieutenant Colonel W.W. Murray, of Army Intelligence, as Chairman.\textsuperscript{28} It reported to the Chiefs of Staff Committee and consisted of representatives of the service intelligence directorates and various technical units as well as representatives of the Department of External Affairs and the Examination Unit.

The British-Canadian-American Radio Intelligence Discussions, taking place in Washington during April 6-17, 1942, were a watershed. For the Canadians, who had

\textsuperscript{27}Report of the Sub-Committee Appointed to Study “Y” Intelligence, and Memorandum on the Canadian “Y” Committee, 15 November, 1942. White Files. Y Material folder.

\textsuperscript{28}Ibid., Memorandum for Mr. Robertson, dated June 3, 1942.
been working on the fringes, it was a revelation. The Canadians could do more, be more
effective and would derive greater benefit if their work was integrated with that of the
United States and Great Britain.²⁹ In the months after the conference concluded, there
followed formal and informal intelligence meetings to work out the modalities of
cooperation. One significant meeting was at Arlington Hall Station, the home of the U.S.
Army signals intelligence service, on January 15, 1943, between British, Canadian, and
American representatives to arrange for the exchange of intercepted diplomatic traffic,
clearly marking an expansion of the relationship. It was agreed to make available
schedules containing circuits coverage desired by the three countries, which would allow
all to identify resources and request material.³⁰

Regular subsequent meetings were normally held at the offices of British Security
Coordination (BSC) in New York, probably selected because it was the mid-point
between Ottawa and Washington. One meeting on April 12, 1943, standardized
preambles, established formats, and solved routing problems, all of which were vital to an
enduring relationship where each partner benefitted from a standardized format.³¹
Another meeting, on September 3, 1943, also at BSC, sought to attain total coverage of
Japanese weather stations’ messages and avoid duplication in coverage, and established

²⁹Ibid., Notes on the "Y" Committee Conference at Washington, 17 April, 1942.

³⁰Traffic Exchange, undated (probably late 1944 or early 1945), DND 97/3
File 4566. The copy in the DND files is a copy obtained from NARA.

³¹Ibid., Report of Conference with British and Canadian Representatives on
Traffic Exchange, 12 April, 1943; and NARA RG 457 Box 800 Nr. 2305 CBLL37
16433A 19420330.
interdependence in the process. Messages from Japanese weather stations were extremely important. Not only did they provide meteorological information vital to operational tasks but, because the information was often in a low grade cipher, its decryption was relatively easy and could provide important assistance in breaking more complex codes which repeated the known text of the weather reports.

Another important inter-governmental meeting was again held at Arlington Hall that summer. On June 16, representatives of the U.S., Great Britain, Canada, Australia, and India met to discuss coordination of effort in the exploitation of Japanese military and air force ciphers. The American host, Colonel W. Preston Corderman, of the U.S. Army’s Signal Security Agency, offered to provide any information available which would be helpful in their collective work. The Americans offered full and mutual exchange of information on cryptanalysis and research work and sought the same from the others. Much of the discussions centered on traffic coordination of intercepted material to eliminate duplication of intercepts and to fill gaps. Arlington Hall became a coordinating centre which would also serve to provide comments and suggestions on incoming material.

The various inter-Allied conferences began a process of formalizing the cooperative inter-Allied arrangements which existed by this time. Signing of the first

32 Ibid., Report of Conference with British and Canadian Representatives, 7 September, 1943.


34 Ibid.
formal SIGINT cooperation agreement took place in the midst of the U-boat battle for the North Atlantic shipping lanes and occurred on October 2, 1942, between Britain and the United States. The agreement provided for cooperation on naval signals intelligence. This initiative was followed on May 17, 1943, by the signing of the British-United States Communications Intelligence Agreement (BRUSA), which provided for broader cooperation between the U.S. Army’s Special Security Agency (SSA), the U.S. SIGINT organization, and the British GC&CS.35

The extent of cooperation between Britain and the United States went beyond the potential for full participation by Canada. The agreements between the two principal Allies were taking into account ULTRA intelligence, the decryptions of German ENIGMA enciphered messages (on the part of the British), and the PURPLE code, decryptions of Japanese communications (by the Americans). Although there is evidence suggesting that Canada had access to some of this material, Canada played no role in the attacks on these complex machine ciphers beyond providing some of the raw intercepted material. While not a full partner in the more sensitive SIGINT efforts, Canada, as a junior partner in the broader Anglo-American SIGINT alliance, benefitted from the emerging relationship as did Australia and New Zealand.36

Critical to the success of Canadian, American, and British intelligence

35Bradley F. Smith, *The Ultra-Magic Deals and the Most Secret Special Relationship, 1940-1946*. (Shrewsbury, England: Airlife Publishing Ltd., 1993), p. 151. It was only after signing the BRUSA agreement that the Americans were informed of GC&CS’s early ‘computer’ (the bombe) used for breaking the Enigma ciphers.

cooperation during the early phase of the war was the effort made by the British to help the other two partners to achieve their full potential. While British special intelligence liaison missions to Canada and the United States were a common occurrence (and always helpful), it was the daily link between the three partners maintained by the office of the BSC in New York which proved vital. BSC was an amalgamation of all British security and intelligence organizations merged into one coordinated effort under William Stephenson who, although a Canadian, had lived in Great Britain before the war. Stephenson had arrived in New York on June 21, 1940, aboard the SS Britannic, assigned to the British Consulate in that city. He had made an earlier visit in the spring to meet with J. Edgar Hoover of the FBI, among others.\textsuperscript{37}

Secret service work, to be effective, must remain secret. Stephenson abided by this axiom and at the end of the war had a secret history of the BSC prepared before destroying the organization’s archives. A few copies of the secret history circulated among the British, Canadian, and, possibly, American intelligence services until 1999 when Nigel West, a British author, published \textit{British Security Coordination: The Secret History of British Intelligence in the Americas, 1940-45}, Stephenson’s history of the BSC. West contributed an introduction.\textsuperscript{38} In the half century following the writing of the BSC history, Stephenson allowed extracts from the still classified text to form the basis of


\textsuperscript{38}Ibid.
several eulogizing books which have created confusion and consternation among
historians by mixing the very real and significant achievements of BSC and Stephenson
with rather silly and easily disproven intelligence coups that were either done by others or
never happened.\textsuperscript{39} This has been further complicated by myths which were created
around his early life.\textsuperscript{40} The efforts at myth-making by Stephenson acolytes failed and
have rendered a great disservice by casting doubt on the achievements of a remarkable
individual whose code name was not the heroic Intrepid but, rather, 48000.\textsuperscript{41}

Strong links between Canada and the BSC had been forged as early as 1941. At
that time, the British Special Operations Executive (SOE), a British covert action
organization, secured agreement allowing them to recruit Canadians from military units
already in Britain. Initially, the administrative link between Canada and the SOE was
through the senior Intelligence Officer at Canada’s Department of National Defence.

This was very quickly reassigned to be conducted between BSC and the Department of

\textsuperscript{39}Ibid., West, pp. xv-xix, and Troy, pp. v-vi. Both authors question various claims
which are cited in popular books about Stephenson. West goes into greater details and
presents an amusing summary of the escapades of some Stephenson biographers.

\textsuperscript{40}See Bill Macdonald, \textit{The True ‘Intrepid’: Sir William Stephenson and the
Unknown Agents}, (Surrey, B.C.: Timberholme Books, Ltd., 1998). The first portion of
Macdonald’s book is an investigative study of Stephenson’s early life and reveals new
information. Even Macdonald had difficulty separating fact from fiction. On p. 20, he
states Stephenson’s parents were Icelandic, while on p. 26 refers to his mother as being
Icelandic but his father as coming from the Orkney Islands.

\textsuperscript{41}Intrepid was the cable address of BSC headquarters in New York. 48000 was the
code designation for the head of SIS in New York (that designation had first been given
to Sir William Wiseman, another Canadian, when he became the SIS representative in
New York in 1915). See Nigel West, intro., \textit{British Security Coordination: The Secret
History of British Intelligence in the Americas, 1940-45}, (New York: Fromm
External Affairs.\textsuperscript{42} BSC had discussed the idea of establishing an office in Ottawa in 1941 but nothing came of it since the British government wanted relations to be dealt with by the British High Commissioner and if any British intelligence representative was assigned to Ottawa, such a person must come from the British Security Service (MI5), in accordance with existing practice of only assigning MI5 personnel to Commonwealth nations.\textsuperscript{43}

Stephenson acknowledged in the BSC history that the “goodwill of the Canadian authorities” was vital to his mission in the United States.\textsuperscript{44} The relationship with Canadian policy-makers, such as Norman Robertson, became close. But the details of the ties between the two men is lost to history since Robertson did not have note takers in the room during his many meetings with Stephenson and the BSC archives were destroyed.\textsuperscript{45} While BSC had a very free hand in Canada, the Canadian government was kept fully informed.\textsuperscript{46} Canada was the major source of staffing for the BSC office in New York.

\textsuperscript{42}Maj. S.R. Elliot, \textit{Scarlet to Green: Canadian Army Intelligence, 1903-1963.} (Toronto: Canadian Intelligence and Security Association, 1981), pp. 386-87.


\textsuperscript{45}Interview with Mr. George Glazebrook, 8 February, 1977, p. 15, DFAIT Special Registry. The UK PRO is attempting to recreate the BSC archives by collecting copies of BSC correspondence and documents from other files.

\textsuperscript{46}Interview with Mr. George Glazebrook, 29 January, 1980, p. 2. DFAIT Special Registry.
External Affairs cooperated closely in this activity but eventually had to put a stop to it, since BSC was hiring so many Canadian stenographers that Canada’s own war effort was being diminished.\textsuperscript{47} During the summer of 1942, Stephenson also made an attempt to recruit Herbert Norman, External Affairs’ Japanese scholar who was in the process of being repatriated with the Canadian Legation staff from Tokyo. Canada was initially amenable to the idea, but eventually assigned Norman as head of the Department of External Affairs’ Special Intelligence Section attached to the Examination Unit, in September, 1942.\textsuperscript{48}

While books about Stephenson and the BSC have focused on the more exciting elements of the BSC story, the reality of intelligence work often involved less dramatic endeavours. By far the greatest of BSC’s resources was directed at the mechanics of security and intelligence; a core purpose of BSC was the physical protection of British interests and purchases in America and the providing of an intelligence link between the partners through communications and coordinating activities. For Canada, BSC provided a vital service by making available a reliable, fast, and highly secure communications link between Canada and her allies.

In mid-February, 1942, Pearson made a visit to New York to discuss with

\textsuperscript{47}Ibid.

\textsuperscript{48}Correspondence between L.B. Pearson and W.S. Stephenson, 31 July, 1942, and 6 August, 1942, NARA RG457, Box 1358. Nr. 4166 ZEMA 168 44121A 19410201. An overview of the Special Intelligence Section can be found in G. deB. Robinson, ed. A History of the Examination Unit 1941-45. (Ottawa: 1945), Chapter III, Special Intelligence Section of the Department of External Affairs. The same chapter can also be found in NARA RG457, Box 1358. Nr. 4166 ZEMA 168 44121A 19410201
Stephenson the creation of a Telekrypton (a new and more secure enciphered communication system) link between Ottawa and New York. The Telekrypton line was established between the Examination Unit on Laurier Avenue in Ottawa and the BSC offices in New York. Decrypted enemy communications collected by Canada were forwarded in ‘raw’ format (i.e., unevaluated and undeciphered) to New York as they became available. In turn, Pearson asked that Stephenson send him “personally for my own information, and not for distribution, the material which you discussed with me in New York and which it was thought might be in the possession of some one person here.” Pearson’s letter to Stephenson does not disclose what the material was. Most likely, the cryptic reference was to ULTRA intelligence material.\(^49\) By May, 1942, the Telekrypton line was in operation and by the following year, BSC had linked the Ottawa-New York-Washington Telekrypton connection to the BSC wireless station, codenamed HYDRA, which was located at the special BSC training facility near Oshawa, Ontario.\(^50\)

The HYDRA wireless station was located at what has become known as ‘Camp X,’ an SOE Special Training School near Oshawa on the shores of Lake Ontario, which was administered by the BSC. The facility was officially designated Special Training School (STS) 103, although the Department of National Defence referred to it initially as

\(^{49}\)Letter dated 26 February, 1942, NAC RG24, Vol. 29163, File WWII-5 pt. 2. Pearson writes that an earlier letter was supposed to have contained a special report but he found only a blank piece of paper enclosed and he claimed, alas, not to be an expert on secret ink.

\(^{50}\)Meeting of the Advisory Committee of the Examination Unit, 19 March, 1942, 18 June, 1942, and 16 October, 1942, NARA RG457, Box 1358. Nr. 4166 ZEMA 168 44121A 19410201.
'Project J' and eventually came to call it S25-1-1, the name of the DND file housing documents pertaining to the SOE school. Officials at the Department of External Affairs referred to it as "the country house." The facility was managed by the Canadian Army, which publicly referred to the site as an adjunct facility to the District Depot, Military District No. 2. Normal liaison and consultation by BSC with Canada was through the Department of External Affairs.

During the early history of Camp X (as it has become popularly known), it was staffed by British instructors assisted by a Canadian subaltern as Adjutant and Quartermaster and some 26 other Canadian ranks to run the camp. The BSC representative in Canada who oversaw the selection of the farmland for the camp and its construction was T.G. Drew-Brook, a Canadian stockbroker in Toronto who had served with William Stephenson during World War I. Drew-Brook had approached J.L. Ralston, the Minister of National Defence, through a common acquaintance, to seek permission to establish the facility. Ralston, agreeing to the project, informed Drew-Brook that BSC need not advise Mackenzie King since it would suffice to inform various heads of departments which might be affected. Mackenzie King probably did not know much or anything about Camp X during its early phase. After all, it was not a significant matter and hardly involved important national policy. If not at that time, then at some point

51 No document found at National Archives Canada nor at DND’s Directorate of History and Heritage contains the name ‘Camp X’.

52 Memorandum to the Minister, 21 October, 1941, DND 112.3S2009 (D190).

53 Interview with Mr. T.G. Drew-Brook, 12 January, 1977, pp. 3-5, DFAIT Special Registry.
during the war, Mackenzie King likely became aware of the Camp X facility. Certainly, it was the practice of Norman Robertson to provide oral briefings to the Cabinet War Committee on different aspects of intelligence activities.\textsuperscript{54}

Robertson was one of the first to be called by Ralston about establishing the British training facility. He quickly assented to the creation of the establishment, with Robertson as the primary policy point of contact on the Canadian side for all BSC activity in Canada, including preparation of Camp X, although responsibility for the daily Canada-BSC relationship was soon delegated to Pearson and ultimately to Stone.\textsuperscript{55} DND continued to act as the administrative overseer of Camp X.

The establishment of Camp X in Canada was the only part of the secret relationship between Canada and Great Britain over which Robertson is alleged to have hesitated.\textsuperscript{56} At the time that the construction of Camp X was being discussed, the sheer scale of the operation worried him. The decisions on Camp X occurred only months after Robertson succeeded O.D. Skelton, and any hesitation may have reflected unfamiliarity with his new responsibilities.

David Stafford's book on Camp X provides a very complete picture of the

\textsuperscript{54}Interview with Mr. George Glazebrook, 8 February, 1977, pp. 19-20, DFAIT Special Registry.

\textsuperscript{55}Memorandum to the Minister, 25 October, 1943, DND 112.3S2009 (D190).

\textsuperscript{56}Interview with Mr. George Glazebrook, 8 February, 1977, p. 16; and Interview with Mr. T.G. Drew-Brook, 12 January, 1977, pp. 4-5, DFAIT Special Registry.
creation and role of STS 103.\textsuperscript{57} The school had been established as an SOE training centre for secret agents with a particular view to providing training to Americans in the fine arts of espionage and sabotage at a time when the United States had not yet entered the war and such a facility, staffed by British trainers, could not be established on American soil. The irony of Camp X is that the facility was only finished and opened within a few days of the Japanese attack on Pearl Harbor, after which there were few restrictions on where and how the Americans could prepare for the darker side of war.

More than 550 students passed through Camp X. Most were Canadian, American, or British, but there were also many immigrants to Canada among Camp X alumni, with Yugoslavs particularly well represented. Agents were trained for operations in every theatre of the war. For much of the war, Camp X continued to train not only secret agents, for covert action behind enemy lines under SOE auspices, but also to provide training of security personnel, intelligence officers, psychological warfare experts, as well as individuals engaged in less exotic pursuits.\textsuperscript{58}

Camp X remained in operation as an SOE training site for about two years, closing in April, 1944. Ironically, in the weeks before the closure of Camp X, the British approached Canada for cooperation in establishing a similar facility in British Columbia. Few details about the proposed new site have emerged. The British Columbia camp was


for a temporary purpose only, ultimately involving only a small number of persons, a total
of one officer and 12 other ranks, all of whom were Canadian, for an operation against
the Japanese. Details about their mission have not emerged. Training for the small unit
was completed in August, 1944, and the participants probably departed for their jumping
off point, Australia, in September.59

While Camp X ceased to function as a covert training facility in April, 1944, it
took until that fall before the arrangements were in place for terminating all the training
functions. Camp X did not, however, close down. Because of the earlier establishment
of the HYDRA communications station at the site, staffed largely by Canadian Army
personnel, it was decided that National Defence would continue to contribute to the
facility, now renamed the No. 2 Military Research Centre.60 Camp X, then, remained a
joint British-Canadian communications establishment linking the allied intelligence
services until after the war when, in the reorganization which followed the end of
hostilities, Canada took over the communications responsibility. For a short time after
the end of the war, Camp X also became home to the Russian defector, Igor Gouzenko.

Canada also maintained a relationship with the American Office of Strategic
Services (OSS), led by the colourful "Wild Bill" Donovan. At times tenuous, the
relationship had been formed to provide a resource for Herbert Norman's Special

59 Letter from National Defence Headquarters to Maj.Gen. Pearkes, 24 March, 1944,
and Memorandum to the Minister, 25 August, 1944. DND 112.3S2009 (D190).

60 Memorandum to the Minister, 29 August, 1944, DND 112.3S2009 (D190); and
David Stafford, Camp X: Canada's School for Secret Agents 1941-45, (Toronto: Lester &
Intelligence Section to exchange information with which to enhance the intelligence evaluations being prepared. Norman, and the Special Intelligence Section, it will be recalled, had access to all intelligence material and prepared intelligence assessments based on the raw intercepts, supported by information available from other sources. By the fall of 1942, Tommy Stone had arranged for Norman to visit BSC in New York and OSS in Washington to establish liaison arrangements on assessed intelligence. The arrangement put in place with BSC worked well. So too did Canada’s liaison with the American OSS, which valued Norman’s reports on Japanese economic policy, particularly his evaluation of Japanese efforts at economic exploitation of conquered territory. The relationship with the OSS, however, was not smooth from the beginning. Security concerns, which are not articulated in the available archival documents, overshadowed the relationship with the OSS, which was not provided with copies of Canadian intelligence assessments. Instead, a designated OSS officer was permitted to read the Canadian reports in Mike Pearson’s office in Washington. Norman, in turn, received considerable information from OSS.

Possibly at the root of Canadian security concerns enveloping the relationship with the OSS was fear of its discovery by G2, the American army intelligence organization, which had its own turbulent relationship with OSS. There was always an assumption that the Canadian ties to the OSS would not remain unknown to G2 which

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61 Minutes of the Meeting of the Advisory Committee on the Examination Unit, 23 September, 1942; and letter from T.A. Stone to W.S. Stephenson, 21 October, 1942, both NARA RG457, Box 1358. Nr. 4166 ZEMA 168 44121A 19410201.

was "bitterly opposed to sharing its traffic in any way with O.S.S." 63 Canada’s main exchange with G2 was raw intercept material which was critical to the work of the Examination Unit. Should G2 learn of the Canadian ties to the OSS, it was feared that supply of this material could cease. Sir Edward Travis, of Britain’s GC&CS, recently in Ottawa and aware of Canada’s links to the OSS, was urging Canada to end these ties. In exchange, he would intercede with G2 to ensure a flow of "high grade traffic" to which Canada hitherto had no access. If Canada maintained the links with OSS, Britain could do little to gain access for Canada to fresh traffic from G2. 64 Canada was reluctant to break with the OSS, partly because the intelligence received from this source was valuable and because it was not thought that G2 (or the U.S. Navy’s ONI) was particularly interested in establishing a working relationship with Canada. However, growing links between G2 and the Examination Unit seem to have forced a review and "we may have to consider the advantages in breaking off with O.S.S., although these relations have been most cordial and useful." 65 No details are available on the manner in which Canada curtailed its relationship with the OSS. As will be seen in the following chapter, Canada continued to maintain ties with OSS on intelligence derived from POW censorship activities. One can surmise that the advise of Sir Edward Travis to cease ties with OSS was accepted by Canada as far as it concerned exchanges of intelligence

63 Letter to L.B. Pearson from N.A. Robertson, 12 October, 1944, NAC RG24, Vol. 29166, File WWII-30 pt. 1 XU.

64 Ibid.

65 Ibid.
assessments derived from SIGINT material which was the bulk of the output of the Special Intelligence Section.

While Canada developed complex intelligence relationships with the British and American allies, these were dominated by the central affiliation on SIGINT. In this area the association was particularly robust. Canada’s cooperation with the larger intelligence partners gave Canadian decision-makers access to foreign intelligence material that the country could never have hoped to collect with its own resources. The extent of such additional material cannot be assessed, but Canada’s foreign intelligence resources were modest throughout the war and one must assume that the Allies provided such additional information as Canada required to carry out its tasks. The demands of participation with more advanced partners also provided a framework for the Canadian intelligence actors increasingly to work together as a team. External Affairs and National Defence had already achieved a certain synergy through the collection of raw signals intelligence by the armed forces and the cryptanalysis of the material by the Examination Unit. Critical to the success of inter-Allied intelligence cooperation were the many Allied intelligence conferences which moved all three countries to eliminate duplication and ensured that limited resources were used where they could best contribute to the overall effort.

While Canada began its foreign intelligence collecting capability on its own, the contributions from its allies were critical to success. Canada did not possess the resources or skills to build a strong foreign intelligence capacity on its own. At every stage in the early wartime years, and in every type of endeavour, the contributions by Britain or the United States were vital to success. The knowledge and experience of
Canada's two allies saved time and resources for Canada.

However, the help from Canada's allies came at a price. Canada was not a first-tier ally. While Canada's intelligence contribution to the Allied cause was valued for the size and resources of the country, Canada could not shake its position as a junior partner. While greater resources allotted to the intelligence task would have resulted in a more significant role by Canada in the early part of the war, it is doubtful that any realistic contribution could have significantly modified the Canadian position within the alliance.

At no time were Canadian foreign intelligence activities during the war viewed as operationally fully independent. That reality, however, should not be confused with the fact that the relationship provided greater access for Canada to foreign intelligence with which to guide decision-makers than would have been the case had Canada acted entirely independently of its Allies. Accepting a secondary role in the intelligence alliance provided Canada with access to more foreign intelligence than could have been possible with its own resources.
Chapter 4

Canadian HUMINT Collection

Canada had no clandestine foreign intelligence service collecting HUMINT (intelligence from human sources) when war began, nor did it consider the creation of such a service in the midst of war. The Canadian situation was paralleled by the experience of the other British Dominions, none of which had clandestine intelligence gathering organizations before the outbreak of World War II or created such establishments during the war. The question of setting up a covert intelligence service in Canada seems never to have arisen during the course of the war.

While giving no consideration to the establishment of a clandestine HUMINT service, Canada did pursue overt forms of HUMINT collection activities which were possible with the resources at hand. The value of HUMINT, whether collected overtly or through clandestine means, lies in the wealth of details it can supply from first-hand observations. The danger in using HUMINT rests in the subjectivity of individuals who have varying powers of observations and objectivity. Nevertheless, a great deal of intelligence is available through HUMINT collection which might not be attainable otherwise. Classical HUMINT is the stuff of spy novels involving secret agents and intrigue. And often, highly valuable close access intelligence is only available through clandestine means. Overt HUMINT collection is less dangerous and can often be as fruitful. The ease and magnitude of overt HUMINT intelligence collection efforts should not diminish its contribution. Less romantic than clandestine HUMINT collection, overt HUMINT collection is often its equal. Canada made a small but important contribution
to the intelligence war effort through its very limited involvement in overt HUMINT collection.

One HUMINT collection program of importance to Canada during the war, was intelligence derived from censorship activity. Information was obtained from both incoming correspondence from enemy-occupied areas as well as from a review of all letters sent by enemy POWs in Canada. Another HUMINT effort, which circumstances only permitted to last for a brief time, was the collection of intelligence through the debriefing of Canadians repatriated from enemy captivity. Both of these collection programs involved minimal risk and were easily attainable within Canada’s capabilities at the time. These efforts did not provide intelligence of dramatically actionable impact. However, they provided the building blocks which contributed to an understanding of life in occupied territories as well as some insights into enemy military tactics.

One of the few initiatives taken by the Canadian government in anticipation of World War II involved censorship preparation, which was launched with the appointment of an Interdepartmental Committee on Censorship in March, 1938, to prepare operational guidelines. With the commencement of hostilities, censorship was to be applied to the mail and other forms of communications passing between Canada and foreign locations with a goal of preventing vital information from reaching the enemy, whether wittingly or unwittingly.

The General Staff of National Defence drew up Regulations for Censorship in September, 1938, providing for an Information Section within the Directorate of Military Operations and Intelligence with a mandate to circulate information affecting censorship
and to compile for circulation a Daily Summary of Information gleaned from censorship activities. The Information Section was also responsible for directing cable, radio, and postal censorship officers in the type of “information required or to which special attention is paid.” Initially, this was done to enhance the efficiency of censorship operations and was only later recognized for its potential intelligence value. The prime architect of the Regulations for Censorship was Colonel Maurice A. Pope, who was Army Director of Operations and Intelligence.  

With the expectation of an outbreak of war, censorship was implemented by an Order in Council on September 1, 1939, with the censorship function within National Defence gradually becoming one of the most important tasks of the armed services’ intelligence directorates. Incoming mail passing through the censors often contained significant intelligence insights of military and political value. This was particularly true when an effort was made to collect and collate all information from various pieces of correspondence which might relate to a common issue, such as food shortages in Germany or the experience of enemy sailors engaged in naval battle. While individual pieces of data contained in censored correspondence might appear innocuous, it was the collation of many pieces of seemingly insignificant pieces of information evaluated together which held the potential for shedding light on conditions in enemy territories or

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1 Memorandum from the Joint Intelligence Committee to the Chiefs of Staff Committee on Foreign Intelligence in Peace-Time, 29 September, 1945, NAC RG24. Vol. 6178. File 22-1-43 Parts 1.

details of enemy war fighting dogma. It was a failing on the part of the responsible military authorities that the value of this intelligence source was not accorded the resources necessary for its full exploitation at the outset of the war and that it took considerable time before the intelligence gathering facet of the censorship process became effective.

A Censorship Coordination Committee was appointed on September 3, 1939, to ensure interdepartmental coordination on censorship matters. Members of this committee were drawn primarily from the departments of National Defence, Transport, the Post Office Department, the Department of Secretary of State, and External Affairs. The first chairman of the committee was Walter S. Thompson, who assumed the title of Director of Censorship. The National Defence participant was Colonel Pope, then the Director of Military Intelligence. The involvement of military intelligence should not be misconstrued. Its participation was as a defensive posture to prevent unauthorized revelations about military preparedness from reaching the enemy rather than implying proactive intent to exploit communications for their intelligence value.

Upon the resignation of Thompson in December, 1939, Colonel Pope became chairman of the committee, taking the title of Chairman of the Censorship Committee.\(^3\) He held the office until the spring of 1940, but was not replaced as chairman after his departure until the autumn of 1941. Meetings were, nonetheless, held on an ad hoc basis

\(^3\)Ibid., and undated memorandum titled Censorship, NAC RG25. Vol. 5805. File 300-B(s).
in the interim, often convened by T.A. Stone of the Department of External Affairs.\(^4\)

Stone was charged with overseeing foreign intelligence matters, and the meetings during this period reflect his efforts to direct Canada’s censorship activities towards exploiting their foreign intelligence potential.\(^5\)

Intelligence collection from censorship work grew slowly, although by early 1942 a system was in place for some exploiting of information of intelligence value. While limited intelligence collection was obtained from monitoring of civilian mail, the censorship activity of the greatest intelligence potential was that tied to correspondence involving prisoners-of-war. The families of enemy POWs wrote about family news, which gave the Allies insight on enemy knowledge, resources, morale, the availability of food stocks, the impact on industries of bombing campaigns, and, sometimes, the location of enemy military units. Extracting and collating shreds of knowledge from censored correspondence often held the possibility of supplying insights into conditions in enemy territory which might not otherwise be available.

The censorship reports took the form of summations of individual letter extracting the information of potential intelligence value. One such report, for example, related to the economic situation in Madagascar and the reaction of the population to the occupation

\(^4\)Report on Censorship. A Narrative on the Organization, Activities and Demobilization of Censorship During the War of 1939-1945, DND 72/295. The document is undated but 22 October, 1953, is stamped on the cover.

\(^5\)A good account of the use of censorship for propaganda or psychological warfare can be found in Don Page, “Tommy Stone and Psychological Warfare in World War Two: Transforming a POW Liability into an Asset.” *Journal of Canadian Studies* 16, 3-4 (Fall-Winter 1981): 110-120.
of the French colony by the British. Individual censorship reports were collated into thematic studies. For example, a report from March, 1945, records comparative statistical shifts in attitudes in Germany during the period from September to December of the previous year. A number of indicators were tracked including expressions of anti-war sentiments (went from 5 per cent to 4 per cent), faith in victory (which rose from 30 per cent to 34 per cent), and war-weariness (which also rose from 33 per cent to nearly 48 per cent).7

The individual or collated intelligence reports rarely contained actionable intelligence but merely relayed the state of life in enemy or enemy-held areas. As such, the information provided insight into economic and social issues which, when compared over a period of time, could reflect the determination of the enemy to pursue the war. More substantial studies were also carried out on the enemy order of battle and areas of particular interest. One report prepared in March, 1945, near the end of the war with Germany was a collation of intelligence on the Marine Kriegsschule at Flensburg-Muerwik.8 The report listed staff, training at the naval academy, and the resources of the different engineering branches of the German navy, including its torpedo school. A report of this type would have limited actionable intelligence value so late in the war but was of value in the determination by the Allies to exploit German military prowess once

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the war in Europe was finished.

German military prisoners captured in 1939 and early 1940 had been held in Britain until after the fall of France when Canada was asked to take the prisoners both for reasons of security and because they were consuming precious food resources. The first shipment to Canada of enemy prisoners of war consisted of 153 German officers and 323 enlisted men who arrived on June 29, 1940. By 1943, there were 17 POW camps in Canada, with nearly 25,000 inmates, mostly German fighting men, but also more than 3,000 merchant seamen and some 1,200 civilians. Eventually, Canada was to hold close to 40,000 German prisoners of war and civilian internees at twenty-five sites across the country.

The scale of the intelligence exploiting censorship operation quickly grew in size. By the end of 1942 the Naval vetting table alone, at the Ottawa Postal Censorship office, looked at 24,000 letters in a single month from which 1,000 intelligence reports resulted. These reports were generally single-issue reports citing pieces of information of potential intelligence value. A month later, at the beginning of 1943, this same unit reviewed 21,000 letters (12,500 written in German to German naval POWs interned in Canada), with about 420 intelligence reports being prepared. During February-March, 1943,

\[\text{\textsuperscript{9}}\text{Maj. S.R. Elliot, \textit{Scarlet to Green: Canadian Army Intelligence, 1903-1963}, (Toronto: Canadian Intelligence and Security Association, 1981), pp. 502 and 505.}\]

\[\text{\textsuperscript{10}\text{John Joseph Kelly, "Intelligence and Counter-Intelligence in German Prisoners of War Camps in Canada During World War II," \textit{Dalhousie Review}, 58 No. 2 (Summer 1978): 285.}\]
45,034 letters (i.e., for two months) led to the preparation of 2,084 intelligence reports.\textsuperscript{11}

In spite of the volume of material reviewed and the many intelligence reports generated, Canadian censorship activities were hampered by an absence of a central focus. No one seemed to be in charge. On the non-POW side of censorship activities, the Army was responsible for telegraph censorship, the Post Office looked after postal censorship, and National War Services carried out press censorship. The thrust of censorship activities remained largely defensive rather than offensive. The Department of External Affairs, a key contributor to the architecture of the censorship operation throughout the war, drawn into the planning and policy direction of censorship because of the potential intelligence benefits,\textsuperscript{12} was not an enthusiastic participant in actual censorship operations, often bristling at the cost in resources demanded by the rather mundane activities.\textsuperscript{13} Of particular interest to External Affairs was the analysis of the mail of enemy POWs and other internees in Canada, all of which was contrary to international protocols but potentially valuable from an intelligence perspective.

\textsuperscript{11}Report of Staff Officer (Intelligence), Ottawa, to Naval Intelligence Halifax, St. John’s, and Vancouver, 30 December, 1942, and subsequent reports to March, 1943, NAC RG24. Vol. 11942. File 1960-1.

\textsuperscript{12}Interview with Mr. George Glazebrook, 11 January, 1977, pp. 2-5, DFAIT Special Registry. Glazebrook recollects that L.B. Pearson and Norman Robertson decided that censorship intelligence gathering should be completely reorganized since it was not working properly.

\textsuperscript{13}“Censorship”, undated, NAC RG25. Vol. 5805. File 300-B (s). The text of the document suggests that it was a postwar assessment of the role of the Department of External Affairs in censorship activities.
Stone introduced a system requiring censorship staff to sort interesting correspondence by subject matter for later analysis. Since it was often small information insights placed in context with other intelligence, full intelligence value was not always drawn from censored material unless many minuscule pieces of a puzzle were placed side by side to provide a composite view. It fell to George Glazebrook, Stone's assistant, to carry out many of the daily tasks of assessing the intercepted material. Glazebrook, a well-published historian who had been recruited from the University of Toronto as one of the temporary war-intakes, was a tall, lean, erudite, pipe-smoking academic with a penchant for the works of Dashiell Hammett and his fictional private detective, Sam Spade, whose dialogue he could quote at length. Glazebrook found the censorship task nearly impossible because of the volume of correspondence needing his review, and he often drew in junior officers to help him. On one occasion, copies of intercepted mail, in a fireplace following analysis, were sucked up through a chimney in the East Block, not entirely burnt, and landed on the grounds of Parliament Hill. Junior DEA officers ran across the expanses of grass on Parliament Hill to collect the incriminating charred documents.\(^4\)

The intelligence products which eventually grew from this effort was able to provide decision-makers with detailed insights into life in Germany. An evaluation bridging the period of the Normandy landings covered a host of socio-economic indicators of well-being. It recorded that there was plenty of food, little mention of

clothing shortages, indications that city dwellers were moving to the country side, and that health topics were being censored by the enemy suggesting that the population was not satisfied with existing health services.\textsuperscript{15} Also included was military information, primarily on enemy losses. A similar report, shortly thereafter, covered much the same ground but also recorded a significant increase in coverage of air raids subjects, usually in the form of telling a POW how he would not recognize his hometown.\textsuperscript{16} An intelligence report from early 1945, indicates that it derived information from 51,447 letters written in November, 1944, to provide evaluation on conditions in Germany covering air raids, amusements, commodities, crime and punishment, crops, education, food, health, housing, justice, labour, livestock, mail, and travel.\textsuperscript{17} This report reflected a standard report format which was regularly revised and updated. More exceptional reports were also prepared. One which has survived covered political, social, and economic conditions in France\textit{after} the war in Europe had ended. Ten pages in length, and based on 183 specific items collected from 795 letters posted in France, it portrays the reaction of the French population to conditions in their country. Overall attitudes were described as being gloomy and there was disappointment with the Provisional Government, the Allies, and the nation itself. Particularly insightful is the section on economics which paints a


\textsuperscript{16}Ibid., Information Summary for June 1944, 30 June, 1944.

picture of confusion as the country tried to reorganize itself.\textsuperscript{18}

A major challenge to the exploitation of censorship material for intelligence value arose from the conflicting approaches to censorship requirements within the different military jurisdictions. It was an entirely uncoordinated operation; consequently, it was difficult and labour intensive to extract valuable intelligence from the effort.\textsuperscript{19} By the beginning of 1942, the censorship-intelligence link was not functioning effectively with instructions to censorship officers being received verbally or in writing from each of the three armed services’ separate intelligence organizations. Confusion resulted. Army Intelligence, for example, had an intelligence requirement for all information with no defined priorities. Conflicting instructions resulting from the absence of a clear and coherent mandate put a heavy burden on the censorship officers, and some found themselves fully occupied with collecting intelligence on behalf of the armed services.\textsuperscript{20}

Following a review of censorship-related intelligence operations, Glazebrook advised his superiors that success in obtaining intelligence from censorship operations was unlikely to be possible in the absence of a central authority to provide a supervisory function. Norman Robertson, the Under-Secretary of State for External Affairs, agreed and drafted a memorandum for the Prime Minister on March 3, 1942, calling for a reorganization of censorship operations to remedy the lack of central coordination.

\textsuperscript{18}Conditions in France, 1 June, 1945, NAC RG25, Vol. 2846, File 1520-C-40 pt. 2.

\textsuperscript{19}Ibid.

\textsuperscript{20}Memorandum for the Chief Postal Censor, titled Postal Censorship and Intelligence Liaison Officers, 15 January, 1942, NAC RG2. Vol. 5987. File DC15.
Robertson stated that many of the challenges stemmed from the absence of a consistent policy, the lack of a central authority, and the conflict arising from separate censorship and intelligence functions. He proposed changes that allowed censorship to be better used to obtain intelligence information, and ended by voicing his view that the war needs required a reorganization of censorship to permit the necessary "assistance to the intelligence departments."²¹

Robertson's concerns were addressed by a May, 1942, Order in Council,²² which removed the censorship function from the Department of National Defence and brought it under the Minister of National War Service, provided for a Director of Censorship, and authorized the creation of Censorship Advisory Committees, including one with responsibility for intelligence and security matters.²³ The first meeting of the Advisory Committee on Intelligence and Security was held on July 16, 1942, under the chairmanship of the new Director of Censorship, Colonel O.M. Biggar. Subsequent meetings were held fortnightly with agenda items typically including discussions of censorship activities, providing support for Canada's intelligence efforts, and issuing of appropriate directives in support of security and intelligence activities.²⁴

²¹Memorandum to the Prime Minister on Censorship Organization, 5 March, 1942, NAC RG25. Vol. 5805. File 300-B (s).

²²Report on Censorship, Order in Council, P.C. 4012, DND 72/295. The O-I-C was put in place on May 13, 1942.

²³Minutes of the Advisory Committee on Service Intelligence, 21 May, 1942, NAC RG25. Vol. 1933. File 724-BW.

²⁴Ibid.
A new dimension to intelligence collection from POW censorship activities was added at the end of 1942, when Britain's Political Warfare Executive, which was part of the Foreign Office, sought External Affairs' assistance in obtaining information from POWs which could be of use in propaganda efforts against the Germans. Robertson did not favor the proposal and the momentum for the initiative seems to have come largely from Stone and Glazebrook. Nevertheless, following consultations with David Bowes-Lyon, the British Political Warfare Executive representative in Washington, a Political Warfare Planning Committee was established within the Department of External Affairs. Creation of a committee avoided the need for establishing a new division within External Affairs, for which there were no resources. Instead, the Committee drew upon existing skills and expertise distributed within several divisions, by simply adding these new responsibilities. Tommy Stone, E.M. Reid, S.F. Rae, and George Glazebrook initially formed the governing Committee within External Affairs' British Commonwealth and European Division.

By the early summer of 1943, Glazebrook sought to expand the role of the Political Warfare Planning Committee towards a broader government function. Following advice to the Prime Minister, the Cabinet War Committee approved creation of a Political Intelligence Committee with a broader interdepartmental membership to

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replace the Political Warfare Planning Committee.\textsuperscript{27} External Affairs provided the chairperson. Having only been created in June, 1943, the Political Intelligence Committee recommended to the Chiefs of the General Staff in July that National Defence should establish a POW intelligence division to work with the Political Intelligence Committee, to collect and collate intelligence, to re-educate (i.e., politically influence) POWs, to identify and segregate POWs according to political views, and to establish a secret intelligence unit “charged with ... securing from inside the camps information by whatever means it might devise.”\textsuperscript{28} In a separate letter to Major General H.F.G. Letson, the Adjutant General, Stone made it clear that the intent was to allow the Political Intelligence Committee to “extend its work into a much broader field than the one in which we are at present operating,” indicating that this involved specially chosen personnel dedicated full time to intelligence tasks.\textsuperscript{29}

By September, when the Chiefs of the General Staff had not agreed to the Political Intelligence Committee’s proposal, Glazebrook took a new approach and wrote to suggest

\textsuperscript{27}Memorandum for the Prime Minister, 17 June, 1943, NAC RG25. Vol. 3207. File 5353-40C pt.1, and unsigned Memorandum for Mr. Robertson, Mr. Grierson, Mr. Wrong, 11 June, 1943, NAC RG25. Vol. 3207. File 5353-40C pt.1, and DND 119.009 (D22). As with so many elements of Canadian wartime intelligence, the names of committees were often fluid and changed from one memorandum to the next. The Psychological Warfare Committee, the Political Intelligence Committee, and the Political Warfare Planning Committee, were not the same, but often shared a purpose which flowed from one into the other. Membership in the committees often overlapped in Canada’s small intelligence community.

\textsuperscript{28}Letter from Thomas A. Stone to the Chiefs of the General Staff, 22 July, 1943, DND 119.009 (D22); DND 193.009 (D29); and NAC RG25 Vol. 3211. File 5353-Q-40C. The file copies were not typed at the same time but the text is identical.

that the focus was to be on re-education to "break down the prejudices and Nazi convictions" of some of the POWs.\textsuperscript{30} Glazebrook's new tactic probably reflected a change in thinking at External Affairs since, about the time of his letter, the Political Intelligence Committee spawned a Psychological Warfare Committee, partly with the same membership, but also including representatives of the Wartime Information Board and the three Services' intelligence organizations. The new committee was charged with planning and coordinating the efforts of various departments with propaganda to enemy and enemy-occupied countries, including propaganda to POWs in Canada. The Psychological Warfare Committee sought and received the approval of the Cabinet War Committee for its efforts both among POWs and against the enemy.\textsuperscript{31}

The Cabinet War Committee approved the creation of the Psychological Warfare Committee on October 12, 1943, even though there was no significant support for the concept by the Cabinet War Committee or the Under-Secretary of State for External Affairs.\textsuperscript{32} Psychological warfare, in the sense that Stone and Glazebrook understood the term, included all propaganda activities directed against the enemy and enemy-occupied countries, as well as propaganda directed at neutral and even Allied countries. Propaganda was not normally an intelligence function, but sought to influence

\textsuperscript{30}Ibid. Memorandum from G. deT. Glazebrook to the Chiefs of the General Staff, 16 September, 1943.


perceptions existing in enemy-held territory. An intelligence-related link with propaganda efforts arose when psychological warfare (sometimes called political warfare) attempted to mislead and disturb the enemy. Although Canada became involved in psychological warfare, under the direction of External Affairs, there was no evidence of success since clear targets and objectives were absent. The early efforts of psychological warfare were limited to recording radio programs for German merchant seamen, French-language programs from Quebec beamed to France, and programs for occupied and neutral countries.\textsuperscript{33} These programs were aired by the British Broadcasting Corporation since Canada did not have a sufficiently strong short-wave transmitter to reach Europe.

In support of psychological warfare, hundreds of extracts from POW mail were collected for use in political intelligence broadcasts back to Germany. Many related to working on farms or ranches, which was universally enjoyed according to the extracts. Two examples capture the essence of the messages. One POW wrote about how “The so much-talked cow-boys are at home in this region .... I am very, very comfortable with my farmer, an ENGLISHMAN” (from Brooks, Alberta). Another writes, “Work is heavy but there is so much food here that sometimes one does not know where to start first” (from Cooksville Labour Camp).\textsuperscript{34}

Meanwhile, the Chief of the General Staff had finally responded to Glazebrook’s efforts to have DND create a division to be responsible for POW intelligence matters. On


\textsuperscript{34}Prisoner of War Mail extracts, 15 November, 1944, and 5 December, 1944, NAC RG25. Vol. 3226. File 5454-C-40C pt. 8.
September 9, 1943, the Chief of the General Staff directed that a review be conducted of the intelligence structure of DND’s Directorate of Prisoners of War “so that full advantage may be derived in all intelligence spheres from our custodianship of enemy P’s/W [POWs].” 35 This was not a solution since the Directorate was already overworked with administrative tasks and counter-intelligence, and limited its foreign intelligence collection efforts to obtaining operational intelligence from POWs who had long been absent from theatres of war. However, a great deal of intelligence continued to be collected from POW in-coming and out-going mail. The intelligence collected in this manner focused on such subjects as the German army order-of-battle, leadership information, campaign conditions from a German perspective, civilian attitudes and responses to the war, and morale. 36

By the beginning of October, still with no military intelligence prisoners of war directorate, Stone and Major General Letson met with British authorities in London on the subject of a special POW intelligence unit and underscored the importance for Canada of the establishment of a system for securing information through censorship activity. 37 Still, the senior Canadian military leadership was not prepared to act.

35 Memorandum to the Chiefs of the General Staff from Colonel W.W. Murray, Director of Military Intelligence, titled Political Warfare, Prisoners of War Intelligence Section, 15 November, 1943, DND 193.009 (D29) and NAC RG25 Vol. 3211. File 5353-Q-40C. The two copies were typed at different times but the text is identical except for a half line missing from the RG25 copy (probably the result of folded carbon paper).

36 Ibid.

37 Memorandum on the Special Prisoners of War Intelligence Unit, 8 November, 1943, NAC RG25. Vol. 3211. File 5353-Q-40C.
Colonel W.W. Murray, the Director of Military Intelligence, acting on behalf of the three Services' intelligence chiefs, sought to advance the creation of a POW Intelligence Division in mid-November by interceding with the Chief of the General Staff, advising that the officers of the Prisoners of War Directorate, charged with administering and controlling the POWs, could not do double duty by also acting as intelligence officers. Colonel Murray claimed that the existing intelligence structure was inadequate. Although some 300 Postal Censorship examiners were active in the fall of 1943 in examining POW correspondence, this activity was limited to gathering intelligence from correspondence and ignored the potential which was available from interviewing the prisoners themselves.

An eventual Chiefs of General Staff's review recommended that greater benefits could be obtained if an Intelligence Officer was appointed to each camp, as distinct from an Interpreter Officer, who also carried out intelligence tasks without appropriate training. The recommendation called for 40 Intelligence Officers to monitor Canada's 24,494 POWs. Some Intelligence Officers could also combine positions with Interpreter Officers, after necessary training.

While the intelligence officials at External Affairs were preoccupied with psychological warfare and propaganda initiatives, the Prisoner of War Intelligence Section, under the Chiefs of Staff Committee, finally received approval on January 14, 1944, after

38 Memorandum to the Chiefs of the General Staff from Colonel W.W. Murray, Director of Military Intelligence, titled Political Warfare, Prisoners of War Intelligence Section, 15 November, 1943, DND 193.009 (D29) and NAC RG25 Vol. 3211. File 5353-Q-40C. The two copies were typed at different times but the text is identical except for a half line missing from the RG25 copy (probably the result of folded carbon paper).
the matter had been deferred for more than six months.\textsuperscript{39} The new POW Intelligence
Section had responsibilities which differed from the 'jailer' role of the Adjutant General,
who remained responsible for all other POW tasks.\textsuperscript{40} An attachment to this chapter shows
a contemporary organizational chart of DND's POW Intelligence Directorate.\textsuperscript{41}

The authority from the Chiefs of Staff Committee to establish a Prisoners of War
Intelligence Division did not diminish the tension existing between National Defence and
External Affairs, since the POW Intelligence Division was not immediately staffed. The
Chiefs of Staff Committee sought the views of External Affairs on POW intelligence and
was informed by Robertson that External Affairs was in full agreement with the January
14 decision of the Chiefs of Staff Committee to establish the POW Intelligence Division.
The departure drew particular attention to that portion of the mandate requiring the
Prisoners of War Intelligence Division to support the Psychological Warfare Committee,
headed by External Affairs. Robertson reminded National Defence that the Chiefs of Staff
had been aware of the Psychological Warfare Committee since its inception and had
approved the participation of Defence Directors of Intelligence in its work of gathering
intelligence and preparing psychological warfare against Germany, adding that it was

\textsuperscript{39} Ibid., Minutes of Chiefs of Staff Committee, section on Political Warfare –
Prisoners of War Intelligence Section, 4 January, 1944 and 14 January, 1944.

\textsuperscript{40} Ibid., Memorandum to the Chiefs of the General Staff from Colonel W.W. Murray,
Director of Military Intelligence, titled Political Warfare, Prisoners of War Intelligence
Section, 15 November, 1943, DND 193.009 (D29) and NAC RG25 Vol. 3211. File
5353-Q-40C.

\textsuperscript{41} Ibid., Minutes of Chiefs of Staff Committee, section on Political Warfare –
Prisoners of War Intelligence Section, 4 January, 1944 and 14 January, 1944.
urgent that National Defence establish the POW Intelligence Division, which would support psychological warfare activities.\textsuperscript{42}

Two days later, Robertson informed the Prime Minister of his support for a POW Intelligence Division at National Defence to complement the political activities of the Psychological Warfare Committee, as well as to collect foreign intelligence. Robertson nevertheless berated the Chiefs of Staff Committee for its tardiness in taking action on the matter and expressed his hope that a POW Intelligence Division would soon be in place.\textsuperscript{43} Mackenzie King’s reaction is not recorded, although it may have stimulated the action which followed.

A Department of National Defence memorandum to the ministers was prepared at the end of March recommending that a Directorate of Prisoners of War Intelligence be staffed and organized to function under the Chiefs of the General Staff and that specially trained Intelligence Officers be assigned to POW camps for the purpose of collecting intelligence.\textsuperscript{44} Again, no action was immediately taken and it was only on May 9, 1944, nearly one year after the idea had been launched by External Affairs, and only one month before the Allied landings in Normandy, that the Minister of National Defence approved

\textsuperscript{42}Memorandum from N.A. Robertson to The Secretary, Chiefs of Staff Committee, 8 March, 1944, NAC RG25. Vol. 3211. File 5353-Q-40C.

\textsuperscript{43}Ibid., Memorandum to the Prime Minister, 10 March, 1944.

\textsuperscript{44}Memorandum to the Ministers, titled Political Warfare – Directorate of Prisoners of War Intelligence, 28 March, 1944, DND 193.009 (D29) and NAC RG25. Vol. 3211. File 5353-Q-40C.
the submission for the establishment of a POW intelligence organization.45

The new unit, known as M.I.7, was under the direction of National Defence's Directorate of Military Intelligence. Hampered from the moment of its creation because M.I.7 was subservient to the Directorate of Military Intelligence, it "had not the weight and prestige of a Directorate and because of this, its officers were handicapped in their work with other Directorates."46 By the following September, there was a recommendation to reduce the activities of the Psychological Warfare Committee, which was supported by the work of M.I.7.47 Canada's efforts in psychological warfare had not met with great success and the experiment was beginning to be wrapped up with a recommendation made that "[w]e should not attempt anything [like it] towards the Far East."48

The censorship activities directed against POWs in Canada paid a more significant dividend. The nominal purpose of censorship activities were directed towards hampering disclosure of strategic information by the POWs to the Germans, and this was largely effective. A corollary of this activity, however, was the counter-intelligence


48Ibid.
mandate of Canadian censors since many of the POWs communicated with their superiors back home through clandestine means. An example of the effort by POWs to communicate with their superiors gave rise to an effort by captured submariners to escape and be retrieved by German U-boats off the shore of Canada. Several escape efforts were involved but that by prisoners at Bowmanville counted for the largest group involved. The plans became known to Canadian authorities and the R.C.M.P. were called in to assist in verifying the attempted breakout. Preparations were then made by Canada to attempt to seize the U-boat which was to recover the escapees. A U-boat did arrive off the coast of Canada to pick up prisoners. One prisoner successfully escaped and came very close to the pick-up point. The Canadian side, nor seemingly the POWs, did not know how to contact the U-boat and neither the escaped POW nor the waiting Canadian Navy ultimately made contact with the U-Boat.\(^4\) However, counter-intelligence efforts against POWs, a defensive measure, falls outside the scope of this study, which is focused on the acquisition of foreign intelligence, but is worthy of a separate study which would be supported by rich source material in the National Archives of Canada.

In spite of the misgivings that some Canadian officials had about the efficacy of Canada’s censorship intelligence activities, by early 1943 Canada’s reputation for censorship-derived intelligence, particularly with respect to POWs, was well established. The U.S. Office of Strategic Services (OSS) sent two officers, Robert C. Tryon and James M. Minifie, first to Camp X, then to a POW internment camp near Bowmanville,

Ontario, and, finally, for a few days to Ottawa, for the purpose of studying the Canadian approach to intelligence gathering from censorship operations. The visit was a clear success, with Tryon writing to Stone a week later that the Canadian censorship material constituted “a veritable gold mine for our work” and hoping that more formal collaboration could be established.\textsuperscript{50}

Other OSS visits followed in May when three experts came to examine Canadian prisoners of war material. The three, Robert MacLeod, Dr. H.C. Deutsch and Dr. Irving Sherman, did not impress their Canadian hosts. Stone and Glazebrook, as reported by Stone to Pearson in Washington, in what must be one of the strongest letters present in Canadian intelligence records, found that the visitors had little appreciation for security and had a “very superficial knowledge of Europe and European problems.” Stone complained that “... not only are O.S.S. intelligence reports on Europe bad but if these men are a sample they must be read by people that have a tragically insufficient knowledge of their fields on which to base any critical study of the reports....”\textsuperscript{51} It got worse. “We are pretty discouraged to-day to think that these are the opposite numbers with whom our baby political warfare organization in Canada will have to deal in Washington. There isn’t, I think, anything we can do about it except to hope that in the


\textsuperscript{51}Ibid., Letter from T.A. Stone to L.B. Pearson, 18 May, 1943.
rapidly shifting sands which are O.S.S. some little grains of a higher calibre will eventually get up to the top." Glazebrook recalled that he spent an evening at Stone's house with some visiting OSS officers, one of whom was a French expert by virtue of having been "a professor of something who had once had a holiday in France."

With the exception of a few individual OSS officers, the intelligence community at External Affairs had a low opinion of the OSS, at least during the early part of the war, paying little attention to the organization and dismissing the value of any intelligence reports provided to Canada. Glazebrook viewed the OSS as "overwhelmed by size, inexperience and romanticism." In fairness to the OSS, it was a newly established organization needing to establish and develop areas of expertise. Indeed, many Americans had "doubt[s] ... that OSS would get organized soon enough to be a productive organization."

OSS officers continued to visit Ottawa to review Canadian censorship-derived intelligence material. The OSS had no particular interest in the individual letters collected through censorship operations, but found the evaluated assessments on the impact of bomb damage, food shortages, and general morale to be valuable for its own

\[52\text{Ibid.}\]
\[53\text{Interview with Mr. George Glazebrook, 11 January, 1977, p. 45, DFAIT Special Registry.}\]
\[54\text{Ibid.}\]
\[55\text{Thomas F. Troy, } Donovan and the CIA (Washington: Central Intelligence Agency, Center for the Study of Intelligence, 1981), p.155.}\]
analytical purposes. Some informal training programs were also established for OSS officers by Canada. By late 1943, upwards of 800 Canadian intelligence reports, derived primarily from POW intercepts, were forwarded to the Americans per month. Regular liaison visits by OSS continued throughout the war, primarily by Rhoda Metraux, who had been one of the early OSS visitors.

Other Allied efforts to coordinate censorship activities and to pool information collected both from civilian correspondence and that available through the POW channel took place concurrently. A Censorship Conference was held early in the war to discuss the practical side of the task. A communications link was established between Ottawa and the British Security Coordination office in New York dedicated, in part, to the transfer of information collected through censorship channels. Canadian Postal Censorship established a procedure in June, 1943, for an expanded exchange of information on both intelligence and postal censorship to cope with the increasing number of POWs which both Canada and the United States were receiving.

In August, 1943, Allied heads of censorship programs met in Miami, Florida.

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56Ibid., p. 45.


58Letter from Hume Wrong to L.B. Pearson, 4 March, 1942, NARA RG457, Box 1358. Nr. 4166 ZEMA 168 44121A 19410201.

together with representatives of various Allied intelligence organizations, to discuss
counter-intelligence and intelligence gathering, as it was derived from censorship tasks.
Canadian participants explained that all of the mail arriving in Canada was examined,
physically and, in some cases, through laboratory analysis. All the incoming mail for
German POWs was physically checked while all of the POW mail to Germany also
received a laboratory examination to check for secret writing. By that time, some 30-
35,000 letters per week received laboratory examination.

The Miami censorship conference led to changes in Canadian censorship
practices. The conference had been called because there was general agreement that the
intelligence collected had to be improved upon. Canada established, as did the other
Allies, a Security Section within the Censorship Bureau. This unit was to ensure that
censorship officers became ‘collectors’ of intelligence, leaving to others the analysis of
the information. The Censorship Security Officer acted not only in a counter-intelligence
capacity, and liaised with the R.C.M.P. and the allied counter-intelligence bodies, but also
as the principal censorship liaison with the Services intelligence organizations and

60 The POWs went to great lengths to communicate clandestinely with Germany.
Special sensitized paper, which would more easily reveal invisible inks, was issued by
Canada to enemy POWs for their correspondence. Insight into the challenges of
intercepting secret writings can be found in an undated memorandum (but likely

Interestingly, the higher quality of Canadian writing paper available to POWs in Canada
initially made it more difficult to identify secret writing than was the case for both British
and American paper.
External Affairs. 62

The results of censorship intelligence operations, which generated evaluations on the commercial activities of the neutrals, oil production and sales, shipping reports and cargoes, enemy commercial shipping, and morale in occupied countries, were circulated in Weekly Censorship Intelligence Bulletins to interested parties, including the British and the Americans. Sensitive reports were circulated on a more confidential basis to Canadian departments requiring access to the information. Counter-intelligence obviously played an important role, as did the prevention of innocent transmission of valuable information to the enemy. 63

Although intelligence derived from censorship of POW correspondence was the prime Canadian HUMINT activity during the war, there was a brief opportunity to collect HUMINT from the credible observations of Canadians who had lived under enemy control. This entirely separate source of Canadian HUMINT collection occurred briefly early in World War II and involved the debriefing of Canadian civilians and diplomats repatriated primarily from Asia but also from Europe. There is little evidence that Canadian foreign intelligence programs fully exploited the knowledge possessed by those individuals being repatriated from occupied Europe at the beginning of the war. This reflects the early phase of Canada’s foreign intelligence program, when the country did not yet possess the skilled resources or inclination to take advantage of such


opportunities. Debriefings may also have been carried out by the British, since repatriation had likely been via the United Kingdom.

The first Canadian-conducted intelligence debriefing of repatriated Canadians took place in the early summer of 1942, and was carried out in the United States, involving nine Canadian women from the Swedish ship S/S Drottningholm. Some of the women had been interned in Germany and others survived the torpedoing of an Allied vessel. The women arrived in New York on June 29, 1942, to be met by a phalanx of five U.S. and Canadian intelligence organizations before being permitted to disembark. In spite of an oversupply of intelligence officials, the process was handled expeditiously. The actionable intelligence derived from debriefing of the women was limited. Nevertheless, insight was provided on the general dissatisfaction among German Christians towards the Nazi regime, the quality and availability of food in Germany, availability of commodity items for civilians, the impact of the early bombings on the German people, and the "impotent resignation" of the Germans. Although the intelligence obtained was limited, and anecdotal in nature, it provided a snapshot of the situation inside Germany at a time when such information was difficult to obtain. Coupled with debriefings which were taking place in Britain and information from neutral sources, relatively complex evaluations of life in Germany could be constructed by Allied intelligence.


65Ibid.
Repatriations of Canadians interned by the Japanese in Asia began in the summer of 1942, with the first group being made up of 51 Canadians arriving on the Swedish ship S/S Gripsholm from North and South China, Hong Kong, Manchuria, Indochina, Japan and Korea. Many were missionaries or diplomats. The group was met on arrival in New York by seven intelligence officers from National Defence, and L.B. Pearson from the Canadian Legation in Washington, D.C. The intelligence officers had area expertise covering Hong Kong, Korea, Manchuria, Japan, Indo-China, and South and Central China. Their objective was to “secure any intelligence on Japan or Japanese occupied territories in the Orient which might be of benefit to our Military, Naval or Air operations in that sphere.” Not all the arriving Canadians appear to have been debriefed in detail. Only those provided actionable intelligence had their debriefings recorded.

Pearson thought that he had arranged for the Canadians to be handled as if in transit, and thus outside normal U.S. customs protocols, with deb briefings to be conducted by Canadians on the New York docks before the returnees boarded a train for Canada. However, the U.S. Customs authorities refused to honour any of the arrangements which Pearson and External Affairs in Ottawa had painstakingly put in place with the U.S. State Department before the arrival of the returnees. Full U.S. customs inspection was demanded, including that of Canada’s returning Chargé d’Affaires in Tokyo, a breach of

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66 Pearson makes no mention in his memoirs of this incident or his other intelligence-related experiences except for one humourous incident when he acted as an ad hoc diplomatic courier carrying an envelope from London to the BSC offices in New York. Lester B. Pearson, Mike, vol I (Toronto: University of Toronto Press, 1972), p. 194.

67 Memorandum titled Interrogation of Repatriates from the Orient on board the GRIPSHOLM, 26 August, 1942, NAC RG24. Vol. 11923 File PC.
diplomatic convention. The Canadian intelligence officers were denied access to the repatriates prior to their clearance of U.S. customs and could not begin the debriefings until the whole group left New York for Canada by train at 4 A.M. The subsequent interviews were so hurried that information was not fully exploited. The final assessed debriefing report nevertheless consisted of well over 50 pages of analysis containing a wealth of information about industrial production potentials, raw materials reserves, and transportation resources in Japanese-controlled Manchuria and Korea. The interviews were clearly rushed and more might have been achieved if the process had been handled differently. Nevertheless, the individual reports reveal the extent of intelligence material available from untrained but observant civilians.

Interviews on Hong Kong provided details of the structures of Japanese convoys leaving the British colony, including normal departure direction, sizes of ships employed, and number of ships in convoys. Another report provided details of Hong Kong harbour including the location of minefields and anchorages for naval vessels. Other information included details of Kai Tak aerodrome and runway enlargement which was underway, the military air base on San Chan Islands, and the location of oil storage facilities and

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POW encampments.\textsuperscript{70} Twenty-two Canadians were interviewed on Japan, twelve of them on Tokyo alone. Only three of those describing Tokyo provided information of intelligence operational value. Their information covered aircraft factories, airfields, anti-aircraft defences, air raid precautions, supply of gas, coal and water, oil storage, radio communications, and transportation. Most of the information was provided with descriptions, directions, and local landmarks, and any impediments to low-level bombing attacks.\textsuperscript{71}

Herbert Norman, a Canadian diplomat being repatriated from the Canadian Legation in Tokyo, was an expert on Japan and a keen observer of that country. He was among the group returned on S/S Gripsholm, although there is no clear evidence that he was even debriefed at the time.\textsuperscript{72} However, a postwar security file indicates that Norman was interviewed at the time of his repatriation about some of the other passengers aboard the S/S Gripsholm. The document is ambivalent whether this was a security interview which he had at the time with the F.B.I. or as part of an intelligence debriefing by

\textsuperscript{70}Results of Intelligence Interrogation of Repatriates from HONG KING [sic] on “GRIPSHOLM,” 26 August, 1942, NAC RG24. Vol. 11923 File PC.

\textsuperscript{71}Ibid., Intelligence Report: Tokyo and Vicinity, 25 August, 1942.

Canadian officials.\textsuperscript{73} An intelligence interview capturing his knowledge and observations is inexplicably absent from the released files. A failure to interview Norman is hard to fathom; Pearson was present on the New York docks and knew Norman. A possible explanation is that the chaos in New York resulting from U.S. Customs intransigence led to a postponement of his debriefing until he returned to Ottawa. If that was what happened, the resulting interview has been lost.

One debriefing warrants special attention. This covered information on Indo-China secured from an 18 year old student named Paul Jeffrey. No details are available on who he was or what he was doing at that age, seemingly by himself, in Indo-China. One thing, however, is certain. This young man had exceptional powers of observation and recall. His eleven page debriefing covered the military, naval, and political-economic situation in Indo-China. His information included details of recent Japanese troop movements from Saigon towards China for a "big drive." Information was also provided on Japanese preparations for a drive against India, after the end of the monsoon, which would include one division of Indian troops, specially trained, and said to have been captured in Malay. Details covered Korean, Formosa, Manchurian, and Chinese mercenary units led by Japanese officers. Young Jeffrey also had details on petrol and oil dumps in the Saigon area, including map locations, as well as airports in Indo-China, with map locations plus details of their infrastructure (and recent improvements), including one facility which was partly underground (presumably storage buildings). He provided

\textsuperscript{73}Document titled Edgerton Herbert Norman with 1950 written by hand in upper right corner. CSIS ATIP 117-89-109 Item 72.
details on the location of telephone and telegraph exchanges in Saigon, details of various Japanese military and naval headquarters, coastal defences, mine fields, the absence of submarine nets in Saigon harbour, and information on POW camps in Saigon. Lastly, he detailed Vichy cooperation with the Japanese, shifts in the sale of narcotics, and Japanese confiscation of food stuffs.\textsuperscript{74}

When the S/S Gripsholm returned a second time in October, 1943, with an additional 221 Canadians repatriated from Japanese control, arrangements were made for a Canadian military intelligence officer, posing as a member of External Affairs, to join the ship in Rio de Janeiro en route from the Far East, to interview the returnees.\textsuperscript{75} The detailed intelligence and political questionnaire used by the Canadian military officer was prepared by Herbert Norman, who was by now involved in intelligence matters at the Department of External Affairs. There is some evidence that Norman, himself, joined the ship in Rio de Janeiro and participated in the debriefings. Minutes of a meeting of the Canadian Joint Intelligence Committee (CJIC) on October 27, 1943, states that Captain Archibald and Dr. Herbert Norman will be sent to Rio de Janeiro to meet the S/S Gripsholm.\textsuperscript{76} A later meeting of the CJIC records, after the fact, that Archibald and

\textsuperscript{74}Information Secured from Repatriates Returning from Orient. Interviewed on Sealed Train en route from New York to Montreal, 26 August, 1942, NAC RG24. Vol. 11923 File PC.

\textsuperscript{75}NAC RG24. Reel C-5061. File. 3448. The file, in its entirety, comprises documents pertaining to repatriation and debriefing of Canadians returning from Japanese captivity.

\textsuperscript{76}Minutes of the Canadian Joint Intelligence Committee, 27 October, 1943, NAC RG24, Vol. 2468, File 715-10-161-3 pt. 2.
Norman had conducted debriefings on the S/S Gripsholm.\textsuperscript{77}

The following year, when the OSS sought access to the crew members of Swedish Relief Ships which stopped at St. John, External Affairs was initially inclined to be helpful until the Director of Naval Intelligence pointed out that this was counter to normal Canadian practices. The Department of External Affairs quickly reversed itself and responded, in a letter signed by Robertson, that "...it would be the view of this Department that the securing of information in any Canadian port from any sources should be the responsibility of the Canadian Intelligence Services who, no doubt, are prepared to make available to the Intelligence Services of the United States or the United Kingdom any information which was obtained."\textsuperscript{78}

When the R.C.M.P., whose Security Control Service was tasked with intelligence collection at the ports, admitted to a debriefing arrangement with Donovan’s OSS, they were reprimanded and informed that,

... the responsibility for security and intelligence in Canadian ports clearly rests with the Canadian authorities. Where, for some reason, they are unable or unwilling to do work which is recognized to be of importance from the point of view of security or intelligence, they may well allow interested agencies of other countries to do that work, provided that the Canadian authorities are kept informed. Where, however, Canadian authorities are already functioning adequately, they should not hand over their proper functions to the agency of another government.\textsuperscript{79}

\textsuperscript{77}Minutes of the Canadian Joint Intelligence Committee, 26 April, 1944, NAC RG24, Vol. 8088, File 1274-10-1 pt. 1.

\textsuperscript{78}Minutes of the Joint Intelligence Committee, 23 November, 1943, and 8 December, 1943, NAC RG24. Vol. 2469. File 715-10-16-1-3 vol. 3.

\textsuperscript{79}Ibid., Minutes of the Ad Hoc Joint Intelligence Committee Meeting with the Department of External Affairs, 16 December, 1943.
The intelligence collected through debriefings of returning Canadians was well received by Canada’s allies. The information contained specific details which assisted in determining war-making capabilities. Copies of the debriefs were provided (sometimes in response to specific requests) to the British War Office, the Ministry of Economic Warfare, and the British Political Warfare Mission in Washington.\textsuperscript{80} The value of the material is recorded in one British response which stated that,

Nearly all the matter in these reports is most helpful to us as providing background information. Of special value is the report on French Indo China which seems to add a great deal of concrete information on this country. Also most useful are the notes on Chinese, Japanese and German personalities scattered throughout the reports.\textsuperscript{81}

Canada’s involvement in HUMINT collection during World War II was limited and reflected the resources and skills available at the time. Nevertheless, within the existing confines, and once the administrative hurdles were overcome, Canada produced information from censorship operations which helped to provide the building blocks to create a composite view of socio-economic conditions within Germany and its occupied territories. The individual reports from censorship reviews suggests a tedious undertaking which only bore fruit when many reports were collated and analyzed to capture changes in attitudes and circumstances over time within Germany and German-occupied nations. The efforts of the Psychological Warfare Committee were largely ineffectual for lack of an agreed national policy. The extracts from POW correspondence

\textsuperscript{80}Letter to David Bowes-Lyon from E.H. Norman, 29 January, 1944, NAC RG24, Vol. 29166, File WWII-30 pt. 2 XU.

\textsuperscript{81}Ibid., Memorandum for Mr. Norman from T.A. Stone, 7 February, 1944.
suggests, however, that there was ample material for a credible propaganda effort, had that been possible.

The debriefing of repatriated Canadians provided substantial and credible intelligence of possible use to Allied war-making plans. Much of the information was specific and in sufficient detail to provide actionable intelligence. Although Canada successfully adapted to the challenges confronting the program (e.g., joining the S/S Gripsholm in mid-voyage), the program was limited since the supply of repatriated Canadians was quickly exhausted.

Canada’s wartime forays into overt HUMINT collection were successful but limited. Too little was done in either program to create an appetite in Canada for HUMINT. The limited successes of both the censorship intelligence program and the debriefing program did not influence Canada’s postwar decision on a clandestine HUMINT collection program. However, had the wartime efforts been more significant in meeting a national need the results might have been different.
PRISONERS OF WAR INTELLIGENCE DIRECTORATE

Director of P/W Intelligence
(Colonel)

Deputy of P.W.I.
(Lt.-Col)

P.W.I. (1)
Major Reg'l
(1 Sergt)
(1 Clerk (Cpl)

S E C U R I T Y
Escapes and Intended Escapes;
Detection of German control-activities;
Examination of books and parcels;
Liaison with other Security Services;
Security in P/W contacts.

NOTE: It is of highest importance that the Deputy Director should be completely
fluent in German, that he should have a comprehensive background of Germany
and Europe; and that he be required to visit the camps continuously.

P.W.I. (2)
Major Reg'l
(1 Sergt)
(1 Clerk (Cpl)

S E C R E T INFORMATION
Codes, Ciphers and Secret Writing;
Information from 'Scouts';
Segregation and Surveillance;
Interrogation and Secret Auxiliary
Equipment.

P.W.I. (3)
Major Reg'l
(1 Sergt)
(1 Cpl) Clerk.

P S Y C H O L O G I C A L W A R F A R E
Liaison with and Administration
of Psychological Warfare and
P/W Re-education groups;
Integration of Programmes;
Reports and transmission of In-
formation for Payah. W. purpose
Supervision over admission of
books, etc. to P/W camps.
Chapter 5

The MOUSETRAP Operation
1942-43

For just over a year, between August 1942 and September 1943, Canada played a key role in securing copies of telegraphic communications inside the United States for SIGINT exploitation by Britain and Canada. The operation was confidential but not clandestine; the U.S. government knew that Canada was selecting telegraphic communications in the United States for the purpose of intelligence exploitation. While most SIGINT tasks involved passive listening to communications transmitted by radio waves, the MOUSETRAP operation, as it was called, collected land-line telegraphic messages accessible only within the United States. The MOUSETRAP collection task in the United States used Canadian personnel who were stationed in the United States.

The operation involved the collection of en clair and encrypted commercial cable, wireless, telephone, and radio traffic for the purpose of collecting foreign diplomatic and economic communications for analysis by a small British intelligence unit. In the United States, the material intercepted consisted of telegraphic traffic subject to censorship vetting, while, in Canada, the MOUSETRAP operation was more multi-faceted and also included intercepted wireless communications. This was Canada’s first foreign intelligence operation. While the Examination Unit also benefitted from the MOUSETRAP material collected in the United States, Canada’s role in the operation was primarily as a facilitator for British access to the raw material.

There is little publicly available information about the MOUSETRAP operation,
or of Canada's role therein. The *History of the Examination Unit 1941-45*, prepared at the end of the war by one of the organization's key staffers, and available in an Access to Information Act vetted format, contains some partially excised segments which relate to MOUSETRAP.¹ A portion of the applicable text reads, "In late August or early September, Denniston made a certain proposal to Kendrick which put Stone in something of a quandary,..." at which point the text has been removed on national security grounds. It continues, "Mr. Denniston reassured Canada in the following terms: ...." when, again, the text is cut out for security reasons. Removal of the text indicates that, at the time of the release of the *History of the Examination Unit 1941-45*, there remained concerns about revealing the MOUSETRAP operation.² Over time, however, various individual documents including several containing the codeword, MOUSETRAP, have surfaced in the National Archives of Canada, the U.S. National Archives and Records Administration, and the British Public Record Office.

When the British had approached Stone about MOUSETRAP collection in the U.S., they had suggested that External Affairs should scrap its newly created Special Intelligence Section, charged with intelligence analysis under Herbert Norman, in favour

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¹G. deB. Robinson, ed. *A History of the Examination Unit 1941-45*. (Ottawa: 1945), Chapter V, pp. 16-18. Portions of the chapter clearly relates to MOUSETRAP. The code-word has been removed as have some of the details and names of participants. Although released under the Access to Information Act, most of the excisions appear to relate to technical means of collecting and decrypting communications. These do not prevent the reader from gaining a good insight into the Examination Unit.

²Ibid., pp. 17-8.
of concentrating on work for the British Ministry of Economic Warfare. There is no rational explanation for Denniston’s request. Norman’s newly created section did not overlap with the interests of MOUSETRAP, nor was the Special Intelligence Section in competition or conflict with the MOUSETRAP operation.

When Alastair G. Denniston, the man referred to in the text, approached Stone, he had been replaced as head of GC&CS at Bletchley Park by Edward Travis and headed a branch in London which handled all diplomatic and economic traffic. Denniston’s organization was located in Berkeley Street in London, behind the marquee of a women’s hat shop. The organization does not appear to have had a formal name and numbered about 500 persons, small in comparison with the resources available to GC&CS proper. Its purpose was to support the Ministry of Economic Warfare (MEW) which was tasked with supporting Britain’s economic warfare operations (the economic blockade of Germany) and to evaluate economic conditions in Germany and its economic capacity to conduct war. In support of MEW’s mandate, GC&CS had established a small unit in 1938 to supply the Ministry’s Industrial Intelligence Centre (IIC) with foreign commercial intercepts for analysis. Using the collected SIGINT, and other sources of information, the intelligence unit of the MEW could “collect, collate, appreciate and present ...

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4Memo re contacts in Washington, 13 October, 1944, NAC RG 24, Vol. 29164, File WWII-8 XU.

information about the enemy’s economic strength, dispositions and intentions."\(^6\)

The MOUSETRAP operation was probably the code name for the North American collection program (it was used in both Canada and the United States) conducted by Denniston’s unit at Berkeley Street. The name MOUSETRAP could also have referred to the wireless address for Denniston’s organization.\(^7\) The few available details about the term MOUSETRAP are unclear about the use of the name. However, MOUSETRAP, in North America, was only one source of intercepted communications used by Denniston’s unit. In addition to commercial traffic, MOUSETRAP also collected diplomatic communications.

Much of the target raw intelligence used by MOUSETRAP was already collected in both Canada and the United States under existing intelligence programs associated with censorship or SIGINT activities. What was unique to MOUSETRAP was the exploitation of the main commercial wireless stations in the Western Hemisphere which were readily intercepted in Canada.\(^8\) Commercial code and en clair wireless and cable

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\(^7\)The few details which have emerged do not explain the meaning of MOUSETRAP. Some documents imply that the term was the ‘address’ of Denniston’s organization. One document speaks of “transmission [of telegraphic messages] to Mousetrap.” See letter from C. des Graz to Colonel O.M. Biggar, 10 September, 1943, NAC RG24 Vol. 5989. File DC9/3. Also, “sent ... to Mousetrap (MEW)”, cited in Minutes of “Y”Committee, 15 November, 1942, NAC RG24 Vol. 8125. File NSS1282-85 vol. 1. Most references, however, use the codeword as a verb, as in Mousetrapping, suggesting that it refers to a type of collection program.

messages on the Buenos Aires-Santiago-Tokyo-Indo-China circuits were easily read in Canada because of special atmospheric conditions. The telegraphic material was already being exploited by Canada through existing intelligence collection programs.

The MOUSETRAP operation had its genesis in early 1942. Denniston wanted a steady supply of intercepted communications, particularly commercial decrypted messages from North America. Denniston already had access to the Canadian material through existing intelligence sharing arrangements, but sought access to telegraphic communications not accessible from Canada. In late February, 1942, L.B. Pearson, in Ottawa, wrote to the Canadian Legation in Washington to seek its views about “a highly confidential matter,” which involved the establishment of a section of the Examination Unit in New York. This was almost certainly a suggestion that the Examination Unit wanted to assign someone to New York to process material for the MOUSETRAP collection operation. Collection by Canada of telegraphic communication in the United States was likely opportunistic. Pearson’s letter indicated that MOUSETRAP collection

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11Letter from L.B. Pearson to H.H. Wrong, 25 February, 1942, and letter from H.H. Wrong to L.B. Pearson, 4 March, 1942, NARA RG457 Box 1358 Nr. 4166 ZEMA168 44121A 19410201. MOUSETRAP is not mentioned in either letter which NARA obtained under the Access to Information Act from Canada. Some words have been excised from both, including the specifics of the “highly confidential matter”. The context of both letters leaves no doubt that the correspondence relates to MOUSETRAP-type telegraphic collection efforts. National Archives of Canada has no copy of the letters.
was already taking place in Canada and he proposed that the Canadian Telegraph Censor, working with the United States Telegraph Censor in New York, supply an Examination Unit sub-unit in New York with raw material for local processing. Pearson also indicated that U.S. Censorship authorities were aware of the collection project and were in full cooperation,\textsuperscript{12} adding that Canada was willing to exchange the decrypted intercepted messages with the Americans.\textsuperscript{13}

Hume Wrong, at the Canadian Legation in Washington, informed Pearson that he was reluctant to put the proposal to the Americans, citing the strong views of the State Department’s Adolf Berle about foreign states, whether Canada or others, engaging in intelligence collection within the United States. Instead, Wrong proposed that a teletype link recently installed between Ottawa and New York for the use of the Telegraph Censorship office be employed by the Canadian Telegraph Censor stationed in New York to transmit selected messages to Canada for decryption, thereby eliminating the need for an Examination Unit presence in the United States.\textsuperscript{14} The Canadian Telegraph Censor in New York already forwarded messages to Canada as part of his liaison duties and additional collection priorities were presumed capable of being subsumed within the existing traffic. Telegraphic communications collected in the United States by Canadian officials for exploitation under MOUSETRAP began in the spring or summer of 1942 and by July was well underway in New York.

\textsuperscript{12}Ibid., letter from L.B. Pearson to H.H. Wrong, 25 February, 1942.

\textsuperscript{13}Ibid.

\textsuperscript{14}Ibid., letter from H.H. Wrong to L.B. Pearson, 4 March, 1942.
By August, 1942, MOUSETRAP in New York was working well. It was managed by E.A. Martin, from Canada’s Directorate of Censorship in the Department of National War Services, who was assigned as a liaison officer to the U.S. Cable Censorship office in New York.¹⁵ No satisfactory explanation except for ease of access exists for using a Canadian, as opposed to a British national, to select the material in New York since SIGINT exploitation of the communications was known to senior American officials. The Canadian had existing access to the material and could carry out the task without any need to indoctrinate U.S. Cable Censorship officials at a working level (the U.S. Director of Censorship was one of those aware of the program). Martin’s ostensible function was genuine censorship liaison duties, but he had also been given a list of countries of MOUSETRAP interest and selected between 300-400 intercepted messages per day in New York for handling under the MOUSETRAP operation.¹⁶

All messages were copied to the U.S. Army’s Signals Intelligence Service in Washington and to the Examination Unit in Ottawa, with priority messages going by teletype. The priority category included messages in code (commercial code, most likely) and ciphered diplomatic cables.¹⁷ For messages of a lower priority, Martin arranged for copies to be prepared which were shipped by diplomatic bag to Ottawa with


¹⁶Handwritten notes from a meeting between Stephenson, Des Graz, Hill-Wood, Maidment and Stone, 26 August, presumably 1942, DFAIT File 5-2-1 vol. 1.

corresponding copies sent by air mail to Washington. No record exists of the volume of
lower priority messages, although the preparation of the copies of these required 6-10
hours per day.\textsuperscript{18} Copies of the material identified by Martin were also forwarded to
British Security Coordination (BSC) in New York for transmission to London. But the
record is unclear whether this was ever done by Martin or, as was certainly later the norm,
was carried out by Ottawa. The deciphered material prepared by the Examination Unit
was forwarded to both London and Washington.

Great care was paid to the means of communication throughout the duration of the
MOUSETRAP operation in the U.S. Sensitivity existed about the method of collecting
MOUSETRAP material even though the U.S. government was aware of the project.
While communications that went from the N.Y. censorship office to the Chief Telegraph
Censor in Ottawa before being forwarded to the intelligence organizations may not have
been efficient, a more direct routing would have drawn attention to Martin’s expanded
duties. The transmission mode was cumbersome but Stone opted for taking no action,
believing that

This seems to be a clumsy and long way round route but it may be the only system
under which our present relations with United States Telegraph Censorship are
not interfered with (if the policy of allowing the sleeping dog to sleep still seems
desirable) and the best one for ensuring that copies of all material reach Ottawa.\textsuperscript{19}

MOUSETRAP collection within Canada was easy, uncomplicated, and subsumed

\textsuperscript{18}Note to file titled Procedure in United States Censorship Offices New York

\textsuperscript{19}Memorandum on the Disposition of Certain Cable and Wireless Telegraph
Intercepts, signed TAS [Thomas A. Stone], 27 October, 1942, NAC RG24 Vol. 29165.
File WWII-15 pt 4x4.
within other collection activities. A contemporary organizational chart at the end of this chapter demonstrates that by November, 1942, MOUSETRAP was a component of the collection programs carried out by the SIGINT stations in Ottawa (Army No. 1 Wireless), in Grande Prairie (Army No. 2 Wireless), and in Victoria /Esquimalt (Army No. 3 Wireless). The schematic representation records the routing of commercial and diplomatic traffic. While all of the traffic was of interest to the MOUSETRAP operation, only that portion of the traffic which contained commercial or diplomatic material and passed a cable censor was designated MOUSETRAP.

As early as the end of August, 1942, a proposal was made to change elements of the MOUSETRAP operation in New York. One suggestion was to have Martin send selected intercepts directly to BSC in New York instead of forwarding the material to Ottawa. When the proposal was made by BSC in late August, Stone had Colonel O.M. Biggar, the Director of Censorship, respond that any change in the operational procedures could jeopardize the status of Martin and should not be attempted. Biggar proposed that a new teletype circuit between Martin in New York and the Chief Telegraph Censor in Ottawa would eliminate any problem since the Canadian Pacific Telegraphs had already made special arrangements to carry the traffic. BSC ultimately accepted continuation of the existing procedure for handling the traffic. Ironically, Martin, writing separately to

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Wilfrid Eggleston, the Chief Telegraph Censor in Ottawa, had doubts that the proposed improvements for forwarding material to Ottawa were sufficient to handle the growing volume.\textsuperscript{22}

By December, Martin had been proven indirectly right, when the Telekrypton (encrypted Canadian-British telegraph link) from Ottawa back to BSC in New York was unable to carry the volume of MOUSETRAP information. Martin was in Ottawa for discussions when the problem was raised during an evening spent at Stone’s house in the company of a BSC representative and various Canadian intelligence and censorship officials. Martin opposed any changes being made to the manner in which he got the intercepted material out of the New York cable office. It was agreed that Stone would inform BSC in New York that Canada was opposed to any change occurring which jeopardized Martin’s status at the American Cable Censorship office. If necessary, Stone proposed that a second Telekrypton line to BSC could be put in place to carry the voluminous cable traffic.\textsuperscript{23}

Stone’s support for Martin’s position was based on his view “that there might be some competition between various agencies un [in – sic] the United States to be let in on information, and it was said that if information was got from certain U.S. agencies it was only on terms that it should not be passed on to other U.S. agencies, so that it was necessary to walk very warily ....” Stone was of the opinion that the continued success of

\textsuperscript{22}Ibid., Letters from Thomas A. Stone to Colonel O.M. Biggar, 1 September, 1942, and letter from E.A. Martin to W. Eggleston, 1 September, 1942.

\textsuperscript{23}Ibid., Telekrypton Message from Thomas A. Stone to B. deF. Bayly, 23 December, 1942. Telekrypton denotes a highly secure communications system.
the operation was contingent on keeping some U.S. agencies in the dark.\textsuperscript{24}

BSC agreed that it was unwise to disturb the existing arrangements for passing
cable censorship material to London via Ottawa, and that nothing should be done which
might weaken Martin's position. In the meantime, however, it became apparent that there
was confusion about what material should be sent to Denniston in London and what
should be forwarded to GC&CS proper. BSC was forwarding raw material to both.
Canada was forwarding MOUSETRAP material to Denniston in London with a copy to
BSC which, in turn, sent it to GC&CS at Bletchley Park. The Examination Unit was also
forwarding additional diplomatic and commercial material to BSC which was not
MOUSETRAP related. Confusion and duplication ensued. A solution was found by
having BSC in New York act as a single transmission point by Telekrypton to Bletchley
Park for all the material.\textsuperscript{25}

Meanwhile, the MOUSETRAP collection within Canada continued to be
successful in its collection efforts, although its very success resulted in a continuous
demand for evermore raw material. On September 29, 1942, the Canadian "Y"
Committee discussed the growing requests from External Affairs, the Examination Unit,
and the British Ministry of Economic Warfare for interception of commercial and
diplomatic traffic. Stone, a member of the Committee, proposed an extension of facilities
to meet the rising demand. The Committee felt that this could only be accommodated at
the cost of a decrease in operational intelligence, something which could not be justified.

\textsuperscript{24}Ibid., note to file titled Memorandum, signature undecipherable, 23 December, 1942.

\textsuperscript{25}Ibid., Letter from Thomas A. Stone to the Director of Censorship, 4 January, 1943.
A proposal to build a new collection facility under the jurisdiction of the Department of Transport, working exclusively with assignments from External Affairs and the British Ministry of Economic Warfare, was held in abeyance in the hope that some pressure would be alleviated by the opening of a new Canadian Naval Intelligence intercept station at Coverdale early in the new year.\textsuperscript{26} Although under tremendous pressure to do more, by the end of 1942, MOUSETRAP was already collecting signals intelligence within Canada from Monte Grande (Argentina), Saigon, Hanoi, Dakar, Lyons, St. Denis, Reunion, Fort-de-France, Shanghai-Zikawei, Bamako (French Sudan), Djibouti, Tokyo, Indo-China, Afghanistan, Italy, France, Sweden, Switzerland, Russia, Chile, and Germany.\textsuperscript{27}

The Canadian side of the operation was neither seamless nor without complications. The Naval and Army intercept stations, sometimes using Department of Transport resources, were subject to different protocols for processing and forwarding the collected wireless intercepts. This made Canadian MOUSETRAP more complicated than was necessary. For example, Naval Intelligence intercepts were cabled to Britain from the intercept stations with copies going to the Director of Naval Intelligence in Ottawa who, in turn, passed the diplomatic encrypted traffic to the Examination Unit and the commercial plain text and coded messages to a MEW liaison unit in Washington. Intercepts from Army stations, however, were forwarded to the Discrimination Unit under Major Ed Drake. Copies of the diplomatic traffic were sent to the Examination Unit. All

\textsuperscript{26} Minutes of the "Y" Committee, relating to MOUSETRAP, 25 September, 1942, NAC RG24. Vol. 8125. File NSS1282-85. vol. 1.

\textsuperscript{27} Ibid., Minutes of the "Y" Committee, relating to MOUSETRAP, 15 November, 1942; and PRO (UK) WO208 Box 5036 File 29603.
commercial intercepts, plain text and encoded, traveled to the MEW liaison officer in Washington by mail. In addition, all Army intercepts were also sent to the Chief Telegraph Censor who sent the diplomatic traffic by telegram and the commercial traffic by bomber mail to Britain.\textsuperscript{28} The complexity and duplication of the process resulted in no one ever being certain whether all material had been forwarded correctly.

Confusion extended to the distribution of intercepted material within Ottawa. The Director of Censorship, Stone, and Jock de Marbois met on October 27, 1942, to seek a solution with Stone expressing his criticism of the "unnecessary division at Ottawa" between the Examination Unit and the Chief Telegraph Censor.\textsuperscript{29} As Biggar complained, "To have it gone over twice seems to be a waste of time."\textsuperscript{30}

Stone found that there was duplication in wireless interception with the collected material sometimes being sent twice to Great Britain, apparently some to GC&CS and some to Denniston in London. He concluded that, "The origin of these confusions is in the duplication of assignments to Canadian intercepting agencies by various United Kingdom authorities."\textsuperscript{31} Even as Stone was attempting to impose order and structure over the Canadian MOUSETRAP operation, there was evidence by August, 1943, of

\textsuperscript{28} Memorandum on the Disposition of Certain Cable and Wireless Telegraph Intercepts, signed TAS [Thomas A. Stone], 27 October, 1942, NAC RG24 Vol. 29165. File WWII-15 pt 4x4.

\textsuperscript{29} Ibid., Memorandum to File by the Director of Censorship, 27 October, 1942.

\textsuperscript{30} Ibid.

\textsuperscript{31} Ibid., Memorandum on the Disposition of Certain Cable and Wireless Telegraph Intercepts, signed TAS [Thomas A. Stone], 27 October, 1942.
discomfort in the United States about the Canadian presence in New York for transparent intelligence collection purposes. The U.S. Cable Censorship office was anxious to eliminate the transmission of raw MOUSETRAP telegraphic traffic by Martin to London and Ottawa.\textsuperscript{32} The obstacle to the existing arrangement in which Martin collected telegraphic raw material in New York was Byron Price, the U.S. Director of Censorship.

With the potential of Canada no longer able to obtain telegraphic communications in New York directly, the question arose of how Canada would have access to this material in the future. Under a new Anglo-American agreement, it was proposed that the British, who could now gain secure access to the telegraphic communications from American intelligence authorities in Washington, would forward the material to Canada.\textsuperscript{33} In proposing the new arrangement for supplying Canada with U.S. telegraphic material via Great Britain, the British pointed out that the new scheme might fall apart if knowledge of the plan to send copies to Canada reached the U.S. Director of Censorship. Consequently, the British recommended that Canada should seek a separate formal bilateral arrangement with the Americans for forwarding U.S. telegraphic material to Ottawa from Washington.\textsuperscript{34}

In the midst of some confusion, the MOUSETRAP operation in New York was coming to an end. The Canadians were informed that the operation in the U.S. was to

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\textsuperscript{32}Teletype message from [Benjamin deForest] Bayly to [Thomas A.] Stone, 30 August, 1943, DFAIT File 5-2-1 vol. 1.
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\textsuperscript{33}Ibid.
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\textsuperscript{34}Ibid.
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terminate on September 12, 1943, with the operation becoming part of the normal
exchange of raw communications which moved between Britain, the United States and
Canada, to meet specific national interests and decryption capabilities. What precipitated
the end of the American segment of MOUSETRAP is, however, more murky. Beginning
at least in August, there was an effort made to limit Martin’s access to raw traffic in the
Office of Censorship in New York and to direct the exchange of intercepted material
through the U.S. SIGINT authorities in Arlington.\textsuperscript{35} The cause of American concern is
evident in a message from Stone to Pearson, in Washington, where he writes:

For your own very private information the complication seems to be that the
United Kingdom are [sic] no longer willing to maintain an arrangement with the
United States under which there is full exchange of terminal traffic between the
two countries.\textsuperscript{36}

Contributing to the American efforts to close down the Canadian operation in
New York was action by the British to achieve efficiencies in the manner in which
MOUSETRAP material from the U.S. reached Denniston’s unit in London. Both the
BSC in New York and the Department of External Affairs were wary of proposed British
changes for greater direct access to MOUSETRAP material, knowing full well,

the possible dangers of putting forward proposals for changes which might affect
the present very satisfactory position of Martin in the Office of the U.S. Cable
Censorship in New York. I [Stone writing to William Stephenson] feel that at the
moment any such proposals was extremely risky in that they might bring about a
reconsideration by the U.S. people of Martin’s present position, which might

\textsuperscript{35}Ibid., Memorandum, Re: New York Cable Traffic, prepared by O.M. Biggar,
1 September, 1943.

\textsuperscript{36}Ibid., Teletype message from Thomas A. Stone to [L.B.] Pearson, 8 September,
1943.
result in changes of a kind disadvantageous both to Ottawa and London.\textsuperscript{37} Stone proposed that efficiencies in MOUSETRAP transmissions from the U.S. to Great Britain could be achieved by faster communications facilities for Martin in New York.\textsuperscript{38} The British attempt to gain direct access to U.S. MOUSETRAP material stimulated the Americans to seek a reciprocal arrangement in the United Kingdom equal to what Britain and Canada enjoyed in New York through Martin. The British had anticipated an American request for reciprocal access to censorship material in the U.K. since the spring but had decided not to grant such access and, instead, negotiate an exchange of censorship material through the respective British and American SIGINT agencies.\textsuperscript{39} As a result, GC\&CS and U.S. G.2 (Military Intelligence) reached agreement that the British and American liaison officers, in each other’s capital, would exchange \textit{en clair} MOUSETRAP-related material. This eliminated American acquiescence in U.S. raw cable material being collected by Canada in New York and transmitted via Ottawa to London without knowledge or control by American intelligence authorities.\textsuperscript{40} It also suddenly left Canada out in the cold.

The U.S., rebuffed by the British over reciprocal direct American access to British censorship material, ended the Canadian MOUSETRAP operation in New York as the


\textsuperscript{38} Ibid.

\textsuperscript{39} Ibid., letter from C. des Graz to Colonel O.M. Biggar, 17 September, 1943.

\textsuperscript{40} Ibid.
only way of ceasing British access to raw telegraphic communications without clearance by U.S. authorities. On September 10, 1943, BSC in New York informed Biggar at Canadian Censorship that London had instructed that “Traffic may cease” for MOUSETRAP material collected by Canada in New York.\textsuperscript{41} The MOUSETRAP intercepts nevertheless continued to reach Ottawa for about another week, the suspension having been delayed “until alternative arrangements are made for the Department of External Affairs to get the messages it requires through some other channel, and negotiations to that end were undertaken in Washington on Monday.”\textsuperscript{42} Canada was not pleased with the turn of events, and Biggar made this clear to BSC in New York. Biggar thought “it might do no harm if you indicated in the proper quarters that we feel here as if we had been let down rather badly after having undertaken quite a heavy job on London’s behalf for a long time.”\textsuperscript{43}

Stone, informed at the end of August by BSC about the new arrangements, had received assurance that Canadian requirements would somehow be addressed.\textsuperscript{44} He knew that there was a risk that Canadian access to the U.S. MOUSETRAP material through the

\textsuperscript{41}Ibid., letter from C. des Graz to Colonel O.M. Biggar, 10 September, 1943.

\textsuperscript{42}Ibid., Letter probably from Colonel O.M. Biggar to C. des Graz, 15 September, 1943. The signature is undecipherable but the contextual link with the letter from des Graz to Biggar cited below clearly establishes the writers of the letters.

\textsuperscript{43}Ibid.

\textsuperscript{44}Ibid., Letter from C. des Graz to Colonel O.M. Biggar, 17 September, 1943; and Teletype message from Bayly to Stone, 30 August, 1943, DFAIT File 5-2-1. Vol. 1. The 17 September letter has a signature which appears to be that of C. des Graz and clearly came from BSC.
British-U.S. arrangement with the U.S. Corps of Signals at Arlington could collapse.

Fearful that access to U.S. censorship raw material could be jeopardized, Stone requested that Pearson approach the U.S. Corps of Signals for direct access to the U.S. material.\textsuperscript{45}

Although the MOUSETRAP operation in New York had been launched to assist the British in gaining access to telegraphic material transiting the U.S., the Examination Unit had also made use of the collected material and an end to the New York MOUSETRAP operation had direct implications for Canadian SIGINT activities.

Biggar entered into discussions with his U.S. counterpart, Byron Price, on September 1. Canada wanted to ensure continued access to “liberated French” and Spanish traffic.\textsuperscript{46} Biggar was not aware of how fragile the British-American arrangement might be and limited his intervention to the horrendous delays experienced by Canada in gaining access to the material provided under the arrangements which the British had made with the U.S. Army Corps of Signals.\textsuperscript{47} Biggar suggested that there was no point in having Martin in New York, even for liaison purposes, if the cables had to be routed through Washington before going to Canada. Price responded by agreeing that the processing time had to be improved upon, but declined to commit to anything other than “exploring the possibility of continuing to send messages from New York direct to

\textsuperscript{45}Teletype message from Thomas A. Stone to [L.B.] Pearson, 8 September, 1943, DFAIT File 5-2-1. Vol. 1.

\textsuperscript{46}Ibid., Teletype message from [Thomas A.] Stone to [Capt. K.J.] Maidment, 8 September, 1943. The message is annotated, “Not sent, wired Mike [Pearson] instead.”

\textsuperscript{47}Memorandum, Re: New York Cable Traffic, prepared by O.M. Biggar, 1 September, 1943, DFAIT File 5-2-1 vol. 1.
In spite of a reluctance to reach any concrete agreement, the U.S. Director of Censorship nevertheless reversed his earlier position and agreed to expand Martin’s role as a Canadian Liaison Officer by arranging for copies of non-governmental messages (i.e., only the commercial traffic) to be provided to him. U.S. censors selected for Canada all messages “which in their opinion come under Canadian requirements” and made available for review by Martin all others messages. For all intents and purposes, access to the MOUSETRAP material would briefly return to the status quo ante, although the material received by Canada was no longer forwarded to the British but used exclusively for Canadian SIGINT purposes.

On September 24, the Canadian Director of Censorship informed his American counterpart that Canada’s participation in the MOUSETRAP operation in the United States would cease at 0001 hours on September 26, 1943. At that moment, all foreign government communications which had been made available to Canada under MOUSETRAP ceased. In the weeks that followed, Martin, by now the Chief Telegraph Officer in Ottawa, made arrangements for a new Canadian Liaison Officer to be stationed at the New York Offices of the Chief Censor, Division of Reports, to identify messages of interest to Canada. The Division of Reports was a separate entity from the U.S. Cable

48Ibid.


50Ibid.
Censorship office in New York, where Martin had previously operated. Copies of all non-government messages (i.e., only commercial) were made available to the new Canadian liaison officer. Messages of exceptional importance, selected by U.S. intelligence staff, were sent to Washington with copies given to the Canadian Liaison Officer for transmittal to Ottawa by teletype or mail, as he chose. The available documentary material is unclear about the genesis of this arrangement, and it is possible that this procedure reflects the guidelines put in place after the U.S. Director of Censorship reversed his stand on supplying material to Canada. MOUSETRAP collection within Canada continued as part of the ongoing intercept operation with copies of the material being forwarded to Britain.

MOUSETRAP was Canada’s first off-shore intelligence collection effort. Although it began as an opportunistic effort to use an existing Canadian resource (Martin in New York) to collect raw material for use by Denniston’s unit in London, it was not long before the Examination Unit made use of the material, which significantly augmented Canada’s limited collection efforts. At the end of the operation, MOUSETRAP information collected in New York, was solely for the use of the Examination Unit since the British had made alternative plans for accessing the material. No documents have survived to facilitate an evaluation of the value of MOUSETRAP for Canadian interests. Likely, the information made available through this resource was helpful but not critical in meeting Canadian collection objectives. The value of MOUSETRAP rested with Canada collecting the material for Britain and, thereby,

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51 Ibid.
garnering some unquantifiable debt which could be collected. Canada was a minor actor in the greater Allied intelligence efforts and as such had little control over the manner of making a contribution. It was the fact of being seen as making a contribution which was of value to Canada in terms of gaining access to raw material or finished intelligence from its Allies. As such, MOUSETRAP served its purpose. Canada, however, appears to have viewed MOUSETRAP solely in terms of facilitating British access to the material for the purpose meeting MEW information requirements. The operation was never seen as an opportunity for Canada to develop offshore collection experience in a safe environment.
DISPOSITION of COMMERCIAL and DIPLOMATIC TRAFFIC

POINT GREY OR OTTAWA
DEPT. OF TRANSPORT STATIONS

ARMY NO. OTTAWA

NEW (WASHINGTON)
Dept. of Ext. Aff.
B.S.C. (W.N.Y.)
U.K. Embassy (Washington)

CODE OF CIPHER
D.N.I. (W.N.Y.)

UNIT (OTTAWA)
WAR DEPT. (WASHINGTON)

C. OTTAWA,
November 15, 1943

M12 - contains Army Y
DOSB
M12
D.S.C. - British Security Coordination
UNIT - Examination Unit
Chapter 6

Canadian Intelligence at War

With no substantial intelligence infrastructure when war began, the first years of World War II saw Canada create its limited foreign intelligence capacity. Although there were clear successes, such as the creation of the Examination Unit and the establishment of SIGINT intercept stations, the impact of Canada’s foreign intelligence effort on the war was limited, peripheral, and beset by early administrative hurdles. The censorship operations ultimately became beneficial but did not function seamlessly in the earliest phase. Debriefing of repatriated Canadians was successful but ended almost as quickly as it had begun. The MOUSETRAP operation, at its core, was a support function to British intelligence. Nevertheless, by mid-war Canadian efforts at intelligence capacity building was having an impact. Because it was Canada’s premier foreign intelligence collecting vehicle, SIGINT was at the core of almost all Canadian intelligence activities in which the country was involved for the remainder of the war.

Nowhere was the impact of Canada’s maturing foreign intelligence efforts more apparent than in the battle for the North Atlantic. Here, perhaps more than anywhere else at the midpoint in the war, Canadian SIGINT efforts, as part of the greater Allied effort, contributed to an Allied victory. As Christopher Andrew has written, “ULTRA made a major, possibly decisive, contribution to the allied victory” in the Atlantic.\(^1\) While

Andrew was referring to the ULTRA interceptions, the overall SIGINT effort was significant.

Until the mid-point in the war, the response to the U-boat threat had been one of evasion. The British had used intelligence to try to steer convoys away from threatening German U-boats. Initially the tool was D/F, direction finding, which was not always very precise. Subsequent successes in cryptanalysis permitted the Allies not only to learn the number of U-boats at sea but also their specific instructions. By reading the Enigma signals between the U-boats and their headquarters, it was possible to plot U-boat deployments and to direct convoys away from the threats. The strategy, however, was not always successful, and until 1942, the evasion strategy was often defeated by British shortages of bunker fuel which necessitated that ships were routed on the most direct route with only minimal diversions being possible.

The British doctrine emphasizing safe and timely arrival of convoys was adhered to by the British and Canadians until the middle of 1943. By then, a principle of “defence by offensive measures,” defined by Canadian Acting Captain J.D. ‘Chummy’ Prentice early in the war, but only introduced in 1943, began to be acted upon. Prentice vowed adherence to the existing British rules on protecting convoys but recommended that

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assaults on U-boats by escort vessels ensured the arrival of the convoys.\textsuperscript{5} Prentice’s timing for introducing his interpretation of the British doctrine was also a critical factor since by 1943 the Battle of the Atlantic had turned in favour of the Allies.

Allied shipping losses from German U-boats reached 807,754 tons in November, 1942, a wartime high.\textsuperscript{6} Thereafter, the tonnage losses declined dramatically as a result of Allied naval and air action. Although the Allies had inadequate sea and air fighting resources to meet successfully all potential challenges in the struggle with German U-boats, the use of intelligence to pinpoint where danger to shipping was greatest and where none existed, allowed limited resources to be used with greatest impact.\textsuperscript{7}

The U-boat war in the North Atlantic reached its zenith in early 1943. Hunting in Wolfpacks, the U-boats were ferocious and hardly a single convoy escaped attack. However, the German naval vessels operating on the high seas left an ether signature trail which led to pursuit by Allied forces. The volume of communications between the U-boats and their home bases in their search for Allied prey ultimately contributed to the demise of the U-boat threat. Indeed, the number of messages nearly threatening to overwhelm the capabilities of the Allied “Y” intercept centers.


A network of radio intercept stations built by the Allies, aided by close cooperation and a sharing of the workload, could triangulate on any communication in the North Atlantic. By late 1942, a worldwide Allied “Y” network (i.e., wireless direction finding) worked together to pinpoint the location of all enemy and neutral vessels in the Atlantic which used their radios. There were ten intercept stations in Canada and Newfoundland engaged in “Y” work, another ten stations in the U.S., 13 stations in the U.K., two in South Africa, and five stations elsewhere in the world. Canada had “Y” intercept stations at Harbour Grace, Botwood, Hartlan Point, Cap d’Espoir, Pennfield, St. Hubert, Ottawa, Strathburn, Portage la Prairie, and Rivers which were primarily tasked with monitoring of U-boat frequencies. By feeding intelligence about U-boat locations to special Allied attack groups, it was possible to maintain relentless pressure on the U-boats and ensure a high mortality rate among them.

The intelligence war against the U-boats had begun slowly. Occasional early wireless direction finding efforts and high-frequency radio intercepts had provided locations of U-boats and identifiers about the boats and crews. By the beginning of 1942, however, extensive use of radio communications by the U-boats allowed the Allies to follow their paths by monitoring the constant messages to track individual U-boats.

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throughout their cruises.\textsuperscript{10} Communications channels, which were established during 1942, allowed the Allies to share quickly the information on U-boats, as it became available.\textsuperscript{11}

The radio direction finding efforts were augmented by an additional study of enemy high-frequency radio transmissions, called “Z” work, but more correctly described as ‘radio finger printing’ (RFP). “Z” work was the identification of wireless transmitters by the characteristics of the signals emitted and of the individual radio operators according to the rhythm of their morse transmissions.\textsuperscript{12} Although introduced into Canada in early 1942 from Britain and initially carried out at three locations in Ottawa, because of excellent local wireless reception, “Z” work had a slow start and was only used extensively after May, 1943. “Z” work was eventually introduced at a number of Canadian intercept stations, including Harbour Grace, Newfoundland.\textsuperscript{13}

In spite of some initial problems, Canada so successfully mastered “Z” work that the U.S. Navy adopted the “Ottawa system” of classification after a 1942 meeting in


\textsuperscript{11}Ibid.

\textsuperscript{12}History of ‘Z’ in Canada, undated but probably 1945, NAC RG24. Vol.29163. File OIC7 W/T Intel “Z”. “Z” work was more than ‘familiarity’ with a radio. Cathode ray oscillographs were used to identify individual transmitters and morse characteristics were recorded and analyzed from undulator tape or even photographic film. Although the document appears to have been prepared as part of the DND, Notes on the History of Operational Intelligence Centre in Canada, it is not available at the Directorate of History and Heritage at the Department of National Defence.

\textsuperscript{13}S.A. Gray, Getting to the Roots of a 291er (Ottawa: Department of National Defence, 1993), p. 11.
Washington. The Canadian Navy, however, did not benefit as significantly as it might have from the identification tool which “Z” work provided; a postwar assessment called it “at worst a failure, at best a limited success.”\footnote{History of ‘Z’ in Canada, undated but probably 1945, NAC RG24. Vol. 29163. File OIC7 W/T Intel “Z”.
}{14} The German U-boat radio transmitters were highly standardized with few faults to make individual transmitters identifiable. Problems were also traceable to initial poor staff selection for “Z” work, although this improved when greater reliance on W.R.C.N.S. (the women’s naval auxiliary) began by 1943. Most telling, however, was the great success of “Y” work (direction finding) which had reduced U-boat activity to low levels by the time “Z” work had reached a high level of efficiency.\footnote{Ibid.
}{15} “Z” work was, nevertheless, instrumental on some occasions in estimating the number of U-boats involved in an attack on a convoy.\footnote{DND, Notes on the History of Operational Intelligence Centre in Canada, (Ottawa, undated), Chapter 1942, p. 8, DND S1440-18 (1940).
}{16}

While both sides were aided in the battle of the North Atlantic by their abilities to read the low-level encrypted communications of the other side, it was not until the British GC\&CS broke the German Naval Triton code (codenamed Shark by the Allies) at the end of 1942 that the Allies gained an insight into the strategy and tactics of the enemy, which strongly aided the Allies in turning the battle against the German U-boats.\footnote{Jürgen Rohwer and W.A.B. Douglas, “Canada and the Wolf Packs, September, 1943,” in The RCN in Transition, ed. W.A.B. Douglas (Vancouver: The University of British Columbia Press, 1988), p.159; and Michael Smith, The Emperor’s Codes: Bletchley Park and the Breaking of Japan’s Secret Ciphers (London: Bantam Press, 2000), p. 219.
}{17} The breach
of the Triton code (an Enigma code employing four rotor settings) was followed by successive Allied decryption of other German Naval codes.

Decryption of German U-boat communications by the Allies was important in winning the battle of the North Atlantic, but should not detract from direction finding, “Y” work, as a determinant to the outcome. Code breaking was vital for the longer term strategy, but was too slow to help locate and sink an enemy submarine. Direction finding was often the only intelligence which operated in real time and could pinpoint the locations of individual U-boats in time for Allied forces to launch attacks.¹⁸

Canada’s intelligence role in the north Atlantic submarine war was advanced by the work of Commander Jock de Marbois. He was the flamboyant language teacher from Upper Canada College who had been placed in charge of Canada’s naval “Y” work and the Canadian Navy’s Foreign Intelligence Section, which passed information to the British Admiralty. De Marbois successfully headed the Canadian Navy’s signals intercept and triangulation operations, supported by a forceful personality and access to scientific resources which could identify naturally occurring atmospheric phenomena which enhanced signals interception.¹⁹ By 1942 de Marbois was Deputy Director of Signals “Y,” a constituent unit of the larger Signals Division at naval headquarters which had a total staff of about 450 persons.


An Escort and Convoy Conference of British, American, and Canadian representatives was convened in Washington at the beginning of March, 1943, to discuss enhanced cooperation in battling the German U-boats. De Marbois' “Y” organization had sought permission from senior Canadian naval authorities to participate in the Conference when the meeting had first been broached. His position was that,

no diversions or defensive or offensive anti-U-Boat operations in any area can be carried out without having a sound and efficient shore ‘Y’ organization to advise the authorities responsible for operational control in that area and, secondly, by the fact that the R.C.N. already had in being an efficient ‘Y’ organization in close contact with similar organizations in R.N. and U.S.N.

Although senior Canadian naval officers had rejected de Marbois’ request to attend the Conference, once it began his presence quickly became necessary since the British and American participants were adamant that the Canadian Navy “could not be given operational control of any area” unless it had available the services of an effective “Y” organization. Commander de Marbois and a colleague were immediately ordered to Washington by a special plane to explain what Canada had already achieved and to work out inter-Allied cooperation among three Operational Intelligence Centres to be established to coordinate the intelligence war against the U-boats.

From de Marbois’ presentation about Canadian capabilities, the Conference concluded that Canada’s “Y” and D/F organization was adequate to form an operational

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21Ibid.

22Ibid.
intelligence centre, although improved communications with British and American counterparts would be required. After the Conference, de Marbois was given the job of establishing the Canadian Operational Intelligence Centre with responsibility for providing intelligence coverage for the area north of 40°N and west of 28°W. With some reluctance, Canadian naval authorities came to accept the value of what de Marbois, and others, had been advocating for the past year or more; Canadian operational intelligence would now begin to play a critical role in pursuit of enemy submarines.

A Canadian Operational Intelligence Centre was established by June by severing the necessary resources and responsibilities from the Canadian Navy’s Signals Division. The objective was to have the Operational Intelligence Centre responsible for setting the intelligence requirements, while the Signals Division remained in charge of the equipment and personnel needed to collect the signals data. The Navy, however, was perennially short of qualified radio operators and sent the best of those who were available to sea while placing less skilled operators at “Y” stations. Because much of the success of SIGINT rested with the experience and exhaustive training of the operators, this competition for resources contributed to an inconsistent quality of “Y” products which plagued the Canadian Navy “Y” intercept stations for most of 1943, to the extent that some were “practically useless.”

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23 Ibid., Chapter Naval Intelligence in Canada, pp. 4a-5.
24 Ibid.
25 Ibid., p. 5.
Department of Transport “Y” intercept stations which saved the day. The demand for continuous availability of high quality signals intercepts was only relieved by the expansion of Canada’s overall collection capacity, particularly the establishment of the Coverdale SIGINT collection station in 1943, the largest “Y” operation in the Canadian network up until then. A contemporary map identifying locations of the Canadian SIGINT stations is attached at the end of the chapter.

By the time that the Operational Intelligence Centre was fully functioning it consisted of nine sections. An organizational chart of the Operational Intelligence Centre, as it existed in 1943, can be found at the end of this chapter. The operation had become so efficient that “fixes” on enemy vessels through direction-finding could be attained within 10 to 20 minutes. Each day, beginning in June, a Top Secret message, codenamed “Otter,” was issued to Canadian air and naval operational groups charged with protecting Allied convoys, giving the known, probable, and possible U-boat locations. This was eventually augmented in September by daily “Sighting and Attack Summaries” listing all activity occurring in the North Atlantic during the previous 24

26Ibid.

27Ibid., Chapter 1944 W/T “Y” – German, p. 2.

28PRO. WO208/5036.

29White Files, “Y” Material File folder; and DND, Notes on the History of Operational Intelligence Centre in Canada, (Ottawa, undated), Chapter 1943, DND S1440-18 (1940).

hours.\textsuperscript{31}

The Royal Canadian Navy's Operational Intelligence Centre, the key unit in Canada's intelligence war against the U-boats, located at naval headquarters in Ottawa, was at its peak of efficiency by the beginning of 1944. Special intelligence work was not performed by Canada's Naval Service Headquarters and all decrypted Enigma traffic, codenamed ULTRA, was provided to Canada by the Interservice "Y" Centre in England.\textsuperscript{32} The decision to provide Canada with decrypted ULTRA intercepts, instead of the tools with which to conduct the process itself, was for practical and policy reasons. The complexity of breaking the Enigma codes was such that Canada probably could never have put together the necessary resources. In addition, the British never showed any inclination to part with exceptionally sensitive intelligence skills unless it was in their best interest to do so. There was no particular reason why Canada should decrypt Enigma traffic.\textsuperscript{33}

Canada possessed one unique advantage over the British and the American operational centers. Because of the much smaller sizes of the components making up the

\textsuperscript{31}Ibid.

\textsuperscript{32}Ibid., Chapter 1944, p. 1.

\textsuperscript{33}The Prime Minister and other members of the Canadian decision-making establishment already had access to Enigma decrypts, but these intercepts had not always been shared with Canadian officials at the operational level. In writing of the Cabinet War Committee, King states that, "All are entitled to have equal knowledge except on some ultra secret matters." Ultra was the codeword for decrypted enemy communications, although King may have used the term only to suggest especially secret matters. The Mackenzie King diaries contain references to decrypted SIGINT material. Copies of decrypt, or memoranda referring to such, can be found in the files. Mackenzie King Diaries, entry for 25 March, 1943, NAC MG26 J13, Fiche 184.
Canadian Operational Intelligence Centre, it was possible to house the U-boat tracking, H/F and D/F plotting and promulgation, the discrimination section, and other support entities in adjoining rooms. Consequently, the Canadian operation gained a measure of efficiency from the proximity of information or advice available from a variety of technical experts who were readily accessible. This horizontal integration of all constituent elements in the intelligence battle against the U-boats gave the Canadian operation a marked advantage in speed and efficiency.

The Operational Intelligence Centre was threatened by Canadian naval operational commands which urged that part or parts of the operational intelligence organization be moved to Halifax to be closer to those finding and destroying the German submarines on the basis of intelligence furnished by the Operational Intelligence Centre. The British Admiralty, however, pointed out to the Canadian naval command the importance of centralization of intelligence coordination at headquarters and the danger inherent in dispersing limited resources; the Operational Intelligence Centre, the British advised, must operate as the sole advisor in directing pursuit of enemy U-boats. The British made a similar intervention at about the same time in the United States, where a similar initiative was made to move the intelligence function closer to the operational side. By 1944, the Germans had recognized Allied radio direction-finding as a key factor in their own heavy U-boat losses and had introduced greater radio security. By the end of 1944 operational U-boat radio traffic dropped nearly to naught as enemy sailors

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34 Ibid.

35 Ibid.
became cautious and preoccupied with their own survival. The diminished U-boat threat was attributable to the contribution made by intelligence. Germany continued to produce U-boats for the remainder of the war, but the new crews lacked the experience and daring of their predecessors; their tactics changed from one of mass attack to more limited and cautious thrusts against the Allies.  

Although significant, Canada’s role in the U-boat intelligence war never deviated from that of a junior partner. Canada did not decrypt the messages originating from the U-boats, but Canadian intercept stations and direction-finding organizations were indispensable to locating the U-boats in the north Atlantic.

Throughout the same period, the SIGINT focus on Canada’s west coast was on the war with Japan, but the United States had made it clear that this was their war.  

Nevertheless, Canada was concerned with protecting its west coast and an intercept network was slowly built, although the east coast received priority for equipment. De Marbois’ Operational Intelligence Centre established a presence on the west coast as part of its “Y” work. By the time that resources had been identified for SIGINT gathering on Canada’s east coast and equipment became available, Canada was finding it hard to carve out a role for itself in the Pacific war. The small Canadian Navy SIGINT operations at Gordon Head, B.C., worked closely with and under the direction of the U.S. facility at Bainbridge, Washington, to provide coverage of the west coast of North America.

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Canadian liaison officer had been stationed at Bainbridge since September, 1943.\textsuperscript{38} While Canadian SIGINT efforts on the west coast quietly assumed a subservient position to the U.S. Navy, British intelligence was attempting to create a new role for Canada in the Pacific war. In fact, the British, directing some of their SIGINT resources at the Japanese codes, were finding the American Navy reticent about cooperating against Japanese ciphers.\textsuperscript{39} British intelligence contacted Tommy Stone at the Department of External Affairs in September or October, 1943, to seek his views on Canadian agreement to collecting Japanese meteorological intelligence for operational use in the Pacific. The formal British proposal followed in November and called for the creation of a unit of about 100 cryptographic staff using 25 interception sets, plus various ancillary support and administrative staff. An instructor for cryptographic staff would be provided by Britain as well as ten cryptographers, all to arrive at some later unspecified time.\textsuperscript{40}

Japanese meteorological communications were relatively easily intercepted in British Columbia and the British wanted this information collected, decrypted, and provided to the Allied forces in the Southwest Pacific. Collection of meteorological communications was a secondary intelligence task, but vitally important for code

\textsuperscript{38}Ibid., Chapter 1943, p. 7, and Chapter “Y” Liaison Officer, Bainbridge, p. 1.


\textsuperscript{40}Telecommunication from London for [Thomas A.] Stone, 6 November, 1943. White Files. Meteorological Unit File folder. Two copies exist one appearing to be the original decoded message and the second being a retyped version on National Research Council stationery; and DND, Notes on the History of Operational Intelligence Centre in Canada, (Ottawa, undated), Chapter 1943, p. 6, DND S1440-18 (1940).
breaking. The original meteorological messages were generally transmitted in less secure
codes, but were then often repeated unchanged to Japanese fleet commands in more
complex operational codes. By providing a known text, or ‘crib’, it was possible to break
more difficult codes which were not yet fully accessible. The ‘crib’ was tested against
messages corresponding to the anticipated time of a follow-up meteorological report until
a match was found in a higher grade code.

The Ad Hoc Committee of the Wireless Intelligence Board, the current
designation for the Canadian inter-agency committee overseeing SIGINT matters,
sometimes referred to as the “Y” Committee, met in the East Block of Parliament on
December 14 under the chairmanship of Stone with representatives of the service
intelligence units, External Affairs, and the Examination Unit in attendance, to assess
whether Canada had the resources to establish a meteorological-cryptographic unit along
the lines of the British proposal. Because of a presumed urgency to begin collecting
meteorological intelligence, it was decided that the Canadian Navy’s intercept facility at
Esquimalt would initially be used for the project, with an R.C.A.F. station elsewhere in
British Columbia serving as an alternative station. For more permanent quarters the
committee looked at various alternatives before settling on the Gordon Head, B.C., Naval
Station for housing both the intercept and the cryptographic units.41 Stone informed the
Minister of National Defence, J.L. Ralston, of the proposal on January 6, 1944. Although
the personnel burden for the project had to be borne by the Department of National

41Minutes of the Ad Hoc Committee of the Wireless Intelligence Board,
14 December, 1943 White Files. Meteorological Unit File folder.
Defence, the operation would not be responsible to it. Stone skirted the issue of what department had responsibility for the meteorological-cryptographic unit, although explaining that the Examination Unit was in charge of the project. He emphasized that the proposal constituted a significant contribution to the operational intelligence available for military, naval, and air operations in the Pacific theatre of war, and reassured the Minister that sufficient equipment and personnel were available.  

Stone informed the Minister of National Defence that the project broadened Canadian intelligence connections with the other Allied intelligence services, particularly in the Far Eastern field, adding that Canada’s contribution ensured that Canada would be on the receiving end for much intelligence which otherwise might not be made available to Canada.  

Stone was already looking towards the end of the war, and he recognized that Canada did not have the resources to meet its national intelligence requirements in a postwar world and that the simplest solution was to build links to the Allies to ensure a continued free flow of intelligence. This point was underscored by the British a month later, after the decision had been taken in favour of the project. A message from British Security Coordination in New York, which discussed the need for ensuring a high level of security by restricting the knowledge of the sensitive project to a small number of persons, ended with the statement that, “It is obviously desirable from a long time political view that this [MET] unit be rather regarded as the thin edge of the wedge if Canada is going to take her proper place in this field in the future to the benefit of the

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42Ibid., Memorandum for the Hon. Mr. Ralston from Thomas A. Stone, 6 January, 1944.

43Ibid.
U.K. and Canada.**44**

Authority from the Minister of National Defence to proceed was granted on January 18. Stone informed British intelligence that Canada would begin building up the MET Unit. Canada faced the challenge of finding the qualified staff among the Canadian services and considerable discussion followed within the “Y” Committee about approaching the Americans for cryptographic people and using Canadian Women’s Army Corps to carry out the clerical work. The Examination Unit would eventually seek 75 CWACs, from the Department of National Defence, to act as typists, IBM operators, and clerks.**46** Norman Robertson informed the Deputy Minister of National Defence of the request from the Examination Unit for the CWACs and proposed that a senior military officer be seconded to the National Research Council, the nominal home of the Examination Unit, to oversee the west coast collection operation. Robertson stressed that this was the first instance of joint service-civilian establishment in the SIGINT field in Canada and that all sides had to ensure its successful operation.**47**

Stone also attempted to obtain staff from de Marbois’ Naval SIGINT facilities on

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**44**Ibid., Telegram from D.S.C. [BSC] to T.A. Stone, 19 February, 1944.

**45**Ibid., Telegram from [Thomas A.] Stone to [Charles] Ritchie, 18 January, 1944, unsigned note to F.A. Kendrick, 19 January, 1944, memorandum from T.A. Stone to Lt.-Col. Hugh O’Connor, 28 January, 1944, and two separate Memoranda for the MET Unit File, both 28 January, 1944. There is no evidence that U.S. cryptographic staff were ever offered to Canada although naval liaison exchanges did take place.

**46**Ibid., Memorandum from the Acting President of the National Research Council to the Deputy Minister of National Defence, 29 February, 1944.

**47**Ibid., Letter from N.A. Robertson to the Deputy Minister of National Defence (Army), 1 March, 1944.
the west coast, although there is no evidence that he was successful.\textsuperscript{48} At the time, de Marbois' Naval SIGINT facility in British Columbia was already understaffed and acted primarily as a junior partner to the larger American facility in Bainbridge, Washington.

Robertson briefed the Prime Minister on March 4, outlining the case for the MET Unit and, in the process, established a responsibility framework for managing foreign intelligence matters in Canada. The Prime Minister was already aware of the proposal, having granted approval in principle in the Cabinet War Committee on January 12, 1944.\textsuperscript{49} Robertson masterfully outlined the importance to the war effort of collecting meteorological intelligence and placed the task in the context of the greater intelligence links with the U.K. and the U.S., explaining the chain of authority, and concluding with a recommendation that "authority and policy guidance in these matters [intelligence collection] should come from the Prime Minister [who was also the Secretary of State for External Affairs], the Minister of National Defence and the Acting President of the National Research Council." He concluded with a recommendation that the authority and guidance for foreign intelligence matters could operate effectively through the Under-Secretary of State for External Affairs and the Deputy Minister of National Defence.\textsuperscript{50} Approval of the proposal to create a political authority for intelligence matters was granted within two days. There is no record, however, that this authority structure came

\textsuperscript{48}Ibid., Letter from the Acting President of the National Research Council to the Secretary of the Naval Board, 2 March, 1944.

\textsuperscript{49}Ibid., Letter from A.D.P. Heeney to W.C. Ronson, 11 March, 1944.

\textsuperscript{50}Ibid., Memorandum for the Prime Minister, unsigned, 4 March, 1944; and NAC MG24 J4. Reel H-1529. Frames C240627-31.
into being during the war.

Then, in early 1944, within days of the Canadian commitment to the establishment of the MET Unit on the west coast, the Americans announced that they intended to do the meteorological job themselves. This was a surprise to the Canadians. There was little which Canada could do in the face of American opposition to its participation. The Prime Minister was informed on March 28 that the United States Navy would take over the work proposed for the Canadian Meteorological Cryptographic Unit. Robertson told King that the sudden change in direction should not affect the recommendation that a higher direction needed to be given to Canadian participation in cryptography and secret intelligence.\textsuperscript{51} While ending what might have been a new chapter in Canada's foreign intelligence activities, the failure to establish a MET Unit did achieve Cabinet acceptance for the introduction of a more formal political authority for intelligence matters in Canada than had previously existed.

The event which triggered an end to Canada's nascent MET Unit on the west coast had taken place nearly two weeks earlier, on March 17, when the U.S. Navy issued its Trans-Pacific [SIGINT] Coverage Plan under the auspices of Op 20-G, the U.S. Navy's SIGINT collecting body.\textsuperscript{52} Op 20-G was much larger that the U.S. Army SIGINT operation and although Op 20-G was active in the Atlantic theatre of war, it was the Pacific theatre which received its priority. The change in attitude of the U.S. Navy to the

\textsuperscript{51}Ibid., unsigned Memorandum to the Prime Minister, 28 March, 1944.

Canadian MET Unit resulted from the capture in February of Japanese cipher tables which permitted Op 20-G easily to read some of the Japanese meteorological reports.\textsuperscript{53} This convinced the Americans that they could easily collect meteorological reports themselves, and any interest in having the Canadians meet this operational need quickly evaporated. The U.S. Navy was set on providing a central control point for all intercepted intelligence.\textsuperscript{54} Op 20-G’s plan, also known as BRUSA\textsuperscript{55}, would maintain an hourly record of all intercepted enciphered material, including meteorological messages, covered by the contributing networks located on the North American West Coast, Washington D.C., Honolulu, Melbourne, Flowerdown (U.K.), and Colombo. This included Gordon Head in British Columbia, as the key Canadian intercept station involved. Op 20-G would know at all times what each collecting station was monitoring and would have available all of the intercepted material.\textsuperscript{56}

The Examination Unit, having been unsuccessful in establishing its MET Unit, did not participate in the Op 20-G plan. It fell to the Canadian Navy to provide the


\textsuperscript{54}DND, Notes on the History of Operational Intelligence Centre in Canada, (Ottawa, undated), Canadian Army Japanese Language School, Subsection 1944, p. 1, DND S1440-18 (1940).

\textsuperscript{55}BRUSA was also the name allotted to all or some of the postwar intelligence treaties between the U.S., Britain, Canada, Australia, and New Zealand. There is no evidence that the use of BRUSA by Op 20-G was linked to the postwar agreements.

Canadian contribution, but Canadian Navy Headquarters in Ottawa remained excluded as one of the processing centres. Subsequent attempts by Ottawa Navy Headquarters to obtain other discrimination (that is, interpretation) assignments in support of the Op 20-G plan were not successful. Canada’s Operational Intelligence Centre did continue some discrimination assignments for the U.S. Navy which predated the Op 20-G plan.

Canada was not excluded from the Allied intelligence war in the Pacific out of spite in an American determination to control all aspects of what they saw as ‘their’ war. Canada’s Navy only had the one intercept station of note centered on the Pacific. While important as a collection centre, Gordon Head was overshadowed by the Bainbridge facility in neighbouring Washington State which had better reception potential, better-trained staff, and faster communication facilities to Washington. By accepting a role commensurate with its resources and reception potential, Gordon Head guaranteed access, for Canada, to intercepted material on the Pacific theatre of operation available to the major Allies from their stations ringing the Pacific Ocean. Nevertheless, if the Examination Unit’s MET Unit had survived, Canada would undoubtedly had played a more important intelligence role in the Pacific.

A division of decryption labour had been negotiated between the U.S., Britain, Australia, India, and Canada at the end of 1942 and the beginning of 1943, launching a re-direction of Examination Unit interest towards the Pacific war. Unrelated to the subsequent grief surrounding the aborted creation of the MET Unit on the west coast, the new focus merged well with the creation, shortly before, of the Special Intelligence

57Ibid., Chapter Outline of Trans-Pacific Coverage Plan, Subsection 1943, pp. 1-2.
Section, under E.H. Norman, part of the Department of External Affairs but co-located with the Examination Unit, to summarize and interpret the increasing volume of Japanese decrypted material.\textsuperscript{58}

By the following year, the Examination Unit, now located at a National Research Council Annex at Laurier and Chapel Street, in Ottawa, but still under the direction of F.A. Kendrick, had developed a substantial Japanese section comprising 28 persons.\textsuperscript{59} Japanese diplomatic traffic was handled by 14 crypt-analysts, translators, and clerks, under the direction of Lieutenant Commander Earl Hope. Japanese military text was looked after by 8 persons, under the guidance of F.E. Bartlett. Although it provided intelligence for Canadian clients, some of this unit's work was done on assignment for the U.S. Army's Special Security Agency (SSA – the SIGINT service). Japanese military addresses (i.e., identifying call signs and locations) was performed by 6 staff members, under D.M. Hayne, in a condominium arrangement with the Discrimination Unit. The Japanese diplomatic section decrypted about 35 low-grade ciphered messages per week in addition to deciphering about 3,500 code groups (individual 4-5 numbered segments each identifying a letter/number or a specific word) per day using a current 'keybook' to the Japanese cipher. After assessing the value of each communication, up to 200 deciphered,
high-grade, coded Japanese messages were translated and disseminated each month.\textsuperscript{60} Only the shortage of expert translators prevented the issuance of a greater number of intelligence reports.

While by 1944 the Examination Unit had consciously shifted many of its resources to work on Japanese communications, it maintained a separate unit of 19 persons, under G. de B. Robinson, to decrypt French diplomatic communications.\textsuperscript{61} Canadian interest in French secret communications began after the fall of France when the Department of Transport's monitoring station at Forrest, Manitoba, had begun to intercept French naval wireless traffic on behalf of British Naval Intelligence.\textsuperscript{62} The first Canadian-decrypted Vichy intercept occurred on October 1, 1941, involving a message which had been sent on September 12. By the time that Canada ceased working on Vichy traffic on August 7, 1944, some 5,490 reports had been prepared.\textsuperscript{63} The Examination Unit could initially only handle traffic which was in code rather than in more complicated ciphers. That changed by late 1943 when the four highest-grade and four lower-grade ciphers for North African Vichy diplomatic traffic were readable (100 per cent of the Ottawa traffic and 75 per cent of the Washington traffic). Most of the naval and military

\textsuperscript{60}Ibid.

\textsuperscript{61}Ibid.


\textsuperscript{63}Message No 343, 12 September, 1941, NAC RG24, Series C-22, Reel T-17429 and Reel T-17427
traffic, however, remained unreadable.\textsuperscript{54}

Both Ottawa and Washington traffic had priority although Vichy communications out of Tokyo also had a high priority.\textsuperscript{65} External Affairs, the principal client, was primarily interested in the Washington traffic as well as all political reporting. Stone, in a message to Kendrick, expressed low interest in the movement and salaries of Vichy personnel, except in a few individual cases. Unfortunately, administrative, travel, media, and cultural messages constituted the bulk of the traffic. The Vichy traffic is noteworthy for the near absence of analysis in the political reporting. The bulk of traffic constituting political communications were media coverage or exchanges between Vichy diplomats and Canadian or American officials.\textsuperscript{66} Little traffic contained actionable intelligence although it provided insight into Vichy thinking for Allied officials engaged in a daily discourse with them.

One Vichy official, Cosme, the head of mission in Shanghai, is the single individual whose reporting consistently reflected insight and good political analysis of local events. While most Vichy political reporting was banal, Cosme starts one message with “It would appear to me that a rupture between France [Vichy] and the [Chinese] government at Chungking is being considered.”\textsuperscript{67} He analyses Franco-Chinese relations,

\textsuperscript{54}Memorandum on French Traffic, 22 November, 1943, NAC RG24, Vol. 29163, File WWII-5 pt. 3.

\textsuperscript{65}Ibid., Memorandum for Mr. Kendrick, 27 November, 1943.

\textsuperscript{66}NAC RG24, Series C-22, Reel T-17429.

\textsuperscript{67}Message Nos. 130-136, 28 March, 1943, NAC RG24, Series C-22, Reel T-17427.
French political relations, and the Chinese-Indochinese relationship to conclude that the Chinese will not continue to recognize Vichy. Political evaluations of this nature, and he also wrote on Japanese attitudes towards Vichy,\(^{68}\) were highly valuable to Allied intelligence analysts seeking to determine relationships between adversaries.

The invasion of North Africa in November, 1942, severed relations between Vichy and North America, thus ending the prime reason for reading Vichy traffic. This left the French Section of the Examination Unit largely unemployed although decryption of Vichy traffic to Latin America and the Far East continued.\(^{69}\) The Examination Unit maintained a good window on events in Asia by intercepting and decrypting Vichy inter-colonial communication and Vichy reports from Tokyo.\(^{70}\) To avoid disbanding, a decision was taken to work on Free French material.\(^{71}\) By late 1944, two-thirds of the French unit was working on Free French diplomatic intercepts with virtually no cipher being unbreakable.\(^{72}\) The first Free French message decrypted by the Examination Unit

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\(^{68}\)Ibid., Message Nos. 375, 377-379, 16 April, 1943.


was dated February 19, 1943, but not decrypted until June; some later messages were decrypted already in late March. By the time that the last Free French message was read on July 26, 1945, more than 6,500 decrypts had been solved.

Although the Free French communications contained a high volume of administrative, financial, media, travel, and personal messages, there was a greater proportion of political information. A considerable amount of the traffic related to the internecine French struggles involving Vichy, Gaullists and Giraudists. The Washington traffic received the highest priority and the Examination Unit was the Allied SIGINT centre with prime responsibility for all Free French traffic.

Decrypted Free French messages were sent to the American SSA which reciprocating with Vichy French messages. The specialization avoided duplication from decryption of the same messages. No single theme can be drawn from the decrypted traffic; messages ran the gamut of relations with the Free French. There is a discernible quality to Free French political messages over those of Vichy. While many messages out of thousands were decrypted a few warrant recounting. One message from Washington to Algiers reports on Lend-Lease bases negotiations, with the author setting out his negotiating strategy with the Americans, the arguments to be made, and the underlying

74NAC RG24, Series C-22, Reel T-17425.
75Antoine de St. Exupéry, author of The Little Prince, sent a message to his wife in New York announcing that he was embarking with his comrades in arms. Message No. 658, 9 May, 1943, NAC RG24, Series C-22, Reel T-17427.
76Ibid.
principle that France cannot enter into discussions about granting bases to an international entity until its sovereignty has been integrally and unconditionally re-established in all parts of the French Empire which existed before the German and Japanese aggression.77 This message, in the hands of the American officials, would provide vital information on how to frame the negotiations and to marshal countering arguments. The longest Free French political report (ten single-spaced pages) decrypted by the Examination Unit was a report of a French delegation to Lublin reporting on the Polish Provisional Government, the Lublin Committee. It describes the new government as having no credibility, no ties to the internal resistance, and resting on the strength of Russian arms. There is information on the estimated three million Polish Jews massacred by the Germans as well as a detailed evaluation of conditions in Lublin. Most significantly, it provides insight into the new Soviet frontier on the Oder-Neisse line.78 At a time of limited insights into Eastern Europe, a report contained this wealth of detail would have provided highly valuable intelligence.

Towards the end of the war Canada became involved in a unique deployment of a SIGINT collection unit outside the country. Individual SIGINTers had been lent or seconded to other countries before, but this was a self-contained unit sent outside Canada for SIGINT collection purposes. The unit was specially formed as Canada’s One Special Wireless Group (1SWG), and was despatched to Australia during the first weeks of January, 1945, to assume SIGINT responsibilities directed against Japan in the north of

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77Message Nos. 4959-71, 7 August, 1944, NAC RG24, Series C-22, Reel T-17426.  
Australia. 1SWG was the only Canadian Army unit to see service in the Pacific theatre. Planning for 1SWG had already begun in April, 1944, when the Commander-in-Chief, India had requested a Canadian SIGINT unit to play an intercept role for which the Indian Army did not have sufficient skilled staff.\textsuperscript{79} No existing resources were available in Canada but it was decided that a new unit could be formed within months to meet the need.\textsuperscript{80} Cabinet approved the idea of sending two units (a Special Wireless unit and an Intelligence Group) at the end of May and planning was begun.\textsuperscript{81} 1SWG was formed by July but by August the British War Office asked that despatch of the unit be deferred. A request from Australia for assistance had arisen and a tug-of-war ensued as to who would receive 1SWG, with Australian ultimately winning.\textsuperscript{82} On January 20, 1944, 1SWG, made up of nearly 340 men under the command of Lieutenant-Colonel Harry D.W. Wethey, an electrical engineer and Regular Army officer, accompanied by 51 trucks and tons of specialized equipment, sailed out of San Francisco aboard the U.S.A.T. Monterey and, after a circuitous journey across the Pacific, reaching Brisbane on February 16.\textsuperscript{83} Wethey had been one of the early heads of the SIGINT station at Rockcliffe Airport in Ottawa,

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\textsuperscript{79} Examination Unit note, 20 April, 1944, NAC RG24, Reel C-8306, File 6074-3, vol. 2.
\textsuperscript{80} Ibid., Memo to DCGS, 25 April, 1944.
\textsuperscript{81} Ibid., Memorandum to War Committee of Cabinet, 30 May, 1944.
\textsuperscript{82} Maj. S.R. Elliot, \textit{Scarlet to Green: Canadian Army Intelligence, 1903-1963}. (Toronto: Canadian Intelligence and Security Association, 1981), pp. 384-85.
\textsuperscript{83} Canadian Walkabout by Ben. A. Yolleck, DND 73/1557; Vehicles – No.1 Special Wireless Group, 29 April, 1944, NAC RG24, Reel C-8336, File 7428-12; and, Appendix “B” Designation, 9 December, 1944, NAC RG24, Vol. 29166 File WWII-26 pt. 1 No.1 SWG.
\end{footnotes}
where Drake had been his second-in-command.

After a long and hot trek across Australia, 1SWG reached McMillan’s Road Camp near Darwin in the Northern Territories and set up a wireless station which became operational on April 30, 1945, taking over from the Australian Special Wireless Group.\textsuperscript{84} Although Japan surrendered only a few months later, 1SWG remained active in northern Australia until long after the war had ended. Little information is available about the work of 1SWG. By all accounts the unit was proficient and well regarded, performing to a high standard and handling 1000-1200 messages per day.\textsuperscript{85} 1SWG monitored all Japanese traffic in the Darwin area, concentrating on Japanese naval communications and radio stations from the Dutch East Indies to the central Pacific, piecing together the Japanese communications network between Tokyo, Singapore, Rabaul, and the Pacific islands which had been by-passed by MacArthur in his drive to Japan.\textsuperscript{86} The work seemed dreary and consisted of routine tasks.

The first [task] is to clear all traffic as rapidly as possible and to give every assistance to the operators. Then all traffic is edited and tabulated and the results signaled to Central Bureau. A detailed tabulation is made of all traffic here, and this is analysed in the light of past experience and data from other sources. Then


\textsuperscript{85}Canadian Special Wireless Group, 28 July, 1945, NAC RG24, Vol. 29166, File WWII-26 pt. 1, No. 1 SWG.

\textsuperscript{86}Gil Murray, \textit{The Invisible War: The Untold Story of Number One Canadian Special Wireless Group}, \textit{Royal Canadian Signal Corps, 1944-46} (Toronto: The Dundurn Group, 2001), p. 186.
daily bulletins and signals are sent out to the operational units here and to CB.\textsuperscript{87} After Japan’s surrender, 1SWG became a disseminator of communications from the Allies to Japanese units among the of islands the south Pacific, dispensing surrender instructions to ensure the peaceful laying down of arms of the thousands of Japanese troops who remained in isolated detachments in much of the southern Pacific.\textsuperscript{88}

1SWG concluded its mission in Australia on October 24 when the long journey home began, first by crossing 2,885 miles of Australia, and then from Sydney by ship back to Canada, landing in Vancouver on February 26, 1946.\textsuperscript{89} After disembarking, all members of 1SWG were cautioned not to discuss anything about their experiences for thirty years.\textsuperscript{90} Little information about 1SWG slipped out until well after that date. In 1948, C.P. Stacy published The Canadian Army 1939-45, An Official Historical Summary. Without going into great detail, Stacy clearly stated that 1SWG “did useful work in intercepting enemy wireless messages” in Australia.\textsuperscript{91} Years later, he published Six Years of War: The Army in Canada, Britain and the Pacific, Vol. 1, by which time the

\textsuperscript{87}Letter marked SECRET-THUMP, 22 August, 1945, NAC RG24, Vol. 29166, File WWII- 26 pt. 1, No. 1 SWG.

\textsuperscript{88}Gil Murray, The Invisible War: The Untold Story of Number One Canadian Special Wireless Group, Royal Canadian Signal Corps, 1944-46 (Toronto: The Dundurn Group, 2001), pp. 188-89.

\textsuperscript{89}Ibid., pp. 227, 266, and 287.

\textsuperscript{90}Ibid., p. 290.

only reference to 1SWG was that it had been in Australia. No one had vetted the first book but the second was reviewed by Canada’s intelligence authorities who vetoed any reference to 1SWG. When Stacy explained that he was only copying what he had already published, there was embarrassment and a short compromise passage on 1SWG crafted.

By war’s end, Canada had made a distinct and important intelligence contribution, particularly in the SIGINT field. Although the Examination Unit was making an important contribution to Allied intelligence achievements by this point in the war, it was never more than a small organization and there were limits to what it could undertake. In 1943, the staff had totaled in the 40s and had grown to about 50 by June, 1944. The Cabinet War Committee approved an expansion of the Examination Unit to an aggregate of 200 personnel in January, 1944 (this may have included some who were only nominally counted within the Examination Unit structure, such as intercept staff at stations). The budget for the organization was a mere $220,000 in 1944, up from about

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93 Private information.

94 Examination Unit 1943 [a staff list], unsigned, 21 February, 1943, White Files. Examination Unit folder.


96 Ibid., “Examination Unit” Authority for expansion of activities, signed NAR [N.A. Robertson], 12 January, 1944.
$108,000 in 1943.\textsuperscript{97} While not of the magnitude of the intelligence effort of either Britain or the United States, Canada’s contribution was significant and respected by the Allies. None of Canada’s efforts were unique nor self-sustaining but Canada was seen as part of a team, carrying some of the weight and filling in where the country’s resources and capabilities could best be of assistance. Canada’s effort did not affect the ultimate outcome of the war but it lightened the burden of others. For Canada, the wartime intelligence contribution created expertise and formed the core of an intelligence organization which might be used in the postwar world.

\textsuperscript{97}Ibid., Statement of Financial Position of Examination Unit, from G. deB. Robinson, 1 May, 1943; Examination Unit Expenses for 1944, from F.A. Kendrick, 27 November, 1943.
Chapter 7
Planning for Postwar SIGINT

Collection and decryption of foreign communications proved its value to the Canadian foreign intelligence community during World War II. With war drawing to a close, Canada now faced a decision on whether to continue foreign intelligence collection in peacetime or return to the situation which existed on the eve of the outbreak of war. The choice for the Canadian intelligence community was not an obvious one.

Only in Canada, among the wartime allies, did a significant debate take place on the merits of collecting foreign intelligence in peacetime. Canadian policy-makers, far from being naive, did not view the beginnings of Soviet intransigence and lack of cooperation as something which would translate into a potential threat to Canada. Pearson, in Washington during this period, recalls in his memoirs, that it was only “in 1946 and 1947, that there was such a thing as Kremlin-directed communist subversion..., and that the safety of the state was involved.”

Governing Canadian thinking on reorganizing the intelligence community was a recognition by Canadian decision-makers that Canada’s role in the world had changed. Canada’s position between two large oceans, and its protective neighbour to the south, were no longer seen as guarantors of protection. Foreign and national security policies had to be developed from a vantage point of knowledge. The discussion did not focus on any perceived Soviet threat but was broader in scope, looking at geo-political

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\[\text{\footnotesize Lester B. Pearson, \textit{Mike} Vol. 3 (Toronto: University of Toronto Press, 1975), p. 167.}\]
considerations rather than ideologically-based threats, and envisioned foreign intelligence
collection as a tool to protect Canada, in general, and to augment the foreign policy-
making process.

More than one debate was waged in Canada's small foreign intelligence
community over how postwar intelligence might look. The most important discussion
centered on the future of SIGINT collection by Canada. This debate was community
wide since the Examination Unit, housed at the National Research Council, was under the
policy direction of the Department of External Affairs, but required the active
participation of the armed services, which managed "Y" activities, the interception of
radio communications, which provided the raw material for the Examination Unit. The
debate over whether Canada would continue a SIGINT capability after the conclusion of
the war was the most important issue confronting the intelligence community.

An initiative to place foreign intelligence on a peace-time footing had been made
at the end of November, 1943, when Kendrick, at the Examination Unit, had written to
Stone suggesting some initiatives for a smoother transition of the SIGINT unit to a
postwar existence. Kendrick proposed that the Examination Unit should be a civilian
organization under the control of the Department of External Affairs as the chief client of
the intelligence gathered, adding that the Examination Unit needed sophisticated
cryptographers who had the ability to attack and solve a wide range of ciphers. Too much
reliance during the war had been placed on Allied assistance, particularly from the

Files. Main File folder.
British. While building the organization in the midst of war, the administrative leadership of the Examination Unit had been synonymous with the cryptographic leadership. A peace-time organization, however, would be better served by capable administrative management which was divorced from the technical side of the house.

In anticipation of developing a Canadian position, Glazebrook asked Kendrick for information about the workings of GC&CS, the British SIGINT organization, before the war and what might happen to it after the war. In addition, Glazebrook asked why GC&CS was under the British Foreign Office, suggesting that a member of the Department of External Affairs seconded to the Examination Unit "might have to act as an officer of External rather than as an officer of the National Research Council."³ Separately, Stone discussed the future of the Examination Unit with representatives of British intelligence that December when passing through London en route to Ottawa after a mission to North Africa "and he now wants to make out a case which he can put before the higher authorities."⁴ No decision on the future of the Examination Unit was taken, however, before the spring of 1944 and by then there had been a change in attitudes at External Affairs.

At the beginning of May, 1944, the "Y" Committee discussed the future of

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³Ibid., Memorandum for Mr. Stone, signed G. deT. G. [George deT. Glazebrook], 8 December, 1943; and Memorandum for Mr. Kendrick from T.A. Stone, 9 December, 1943 and NAC RG24, Vol. 29163, File WWII-5 pt. 3.

SIGINT and whether the work should be carried out by two separate organizations. The Examination Unit, under the direction of the Associate Committee of the National Research Council, led by the Department of External Affairs, was concerned with diplomatic codes and depended for its raw material on Canadian, British, and American intercept facilities. The Joint Discrimination Unit, under the authority of the “Y” Committee, led by the military services, was concerned with communications traffic analysis. Canada was now a member of a large communications network linking Ottawa with London, Washington, Delhi, and Canberra for the transmission of secret intelligence and raw intercept material. The Committee reiterated the earlier call for the Prime Minister, the Minister of National Defence, and the President of the National Research Council to constitute an overall national authority for secret intelligence. It then proposed that the Associate Committee of the National Research Council and the “Y” Committee should be abolished, to be replaced by a new Signals Intelligence Committee responsible for all units operating in the field of cryptography and traffic analysis. The composition of the new committee would be the same as that of the two committees which it replaced, with the Deputy Minister of National Defence acting as chairman.

Within the Department of External Affairs, Hume Wrong, having returned from his posting to Washington, and charged with the daily management of the department,

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5Unsigned draft Memorandum on the organization of secret intelligence work in Canada, 1 May, 1944, White Files. General File folder. A different typed copy but with the same text is available in NAC RG24. Vol. 8125. File NSS 1282-85 vol. 2.

6Ibid., and Minutes of the Advisory Committee on the Examination Unit, 4 May, 1944, NAC RG24 Vol. 29164, File WWII-14 pt. 1 XU.
sought the views of the Under-Secretary on June 9, 1944, only days after the Allied landings in Normandy, about the future of the Examination Unit. Prompting the discussion was the departure of Stone for London, to take up a position involving psychological warfare, with Wrong suggesting that “there is no one left in the Department who is nearly as intimately acquainted as he was” with the Examination Unit. Wrong wondered whether the Examination Unit warranted the support of the Department of External Affairs, what its value was to other departments in Ottawa, and how important was it to the Allied effort. Wrong, newly arrived from Washington, did not share the perception of the importance of foreign intelligence which prevailed within External Affairs, nor did he view the SIGINT from the Examination Unit as particularly valuable to External Affairs. Yet he acknowledged that intelligence, particularly SIGINT, seemed to have acquired a high reputation with the British and American agencies, both for the volume of output and for its quality. Although with little knowledge of the product of the Examination Unit, Wrong was inclined not to support its continuance, in part because so much of the output was derived from an Allied source (the raw intercepts). Furthermore, he doubted that the product was of any value to other departments in Ottawa. Wrong saw the Examination Unit as a “sideshow” and predicted that it would, in any event, likely be wrapped up after the end of the war. One cannot say with certainty whether his

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7 Memorandum for the Under-Secretary, signed HW [Hume Wrong], 9 June, 1944, White Files. Main File folder and JDU & Examination Unit File folder and NAC RG24, Vol. 29164, File WWII-8 XU.

8 Ibid.

9 Ibid.
views reflected a change in attitude at External Affairs or whether his arrival signaled such a revision.

That September, Gilbert Robinson, a senior director at the Examination Unit, voiced his concerns about possible closure of the organization to Glazebrook. Robinson thought that the future of the Examination Unit should be determined by the value of SIGINT to the Department of External Affairs, including not only what was produced in Canada but also what was available from Canada’s intelligence partners. Glazebrook worried that the Examination Unit was seen by External Affairs as an expensive wartime expedient that, with the war coming to an end, “there was a natural argument for stopping it.”\(^\text{10}\) Robinson suggested that Pearson’s difficult efforts, early in the war, to obtain decodes of Vichy intercepts in London, should be recalled. He added that, if External Affairs cut its ties to SIGINT, the work would be taken over by the armed services, which had not proven satisfactory in the U.S.\(^\text{11}\) During a discussion at External Affairs of Robinson’s intervention, Norman Robertson informed Glazebrook that he did not want the Examination Unit connected with the military, but nor did not want it as part of External Affairs.\(^\text{12}\)

In a meeting of the Examination Unit Committee, Colonel W.W. Murray and

\(^{10}\)Interview with George Glazebrook, January 12, 1977, p. 58, DFAIT Special Registry.

\(^{11}\)Memorandum for Mr. Robertson, signed G. deT. G. [Glazebrook], 8 September, 1944, White Files. Main File folder and JDU & Examination Unit File folder, and NAC RG24 Vol. 29164, File WWII-8 XU Post-war Org.

\(^{12}\)Interview with George Glazebrook, January 12, 1977, pp. 58-59, DFAIT Special Registry. Robertson did not want the Examination Unit in External Affairs so as to avoid it being subject to Civil Service Commission oversight.
Commander Herbert Little, the services intelligence chiefs, favoured a continuance of the Examination Unit since, in their view, the British would be less ready to share SIGINT material with Canada if there was no possibility of a reciprocal exchange. Murray "was firmly of the opinion that we could never expect to obtain the close cooperation of the Services either during or after the war, unless such a single [SIGINT] authority were appointed in Canada." Little supported Murray, who was laudatory about the intelligence value of the Examination Unit. Both were "emphatic that ... Canada's position in world affairs requires the existence of a cryptographic organization." The Department of National Defence supported the appointment of a senior officer from External Affairs to be responsible for all secret intelligence activities (i.e., SIGINT). Murray and Little were less concerned with who would control Canadian postwar SIGINT than fearful of abandoning a valuable tool for providing the country with a unique and autonomous insight into world events. The Examination Unit, DND proposed, should be under the direction of an External Affairs officer, although housed with the National Research Council because of the difficulty of keeping the covert funding hidden. In addition, Murray and Little recommended that the Examination Unit should be merged with the armed services' Discrimination Units. Both DND officers acknowledged that the ultimate decision on the future of SIGINT in Canada rested with External Affairs and the value it placed on this information source. They accepted that the advise to the government had to come from DEA and would accept the government's decision but

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13Minutes of the Advisory Committee on the Examination Unit, 20 September, 1944, NAC RG24 Vol. 29164, File WWII-14 pt. 1 XU.
"because of the lack of operational intelligence would not be persuaded in any other way." 14 This placed the onus on DEA which had to "decide ... on whether the material would be of sufficient value to justify the maintenance of a Unit." 15 When the Advisory Committee on the Examination Unit met on October 4, Murray reiterated his earlier position "that some general policy must be adopted by the Department of External Affairs for dealing with the intelligence aspects of the various problems faced by the services in their interception activities." 16

Briefing Robertson on the Examination Unit Committee meeting, Glazebrook suggested that Sir Edward Travis, head of British GC&CS, would be in Canada within about ten days and that the Prime Minister might want to seek his views on the matter. 17 Before Travis arrived in Canada, however, Murray and Little requested a meeting with Robertson "to place before [him] the views of the two Services on the general question of interception and crypt analysis arising out of the recent discussions on the future of the

14 Memorandum for the Under Secretary, signed G. deT. G. [Glazebrook], 20 September, 1944, White Files. Main File folder and JDU & Examination Unit File folder and NAC RG24, Vol. 29164, File WWII-8 XU.

15 Ibid.

16 Minutes of the Advisory Committee on the Examination Unit, 4 May, 1944, NAC RG24 Vol. 29164, File WWII-14 pt. 1 XU.

17 Memorandum for the Under Secretary, signed G. deT. G. [Glazebrook], 20 September, 1944, White Files. Main File folder and JDU & Examination Unit File folder and NAC RG24, Vol. 29164, File WWII-8 XU; and Minutes of the Advisory Committee on the Examination Unit, 20 September, 1944, NAC RG24 Vol. 29164, File WWII-14 pt. 1 XU.
Examination Unit.”\textsuperscript{18} Travis likely did not meet with Mackenzie King; such a meeting would have been unusual. But, on October 10, Travis did meet with Wrong, in the absence of Robertson. Prior to the meeting, Travis had been asked for his views on the future of the Examination Unit and been told that although the Unit had “provided valuable intelligence ... it is doubtful whether the Canadian Government would wish to maintain it in time of peace.”\textsuperscript{19} Travis began the meeting with Wrong by informing him that Benjamin deForest Bayly, a Canadian engineer with the British Security Coordination office in New York, had invented a new communications device, named the ‘Rockex’ (named after the Rockefeller Exchange, the office location of the BSC), which had the security of a one-time cipher pad, and that he would come to Ottawa to explain the new communications system. Wrong then asked what role the Examination Unit might play in intelligence exchanges with the British. Cautioning that he was expressing his own view, Travis led Wrong to believe that a scaled down version of the Examination Unit would be inadequate for gaining access to intelligence of much importance. He suggested instead that Canada might focus on intercepting messages to be forwarded to the United Kingdom for processing, not unlike what the Canadian Navy had done for the British Admiralty before the war. Britain would probably be ready to supply Canada with deciphered material for which an interest existed. Travis added that, in his view, SIGINT

\textsuperscript{18} Memorandum for Mr. N.A. Robertson signed G. deT. G. (Glazebrook), 5 October, 1944, NAC RG24 Vol. 29164, File WWII-8 XU Post-war Org., and Minutes of the Advisory Committee on the Examination Unit, 4 May, 1944, NAC RG24 Vol. 29164, File WWII-14 pt. 1 XU.

\textsuperscript{19} Minutes of the Advisory Committee on the Examination Unit, 20 September, 1944, NAC RG24 Vol. 29164, File WWII-14 pt. 1 XU.
collection ought to be under the policy direction of the Department of External Affairs.\textsuperscript{20}

Travis was not speaking as a representative of the British government, but was senior enough within the British establishment to understand the prevailing views towards the Dominions. His suggestion that Canada revert to a role of supplier of raw intelligence material for the ‘Mother Country’ reflected an attitude which had not evolved much since the war began. To an individual of his background and experience, it may have seemed quite natural for Canada to return to a prewar role in matters of intelligence. That Travis met with Wrong rather than another senior External Affairs officer, more favourably disposed towards intelligence matters, is unfortunate. Wrong with little appreciation for an independent role of foreign intelligence for Canada, saw little benefit in the intelligence product, and was not an advocate of an autonomous intelligence capability.

After Travis returned to London he met with ‘C’, the head of the British Secret Intelligence Service, to discuss his conversation with Wrong about the future of the Examination Unit. Bayly of the BSC arrived in Ottawa shortly thereafter to make a presentation on the new ‘Rockex’ communications system, and brought further comments on British consideration of the discussions between Wrong and Travis. The British, likely reflecting a cautious perspective imposed by ‘C,’ now advocated a more nuanced view of the role of the Dominions, recommending a wait-and-see attitude while Britain decided on the postwar role for the GC&CS. Glazebrook, who met with Bayly, informed Robertson of the exchange, adding that perhaps Canada need not maintain a

\textsuperscript{20}Ibid., Memorandum for Mr. Robertson, signed HW [Hume Wrong], 11 October, 1943.
cryptographic unit in peace time but accept the confining arrangement proposed by Travis.\(^{21}\)

The rumour of a possible closure of the Examination Unit circulated quickly within the intelligence community in Ottawa. The day after Glazebrook met with Bayly, Gilbert Robinson of the Examination Unit wrote directly to Robertson to argue in favour of maintaining a nucleus of the Examination Unit as an adjunct to the cipher office within the Department of External Affairs. The gist of his argument was that Canada would need some sort of organization for cryptographic work; in the absence of the Examination Unit, some of this activity would be assumed by the armed services or the R.C.M.P., both of which had had limited involvement in this field before the war. Robinson wondered "whether certain quarters could wish for the closing of the Examination Unit on the larger ground that being in the cryptographic field Canada might sometimes have access to information of significance which might or might not concern her,"\(^{22}\) suggesting that Robinson was aware of the Travis proposal for Canada providing raw intercepts for the British. Robinson added that, whatever was decided with respect to the Examination Unit, most other countries would continue to carry out cryptographic work after the war had ended.

\(^{21}\)Memorandum for the Under-Secretary, signed G.deT. G. [Glazebrook], 1 November, 1944, White Files. Main File folder and JDU & Examination Unit File folder, and NAC RG24 Vol. 29164, File WWII-8 XU Post-war Org.

In the meantime, the meeting between Travis and Wrong in Ottawa on October 10 had given rise to communications from Glazebrook to Stone in London to inform him of events and to seek his views. Stone responded a month later, reporting that he had met with Travis as well as a representative of the British Foreign Office, almost certainly a representative of the SIS. Stone had stated that Canada’s SIGINT contribution might be in the field of signals interception, with the Examination Unit being shut down as unable to meet future requirements, and that Canada might contribute staff to the British GC&CS as part of a burden-sharing arrangement. Stone met with ‘C,’ Stewart Menzies, shortly thereafter and found that the British were receptive to a proposal along the lines which Stone had discussed with Travis, and encouraged Canada in this direction. Stone reported to Glazebrook that the following March, when Kendrick was scheduled to return to GC&CS was a good time to close down the Examination Unit, adding that a Canadian be specifically nominated as a liaison officer between ‘C’ and the Under-Secretary of State for External Affairs to select the SIGINT to be passed to Canada. Stone discounted any vision of a Commonwealth GC&CS, ending his letter by categorically stating that Australia and India intended to continue their own interception and, probably, cryptographic activities. He added his own personal and growing unease with closing the Examination Unit in the absence of any vision of “subsequent [Canadian] participation in

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and contribution to this work."24

John Bryden, in his book, *Best Kept Secrets: Canadian Secret Intelligence in the Second World War*, states that Stone’s discussions with ‘C’ were quickly dubbed the ‘UK/Canada plan,’ although the available archives do not portray the discussion in such terms.25 Kendrick discussed the proposal with the Under-Secretary of State for External Affairs on December 8, referring to the proposal to rely on Britain for future SIGINT as the ‘Travis Plan’ and stating that Canada expected to receive ULTRA intelligence in return for providing Britain with intercepted raw material. Kendrick claimed that the plan did not require an end to Canadian cryptographic work, although a goal of the plan was to make it unnecessary. He briefly outlined how and when the Examination Unit might be closed down, implying that Canada could lose access to some intelligence.26 He added that his recommendations were based on a presumption that the Travis Plan would be approved and suggested that the appearance of a lack of interest in the Japanese war should be avoided.

Robertson and Glazebrook met with Bayly that December and were told that the Examination Unit was regarded as efficient, within its limits, but that “No important


contribution had been made to allied work in this field by the Unit because of its small size and limited equipment.” Bayly added that Canada’s intercept facilities were out of date, inadequate and would have to be replaced if collection continued.

By now the debate in Ottawa on the future of the Examination Unit was reaching a feverish pitch as External Affairs remained adamant about its closure while the National Defence intelligence chiefs fought long and hard to preserve Canada’s small but autonomous SIGINT capacity. At a meeting of the Advisory Committee on the Examination Unit on December 14, 1944, which seems to have lasted to a late hour, Murray and Little raised the issue of the future of Canadian SIGINT, suggesting that the cost of cabling decodes to Canada from GC&CS would be almost as great as that of supporting a Canadian cryptographic organization. Kendrick dissented, noting that small scale collection and decryption was unlikely to yield much information of interest to Canada. Little expressed his unwillingness to return to Canada’s prewar state of cryptographic ignorance.27

By January, in the final year of the war, concrete plans within External Affairs were set for closing the Examination Unit at the end of July with the Japanese Section being transferred to the Discrimination Unit for ongoing work in the war against Japan. It was proposed that the department support abolishing the existing “Y” Committee with a new advisory committee being put in its place. In addition, the department sought

27Minutes of the Advisory Committee of the Examination Unit, 14 December, 1944, NAC RG24, Vol. 29164, File WWII-14 pt. 1 XU.
promotion for E.N. Drake, head of the Discrimination Unit, to full colonel. Glazebrook sought Major General M.A. Pope’s agreement in mid-February, for DND assuming responsibility for the Japanese Section of the Discrimination Unit. No response had been received two months later in April when Robertson repeated the message to the Chief of the General Staff stating that “It is evident that we cannot contemplate the maintenance in peace-time of a Unit on a sufficiently large scale to give adequate coverage of diplomatic traffic.” Lieutenant General J.C. Murchie quickly agreed to the more urgent appeal from Robertson for the transfer of the Japanese Section. When Glazebrook briefed Drake at the end of February about the proposal to close the Examination Unit, the latter was discouraged by the continuing confusion and was reluctant to assume control of a joint Discrimination and Examination Unit unless it was on a proper basis. He preferred the future entity linked with External Affairs and suggested that his nomination as Director of the Examination Unit, in addition to M.I.2 (Discrimination Unit), would give him the stature to facilitate the workings of a joint

28 Memorandum for the Under-Secretary, signed G.deT.G. [George deT. Glazebrook], 19 January, 1945, White Files. JDU & Examination Unit File folder, and NAC RG 24 Vol. 29164, File WWII-8 XU Post-war Org.


30 Ibid., Memorandum to the Chief of the General Staff from N.A. Robertson, 9 April, 1945 and Memorandum to Norman A. Robertson from Lieutenant General J.C. Murchie, 26 April, 1945.
Meanwhile, Robertson had informed British GC&CS that a decision had been taken to close the Examination Unit in early August and that Canada hoped to retain Kendrick, who was due to leave in March, until the work was completed. As the senior officer in External Affairs, Robertson accepted the implication of the Travis Plan to downgrade Canada's role in SIGINT, writing a month later to Pearson, Canada's ambassador to the United States, to inform him of the decision to shut down the Canadian SIGINT organization, to explain that the country could not afford an Examination Unit large enough to be adequate to the task. Robertson asked Pearson to take on the delicate task of informing the Americans of Canada's decision. Kendrick and Stone, the latter now back in Canada, were to join Pearson in Washington to explain Canada's decision and work out some of the practical considerations, such as the continuing joint effort directed against the Japanese. Interestingly, Robertson informed Pearson about the plans to supply Britain with raw intercepts after the war in exchange for decrypted messages, adding that, "at the present time, however, I have not felt it possible to raise a question with such large implications with the Prime Minister, and any arrangement of that sort will have, therefore, to be left in abeyance." While King would have been aware of the

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31 Memorandum for Mr. Robertson from G. deT. G. [Glazebrook], 28 February, 1945, NAC RG24 Vol. 29164, File WWII-8 XU Post-war Org.

32 Ibid., Telegram from N.A. Robertson to Sir Edward Travis [GC&CS], 27 February, 1945. For inexplicable reason the closure date was now August while a month earlier the target date had been July. Later correspondence again refers to July.

decision to close the Examination Unit, Robertson's statement makes it clear that the Prime Minister may not have been aware of the full implications of the decision.

Towards the end of April, Colonel W.W. Murray, the Director of Military Intelligence, obtained a copy of Robertson's letter to Murchie. A meeting of the "Y" Committee had been scheduled for the end of the month. No agenda had been circulated beforehand and the meeting occurred at a time when Robertson and Murchie were both away from Ottawa and could not be easily contacted. Although the "Y" Committee was not responsible for the Examination Unit, its membership and that of the Advisory Committee on the Examination Unit largely overlapped. When the "Y" Committee met, Murray read Robertson's letter to the group. Herbert Norman, still a junior officer, represented External Affairs at the meeting, Glazebrook being inexplicably unavailable. Norman's strong objections to the substance of Robertson's letter being discussed in the "Y" Committee were dismissed and the meeting proceeded in a heated manner, resulting in recommendations on the future of SIGINT in Canada. It is uncertain whether there was cooperation between the service intelligence directors, as suggested by Bryden in Best Kept Secrets, but whatever the extent of any inter-service agreement, Murray, the chairman, proposed a recommendation to the Chiefs of Staff that the "Y" Committee should be abolished and replaced by a Sig Int [sic] Board to constitute the policy-making

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body for Canadian "Y" activities (i.e. SIGINT intercept activities). The meeting was heated with one participant describing it as involving "some fairly violent scenes." The meeting also discussed the amalgamation of the remnant of the Examination Unit (the Japanese Section) with the Discrimination Unit to form the Joint Discrimination Unit. The Committee "was dead opposed" to a permanent director (likely Drake) being appointed.

George Glazebrook had advised Norman Robertson, away in San Francisco for the preparatory meeting of the United Nations, about the merger of the remnant Examination Unit with the Discrimination Unit, recommending that the Chiefs of Staff Committee abolish the "Y" Committee and the Examination Unit Committee in favour of a new Sig Int Board, which would constitute a policy-making body for Canadian SIGINT activities. Glazebrook pointed out that,

[t]he game then is painfully obvious as the Intelligence Officers, particularly Murray, are concerned about their post-war empires and are trying to create them. You may remember that when they came to you some months ago they urged that the Department of External Affairs should support post-war discrimination and cryptography since National Defence would not otherwise do it. They have now got from us a suggestion that this should be carried on at least throughout the Japanese war and now propose to go back to the Sig Int Board which would bring control of the Discrimination Unit and Examination Unit once more under the Intelligence Officers....

There was great concern that the Americans be reassured about Canada’s SIGINT commitment until the end of the Japanese war. Shortly after the meeting of the "Y"

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37 Letter to N.A. Robertson from George G [Glazebrook], 27 April, 1945, White Files, JDU and Examination Unit File folder.
Committee, Gilbert Robinson was dispatched to Washington to inform the U.S. Army’s Signal Security Agency (SSA), the SIGINT service, about the Canadian decision to terminate the activities of the Examination Unit. Some confusion had arisen when Pearson, assisted by Kendrick and Stone, had briefed the Americans in March and implied that Canada was planning to drop decryption of Japanese diplomatic traffic provided that the Americans would provide this in exchange for Canadian-provided military and commercial traffic. Robinson explained to the Americans that the plans were for the Examination Unit to cease operations by July 31, 1945, with cryptographic work on Japanese diplomatic activities undertaken by Ottawa transferred to a new Joint Discrimination Unit and work on French diplomatic communications ended entirely. The U.S. was anxious for Canadian assistance on Japanese commercial traffic and considered it “vitaly important just now that Canada present a united front [with the U.S.].” The Americans requested all code books, traffic and other material from Canada which were not forwarded to the British. When Drake visited Arlington Hall some days later, the U.S. was anxious to assure Canada that there “will be no lack of jobs for a continuing unit in Canada, and jobs of considerable importance.” Americans also extended many

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38 Ibid.

39 Ibid.

compliments about the work of the Examination Unit.\textsuperscript{41}

Discussions between External Affairs and National Defence over postwar intelligence remained tense, and the strong opposition of the Department of External Affairs forced the “Y” Committee to drop the idea of a Sig Int Board, under the control of the armed services intelligence chiefs.\textsuperscript{42} In its place, in May 1945, the “Y” Committee proposed that the Canadian Joint Intelligence Committee (CJIC) take over the function of managing SIGINT.\textsuperscript{43} The CJIC, created in November, 1942, by the Chiefs of Staff Committee to “conduct intelligence studies and to prepare such special information as may be required by higher authority” and to liaise with the corresponding Allied services,\textsuperscript{44} did not have the same mandate as the British Joint Intelligence Committee, from which it took its name. During the war years, the CJIC was a National Defence administrative committee with little power outside that possessed by its individual members, the intelligence directors of the armed services. The British JIC was already at that time a powerful committee of all of the chiefs of intelligence units meeting weekly to

\textsuperscript{41}Telegram to Glazebrook and Stone from Washington, 31 May, 1945, NAC RG24 Vol. 29164, File WWII-8 XU Post-war Org.


\textsuperscript{44}Minutes of the Canadian Joint Intelligence Committee for 24 November, 1942, NAC RG24. Vol. 2468. File HQ 715-16-1-3 vol. 1. Good summaries of the responsibilities of the wartime CJIC can be found in Memorandum on Canadian Joint Intelligence Committee, 13 April, 1943, and 19 May, 1944, NAC RG24. Vol. 5190. File C-15-9-73.
reach common assessments of events and to resolve administrative difficulties.

The CJIC had served as the administrative coordinating centre for the armed services intelligence directorates and as a platform for the exchange of information and as a clearance house for matters of joint interest. Within a proposal to make the CJIC responsible for Canadian SIGINT, the CJIC was a low-key committee serving primarily as a venue for the service intelligence directors to communicate with each other and had no responsibilities for SIGINT matters. The May proposal, however, sought to achieve the same objective as had been proposed through creation of a Sig Int Board. Although perceived by External Affairs to be engaged in a ploy to gain control over SIGINT, the DND intelligence chiefs were merely responding to DEA’s desire to see the demise of Canada’s limited SIGINT capacity.

The CJIC had proposed that assumption of SIGINT responsibility would be accompanied by External Affairs and the R.C.M.P. joining the committee. Gilbert Robinson, representing the Examination Unit on the CJIC, thought this was unlikely to be acceptable to the Department of External Affairs since the original Sig Int Board proposal had provided for two DEA representatives, while its CJIC replacement would include only one additional representative for each of the new members.\textsuperscript{45} The Chiefs of Staff Committee, nevertheless, proposed to Robertson that External Affairs should appoint a representative to the Joint Intelligence Committee and that the functions of the “Y”

Committee would be transferred to the CJIC.\textsuperscript{46}

Robertson agreed to the Chiefs of Staff Committee's proposal for the transfer of SIGINT responsibility to the CJIC, but pointed out that the expanded Joint Discrimination Unit would now be engaged in work involving cryptographic policy for which External Affairs remained responsible. He then proposed that,

\textit{... this situation would best be met by having the J.D.U. under the direction, for policy purposes, of a sub-committee of the C.J.I.C., of which sub-committee an officer of this Department would be Chairman.}\textsuperscript{47}

Robertson added that the CJIC sub-committee should be composed of Herbert Norman for DEA, the head of the JDU (who was Lieutenant Colonel. E.N. Drake, a staunch DEA ally), and one other member of the CJIC.

Robertson's proposal was reasonable, agreed to everything proposed by the services intelligence directors through the Chiefs of Staff Committee, and made one minor modification. The critical direction of SIGINT, under Robertson's proposal, would remain in DEA hands through a sub-committee which controlled policy.

The outcome of the contest over postwar SIGINT direction reflected entrenched attitudes within the Canadian intelligence community. The Department of External Affairs feared that SIGINT managed by the military intelligence establishment would be


\textsuperscript{47}Letter to the Secretary, Chiefs of Staff Committee from N.A. Robertson, 13 July, 1945, White Files. JDU & Examination Unit File folder, and NAC RG24 Vol. 29164, File WWII-8 XU Post-war Org.
inefficient and, perhaps more importantly, that control by the military would cause Drake, the head of the Discrimination Unit, to quit. Glazebrook informed Robertson that

"Drake, who is the only expert we have available [Kendrick, at the Examination Unit, was returning to the British GC&CS], will try to get out. He is thoroughly fed up with the whole business and I gather disgusted with the present antics." 48 The armed forces rightly feared the demise of Canada’s SIGINT facility, an organization which had proven its worth and which the armed services’ intelligence chiefs viewed as providing Canada with an autonomous source of insight into international events.

Stone, back from Britain and now at the Canadian Embassy in Washington, was having second thoughts about the SIGINT debate in Ottawa, and voiced his concerns to Glazebrook that

... External Affairs must control all cryptographic work and all activities in the high levels of political intelligence. If External Affairs isn’t prepared to undertake this responsibility, I would advocate recommending to the Prime Minister that immediately at the conclusion of the war with Japan all active operations in cryptography in Canada should cease. For what it wants by way of top secret intelligence our Department could then depend on the connections made from Canada having been engaged in this field. My own view is that these connections would only last as long as the present personalities remain active on both sides. I refer particularly, of course, to Herbert Norman and to you and to me as we are what might be called ‘known names’.... [S]ecurity measures in both London and Washington, post-war, will be tightened rather than in any way relaxed....

[It is up to External Affairs to make up its mind whether from its point of view the game is worth the candle. If it isn’t worth the candle we certainly cannot afford the risk, and I would regard it as a very grave one, of allowing another agency or Department, military or civilian, of the Canadian Government to muck about in the fields of high, top secret political intelligence. Unless External

Affairs steps in very soon with a firm decision either one way or the other, people like Chiefs of Staff and Jock Murray [Director of Military Intelligence] are going to confront us with a fait accompli which will be very difficult to undo.

I am advocating, of course, the British system after having examined them both at fairly close range over some years. The Americans, I think, are running grave risks with the complete control of high intelligence now as it is in the hands of G.2 [U.S. military intelligence] and O.N.I. [U.S. Office of Naval Intelligence], and with the State Department (as far as I know) getting what it pleases the military and naval authorities to hand out to them. In London, as you know, ‘C’ is an employee of the Foreign Office and he runs the show.\(^\text{49}\)

Glazebrook replied that he also was “getting more and more despondent about the possibility of reaching any agreement with National Defence and am now mentally designing a continuing Examination Unit.”\(^\text{50}\) Glazebrook saw the chief impediment to maintaining the Examination Unit as the difficulty of finding someone to run it following the departure of F.A. Kendrick, who had been seconded from the British GC&CS and was returning there. Glazebrook sought Stone’s thinking on his views and concluded “that we must do the work and that we cannot be bothered by J.I.C. [Canadian Joint Intelligence Committee] control. How would it be to abolish the Examination Unit Committee, run the Unit in conjunction with National Research, and make our own arrangements with Washington? This is perhaps a wild idea, but one which I think we shall have to consider.”\(^\text{51}\)

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\(^{50}\)Letter to T.A. Stone from George [Glazebrook], 14 June, 1945, White Files. JDU & Examination Unit File folder, and NAC RG24 Vol. 29164, File WWII-8 XU Post-war Org.

\(^{51}\)Ibid.
In the final weeks of the war with Japan, the remnant Examination Unit left its quarters at 345 Laurier Avenue, next door to the Prime Minister's residence, to move to the Joint Discrimination Unit (JDU) facility on Guigues Street. The JDU formally came into being on August 1, 1945, two weeks before the collapse of Japan. The Examination Unit which moved to the JDU was expected to consume a budget of $87,000 for 1945.52 The organization was now down to 23 civilians and one officer each from the Army and the Navy. The JDU was not much bigger, with 12 officers and 78 other ranks. At war's end, Canada's wireless intercept stations consisted of three Army stations (Ottawa/Leitrim, Grande Prairie AB, and Victoria BC), three Navy stations (Coverdale NB, Gloucester ON, and Gordon Head BC), and two Department of Transport stations (Point Grey BC and Lulu Island BC).53

The Japanese surrender revived the question within the Department of External Affairs of whether Canada should carry out peace-time foreign intelligence collection and, particularly, whether the department agreed to any sort of postwar SIGINT capability being lodged with the armed services, even if policy direction was decided by a sub-committee controlled by External Affairs. While there was agreement to the JDU becoming responsible for the Japanese section of the Examination Unit while the war in

52 Memorandum to Mr. Courice: Estimate of Examination Unit Expenses for 1945, 9 August, 1945, White Files. Main File. The document is ambivalent whether this amount represents the cost for the remainder of the year or for the whole year.

the Pacific continued, it was an entirely different matter whether to support a National Defence-controlled SIGINT organization for the postwar world. Drake favoured a small postwar SIGINT unit which he thought could be effective and would raise few concerns about costs.\textsuperscript{54} A second constraint was uncertainty over where Canada would fit in with its British and American intelligence Allies. The British were also ambivalent during the early postwar period over whether Canada should continue cryptographic work. Both allies, however, had expressed interest in postwar collaboration, although only the Americans assumed that a Canadian cryptographic capability would exist after the end of hostilities.

A decision by Canada on postwar cryptographic work was not eased by an agreement among the allies for the wartime SIGINT arrangements to carry over into peace-time and nothing compelled Canada to reach a conclusion on the desirability of a postwar SIGINT organization. The Department of External Affairs was unwilling to act in the absence of knowledge on costs, inter-allied relationships, and whether only collection or collection plus decryption work was to be undertaken. External Affairs was firm, however, about its reluctance to hand over SIGINT to the armed services intelligence directors, who were viewed as "...know[ing] exactly nothing about it and any recommendation they would make would have to be taken with several pounds of salt

\textsuperscript{54}Letter to Thomas A. Stone, unsigned but cites GG [George Glazebrook] as drafter, 16 August, 1945, White Files. JDU & Examination Unit File folder, and NAC RG24 Vol. 29164, File WWII-8 XU Post-war Org.
because of their desire to maintain their own positions. This dramatic statement underscores the confining interdepartmental distrust in which Canada had to reach difficult decisions. Such strongly held views permeated many DEA documents of the period, with less evidence suggesting that the sentiments were reciprocated by National Defence. In fact, discussions in the Canadian Joint Intelligence Committee had clearly recorded that the Army would not carry out cryptography in peacetime believing that only the National Research Council seemed structured to accommodate a cryptographic organization.

Discussions between External Affairs and National Defence continued throughout August, 1945, with a gradual acknowledgment that a solution addressing Canada’s national interests had to be reached. By the end of the month, the CJIC had prepared an extensive study outlining the history of SIGINT collection in Canada, how it assisted various national objectives, and what constituted the existing Canadian resources. One of the telling sentences in the study underscored the reality of intelligence sharing brought home by the experiences during World War II. After suggesting that SIGINT was possibly the most important source of secret information available to Canada, it continued that


56 Minutes of the CJIC, 24 August, 1945, NAC RG24 Vol. 2469, File 15-10-16-1-3 vol. 4.

It is inconsistent with our national position that we should be dependent upon others for those things that we are capable of doing for ourselves. At all events, any such dependency could and should be elevated to the basis of ‘quid pro quo’. In the ‘Y’ sphere the advantage of this approach was clearly impressed during the early war years. When our contribution was nil, we received nothing from either Bletchley [British GC&CS] or Washington. ... By making our contribution, our dividend will vastly exceed our investment.  

In essence, by doing just enough to be accepted as a partner, Canada would gain access to most or all of the SIGINT collected by its Allies. This was the brilliance and failure of Canadian foreign intelligence activities. Access to Allied material was substantial, but Canada did not do enough by itself to be confident of its resources and access nor to have assurance that its sovereign interests were addressed. The report went on to recommend that wireless interception should continue during peace-time as "a requirement essential for adequate national defence," but was unclear whether SIGINT would be under military or civilian authority, recommending

That the Joint Discrimination Unit, including the Cryptanalysis Section, be continued as a joint services responsibility, or as a civilian establishment financially administered by the National Research Council, with services personnel seconded thereto as requirements warrant.  

The selection of the NRC as the possible home of the postwar SIGINT organization stemmed from its administration of secret budget votes throughout the war, something which it was hoped would endure.

Meanwhile, Gilbert Robinson, who had assumed responsibility for the Examination Unit after the departure of Kendrick in May, had been asked to prepare a

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58Ibid.

59Ibid.
blueprint for a peace-time SIGINT organization. This he presented in September, 1945, stating that he "would not like to see such work revived unless the highest officials in the Department of External Affairs were anxious for it and were prepared to take responsibility for making the changes in the existing structure which would be necessary for its success." Robinson did not object to the SIGINT organization reporting to the CJIC, but thought it vital that an 'Intelligence and Security Committee' within External Affairs should be responsible for all collection assignments. He was also adamant that Canada must supply all of the personnel resources which were required. While he proposed that the Japanese assignments might slowly be phased out, Robinson advocated a revival of French decryption (he recommended that the section be headed by Sonja Morawetz, one of many competent women in cryptography). Lastly, Robinson thought it advisable and expedient that the SIGINT organization be housed with the National Research Council.

Common ground had been reached between External Affairs and National Defence by late September, 1945. SIGINT in peace-time was to be a combined military and civilian organization, with interception under military direction and cryptography housed with the National Research Council. The CJIC was the administering organization, but policy was to be directed by External Affairs.\(^6^1\)

No decision on a foreign intelligence organization had been reached by the early

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\(^{60}\) Memorandum titled Blue-Print for a Permanent DU [Discrimination Unit] by G. deB. Robinson, 18 September, 1945, White Files. JDU & Examination Unit File folder, and NAC RG24 Vol. 29164, File WWII-8 XU Post-war Org.

\(^{61}\) Memorandum for the Under-Secretary, 27 September, 1945, DEA 29-1-1 Cda vol. 1.
fall, when a visit to Ottawa by Sir Edward Travis of the British GS&CS was scheduled. This visit on October 22 and 23 helped Canada to move towards a decision. Travis attended a meeting of the CJIC, where he outlined Britain’s expected postwar SIGINT organization of some 1150 persons and hoped to reach agreement for cooperation between Britain, the U.S., and Canada.\textsuperscript{62} He explained that London and Washington were reaching an understanding on postwar SIGINT collection and sharing, and “would like [Canada] to fit into [the] general plan by accepting defined responsibilities in all aspects of [the] work.”\textsuperscript{63} The new framework for agreement was not to be arrangements between specific departments but government-to-government. For reasons which are not clear, the minutes of the CJIC meeting with Travis indicate that there was no representative from the Department of External Affairs present, but the discussions were clear that the support of External Affairs was required for any cooperation between the three powers, even though the minutes record that “… the interchange of diplomatic intelligence is NOT contemplated although service stations were used for diplomatic traffic.”\textsuperscript{64}

No commitment was made during Travis’ visit since both the Prime Minister and his Under-Secretary of State for External Affairs were in London briefing Prime Minister


\textsuperscript{63}Telegram from [N.A.] Robertson for [Hume] Wrong, 18 October, 1945, White Files. JDU & Examination Unit File folder.

Attlee and the British government on the revelations of Igor Gouzenko, the Soviet cipher clerk who deflected the previous month. By early November, when it was clear that Britain and the United States would soon reach agreement on SIGINT sharing, Canada had accepted that it had to be a partner with direct links to both Allied SIGINT centres. However, Canada had still not decided how foreign intelligence matters should be arranged. External Affairs wanted responsibility to be lodged with a Cabinet Committee on Defence Questions, possibly with an advisory committee made up of the Chiefs of Staff, the Under-Secretary of State for External Affairs, and, perhaps, the President of the National Research Council.65 Glazebrook recalls that External Affairs favoured placing intelligence matters under the authority of the Privy Council Office, whose civil service head had undefined powers but great authority, and had very close links to DEA.66

In the months following the conclusion of the war, as the debate continued over capacity versus a sense of Canadian national requirements and autonomous access to foreign intelligence, the decision on the future structure of postwar foreign intelligence was finally settled on the afternoon of December 29, 1945, when External Affairs’ Norman Robertson, with Hume Wrong and George Glazebrook, met with National Defence’s Lieutenant-General Charles Foulkes, and the N.R.C.’s Dean Mackenzie to agree to the establishment of a civilian SIGINT organization which would operate in

65 Memorandum on Post-War Plans for Intelligence and Counter-Intelligence, unsigned, 3 November, 1945, White Files. JDU & Examination Unit File folder. The Memorandum is also found in NAC RG2. Vol. 81. File I-40, 1945-47, and NAC RG24 Vol. 29164, File WWII-8 XU Post-war Org.

66 Interview with Mr. George Glazebrook, 12 January, 1977, p. 76, DFAIT Special Registry.
peacetime.⁶⁷ The decision provided firm direction on the future of a postwar foreign intelligence capability. The decision taken in the final days of 1945 set the Canadian government on a defined path which allowed other decisions to follow more easily on the development of other structures of the nation’s foreign intelligence community.

Responding to the December decision, Lieutenant Colonel E.M. Drake, the Chief of the Joint Discrimination Unit, prepared a lengthy report for the CJIC in the middle of January on proposed Canadian postwar intercept facilities. Drake, an electrical engineer with degrees from the Universities of Saskatchewan and McGill, had worked for Northern Electric before the war⁶⁸ and had started in SIGINT in March, 1940, as a Lieutenant and second-in-command of the ‘Experimental Section’ of the Rockcliffe intercept station. Drake believed that six stations with 100 intercept positions manned by 450 staff, operating new equipment, was sufficient for initial Canadian needs.⁶⁹ An important consideration in his mind was the requirement for a SIGINT effort capable of making a sufficient contribution to ensure Canadian participation in the postwar cooperative alliance then being negotiated between Britain and the United States. This

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agenda was subsequently articulated in the minutes of the CJIC which recorded:

1. That approval be given to maintain adequate Canadian post-war intercept facilities on a scale sufficient to ensure a fair Canadian contribution to the general pool of wireless intelligence set up between Canada and other Empire countries and the United States.\textsuperscript{70}

External Affairs had also recorded its commitment to postwar SIGINT collection with G.G. Crean stating at a February 2 meeting of the CJIC that “his department was firmly of the opinion that wireless interception must be continued.”\textsuperscript{71} G.G. Crean, known to everyone as Bill, had come to External Affairs in 1945 after wartime service in the British army’s Intelligence Corps, and was charged with establishing a proper security regime within the department for the protection of classified material.

British-American negotiations for postwar SIGINT collaboration had been started the previous October with a visit to Washington by Sir Edward Travis, followed by bilateral discussions before culminating in the BRUSA Agreement of March 5, 1946.\textsuperscript{72} A Commonwealth Signals Intelligence Conference of Britain and the Dominions took place in London during February 22 to March 8, 1946.\textsuperscript{73} The Commonwealth conference

\textsuperscript{70}Ibid., Minutes of Canadian Joint Intelligence Committee, 6 February, 1946.

\textsuperscript{71}Minutes of Canadian Joint Intelligence Committee, 2 February, 1946, NAC RG24 Vol.2469, File 15-10-16-1-3 vol. 5.


\textsuperscript{73}Stephen Dorril has suggested that a U.K.-U.S. signals intelligence conference took place concurrently in London during February and March. There is no independent corroboration of this suggestion and it seems illogical since the senior U.S. SIGINT community was in Washington for the signing of the BRUSA Agreement on March 5, 1946. A technical conference to implement BRUSA did follow in London in late March.
had been called by the London Signal Intelligence Board for the purpose of discussing and recommending SIGINT cooperation between Britain, Canada, Australia, New Zealand, and India. Canada was represented by Drake, soon to be appointed head of Canada’s postwar SIGINT organization, along with George Glazebrook and Bill Crean, of the Department of External Affairs. The meeting of the Commonwealth partners acknowledged that Canada had “a special position vis-à-vis the United States,” permitting Canada to work on intelligence assignments agreed upon with either the United States or Britain, as long as all parties were informed. It would take several more years before all the agreements and protocols governing SIGINT cooperation between the United States and the Commonwealth countries were concluded.

Following the London conferences, the Canadian Chiefs of Staff approved the continuation of SIGINT collection on March 26. The Chiefs of Staff met with Robertson and Arnold Heeney, of the Privy Council Office, on March 28 to approve “the conduct of wireless intercept work under the auspices of the Services on the scale

See Stephen Dorrib, MI6: Inside the Covert World of Her Majesty’s Secret Intelligence Service (New York: The Free Press, 2000), p. 54. BRUSA details were provided by Matthew Aid.


75 Memorandum titled Canadian Intelligence Policy, signed G.G.C. [G.G. Crean], 10 October, 1946, DFAIT File 29-1-1 Cda. vol. 1.

76 Ibid.

proposed." No additional personnel would initially be sought. An Order-in-Council (O-I-C) was signed on April 13 for the creation of a Communications Research Centre (CRC). The Order-in-Council, signed by C.D. Howe, as Chairman of the Privy Council on Scientific and Industrial Research, Louis St. Laurent, the Acting Secretary of State for External Affairs, and D.C. Abbott, Minister of National Defence, did not state the purpose of the organization, but only that a wartime activity "of great value" should be continued on a postwar basis. As it turned out, the O-I-C never reached the Privy Council and was never considered by the Cabinet as a whole. Howe had signed the original submission, and received the verbal concurrence of the other two ministers. Robertson sent a copy to King, who signed a carbon copy and asked that St. Laurent and Abbott sign the original (he likely did not know that verbal concurrence had already been given). Copies of the O-I-C were forwarded the following month to the Department of Finance and the Treasury Board for financial authority and support. The Communications Research Centre (CRC), was tasked with SIGINT policy, discrimination and traffic analysis, cryptanalysis, code and cipher-making, and cipher

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78 Minutes of the Canadian Joint Intelligence Committee, 2 April, 1946, NAC RG24 Vol. 2469, File 15-10-16-1-3 vol. 5.

79 Memorandum to His Excellency, the Governor General in Council from C.D. Howe, 13 April, 1946, White Files. CBNRC File folder; and G. deB. Robinson, ed. A History of the Examination Unit 1941-45 (Ottawa, 1945), Addendum, Chap. V, p.27. The White File contains a copy with the signatures of the three Ministers and a separate copy signed by Mackenzie King.

security. It was administered by the National Research Centre and directed by an officer from External Affairs assisted by a committee consisting of representatives from the N.R.C., each of the three armed services Directors of Signals and Directors of Intelligence, as well as a second representative of External Affairs. The cipher-making and cipher security would provide 'cover' for the covert activities.81

The CRC held its inaugural meeting on June 20 under the name of the Communications Research Centre Committee (CRCC) and became the SIGINT policy authority, replacing the CJIC, which retained responsibility for setting overall foreign intelligence requirements. The Joint Discrimination Unit, meanwhile, formally lapsed at the end of the month with the JDU staff and individual members of the old Examination Unit assimilated into the CRC over the summer.82 The original name, CRC, was also dropped during the transition in favour of Communications Branch (CB), since a blander description, devoid of intelligence associations, was required. The CRCC was renamed to become the Communications Research Committee (CRC).83 The CB became operational on September 3, 1946, as the Communications Branch, National Research Council (CBNRC). The CBNRC became Canada's first self-contained intelligence

81 Memorandum titled Communications Research Centre, unsigned, 29 March, 1946, White Files. CRC File folder.


83 Ibid.
agency, with Drake as its first director.  

The struggle between External Affairs and National Defence had consumed two years before being resolved in favour of continuance of a Canadian autonomous postwar SIGINT capacity. The competing visions of the kind of postwar intelligence Canada would require underscored the different perceptions of Canada’s place in the international community. The debate was attended by distrust between the two sides with DEA officers clearly attributing ambition and turf control to the DND officers who, at times with considerable emotion, tried to make a case for a Canadian SIGINT source providing independently verifiable intelligence to Canadian decision-makers. There is no record of the Department of External Affairs having received political direction to terminate the Examination Unit at the end of hostilities. DEA’s stance of shutting down the Examination Unit coincided with the return to Ottawa of Hume Wrong who did not value the SIGINT product. Wrong’s return may, indeed, have been the catalyst to the policy stance but he was hardly alone. Norman Robertson, his superior, shared Wrong’s position on the Examination Unit as did, if not consistently, the other officers at External Affairs who were engaged in intelligence matters.

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84 CBNRC would remain as the name of Canada’s SIGINT service until Canada’s involvement in foreign intelligence gathering was disclosed by the media in 1974.
Chapter 8

Postwar Intelligence Structures

Preparations for Canada’s postwar foreign intelligence architecture, apart from SIGINT, did not begin until almost the end of 1945. It was not a high policy priority. Setting the framework for discussions of postwar foreign intelligence was a March, 1944, call by senior civil servants to site all intelligence policy authority and guidance with the Prime Minister (and Secretary of State for External Affairs), the Minister of National Defence, and the Acting President of the National Research Council, who was host to the Examination Unit. With the war ending, the civil servants were relinquishing powers they had exercised by proxy. This initiative may have signaled a new orientation but accomplished little else at the time.¹

Organizing for a postwar intelligence structure began with a September, 1945, CJIC proposal to the Chiefs of Staff Committee calling for a Joint Co-ordinating Bureau of Intelligence as a central agency and inviting assistance and participation by other government departments. The proposal acknowledged a need for foreign intelligence, but tied this to scientific research and the acquisition of ethnographic, topographic, social, and industrial information. The proposed Bureau was to acquire intelligence relating to the war potential of foreign countries, analyze and correlate the information, and

disseminate such intelligence to policy-makers as necessary. The proposal also circulated within External Affairs with a suggestion that a joint co-ordinating bureau of intelligence be responsible to the Chiefs of the General Staff Committee and to the Under-Secretary of State for External Affairs. The bureau would be a government agency under civilian direction and financed by a secret vote. There was uncertainty whether the R.C.M.P., as home to the security intelligence organization, wanted to be tied to the bureau, or whether ULTRA intelligence should be included, something favoured by the CJIC, but on which officers at DEA were ambivalent.

The architect of the proposal was probably Dr. Diamond Jenness, DND’s Chief of Inter-Service Topographical Section (ISTS), who wanted to save the resource he had developed during the war. Jenness had sought an earlier partnership with the Department of External Affairs, suggesting to Glazebrook that it seek the cooperation of the Chiefs of Staff to permit the ISTS to expand and to serve as a topographical centre for other government departments. The ISTS had been formed in 1944 by the Chiefs of Staff as an extension of the Naval Photographic Library, and some minor similar units, and was a

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2Ibid., Memorandum to the Chiefs of Staff Committee, titled Foreign Intelligence in Peace-Time, from Col. W.W. Murray, Chairman, Canadian Joint Intelligence Committee, 26 September, 1945. The Memorandum also is found in NAC RG24. Vol. 6178. File 22-1-43.

3Memorandum for the Under-Secretary, titled Discrimination, Cryptography, Intelligence and Security, unsigned but cites GG [Glazebrook] as drafter, 27 September, 1945, White Files. JDU & Examination Unite File folder.

4Letter to Dr. G. Glazebrook from D. Jenness, 15 June, 1945, and 20 June, 1945, DFAIT File 29-1-1 Cda vol. 1. The two letters are almost identical although the 20 June version has been shortened. A separate cover letter, from Jenness to Glazebrook, dated 20 June, 1945, explains that two versions of letters on the ISTS are enclosed.
repository of topographical, geographical, and economic information available to all the
armed services.\textsuperscript{5} Although modeled on the British ISTS and the U.S. JANIS
organization, it had no topographical research capability and was largely a library of
1,000 books, some 100,000 photographs, and 4,000 maps of foreign countries plus a
further 10,000 maps in a separate R.C.A.F. collection.\textsuperscript{6}

The proposal for a Joint Co-ordinating Bureau of Intelligence had merit and
governed debate on foreign intelligence for the remainder of the year. Interdepartmental
negotiations reshaped the ideas in a search for a formula acceptable to the key intelligence
departments. The idea of such a unit was still in play in November when Glazebrook
proposed to Wrong, in charge of External Affairs during the absence of Robertson in San
Francisco, that DEA support the concept but insist that the Director must be an officer
from External Affairs with the Deputy Director coming from either a civilian or service
department. The focus of the Bureau would be to collect, assess, and disseminate
intelligence relating to war plans and preparations for war by foreign states.\textsuperscript{7}

National Defence followed one month later with an expanded and more
comprehensive vision of postwar foreign intelligence activities prepared by Lieutenant
General Charles Foulkes, Chief of the General Staff. Born in England, Foulkes had

\textsuperscript{5}Maj. S.R. Elliot, \textit{Scarlet to Green: Canadian Army Intelligence, 1903-1963},

\textsuperscript{6}Letter to Dr. G. Glazebrook from D. Jenness, 15 June, 1945, DFAIT

\textsuperscript{7}Memorandum for Mr. Heeney, signed HW [Hume Wrong], 7 November, 1945,
joined the militia after briefly attending university and transferred to the Canadian permanent force in 1926 where he was still a captain on the outbreak of war. The Foulkes plan called for the establishment of a national intelligence organization. National Defence correctly stressed that Canada would only gain access to Allied intelligence on the basis of reciprocity. Intelligence collecting, Foulkes continued, must be done from a national perspective. In his view,

Any system whereby the appraisal is made from incomplete intelligence acquired from other countries, or the acceptance of another nation’s appraisal insofar as it relates to itself, can not possibly satisfy the Canadian requirement. Such a system would presuppose a degree of political, economic and military dependence incommensurate with the national outlook.⁸

The government must make the most efficient use of the intelligence resources already existing with departments, but must resolve the problem of departments approaching foreign intelligence from their own spheres of interest. This could be overcome through liaison officers in the departments or, Foulkes’ preferred option, through a joint co-ordinating bureau to examine and appraise intelligence and be responsible for its dissemination to all interested parties.

Whether “Canada should enter the field of active secret intelligence [clandestine HUMINT collection] is a matter of high policy” on which the DND paper did not engage. Foulkes’ proposal, a reasonable blueprint for a Canadian postwar intelligence organization, concluded with a recommendation that a Joint Co-ordinating Bureau of

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Intelligence should be responsible to the Secretary of State for External Affairs. A schematic outline of the Joint Co-Ordinating Bureau of Intelligence is found at the end of this chapter. The Foulkes Plan reached the Cabinet Defence Committee the following March, although no decision on the submission was recorded.

Overshadowing the debate on the Foulkes plan was a British proposal which had reached External Affairs in November, one month before Foulkes made his proposal. The British Joint Intelligence Committee asked that Canada establish a Joint Intelligence Bureau (JIB) as part of an interconnected string of Commonwealth units for the evaluation and assessment of all-source intelligence.

We have for some time past been considering the postwar organization of intelligence, which we feel should be set up in the closest possible cooperation with the Dominions and India. Part of our proposals concern the establishment in London of a JIB, which would be a permanent body, mainly civilian, dealing with the overt collection, collation and where appropriate, the appreciation of all intelligence material of inter-service significance. The main sub-divisions in the London JIB will be: (a) topographical; (b) economic; (c) airfields; (d) defences. We feel that if similar organizations were set up in Canada and Australia, the most advantageous study of the defence resources and topography of all areas of the world would be assured.

No decision on creating a Canadian Joint Intelligence Bureau was taken during the rest of

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9Ibid.

10Ibid., and Memorandum for the Cabinet Defence Committee, titled Establishment of a National Intelligence Organization, signed E.W.T. Gill, 5 March, 1946, DFAIT. File 29-1-1 Cda. Vol. 1. The Memorandum has the Foulkes draft attached. Although of different dates, the two schematic charts are identical.

1945. The British proposal, however, dominated the discussion on a postwar intelligence organization.

In early May, Robertson presented his view to the Chiefs of Staff Committee on a proposal for a Canadian Joint Intelligence Bureau (CJIB), in effect setting aside the Foulkes plan.\textsuperscript{12} National Defence approved the DEA proposal, recognizing that it would be able to gain access to intelligence material "which it would be difficult to obtain through the military intelligence organization," likely referring to the intelligence which was regularly gathered by a foreign ministry engaged in economic, political, and multilateral activities, and with an ability to debrief international travelers.\textsuperscript{13} Agreement for establishing a CJIB chaired by an officer from External Affairs "to give freedom of access with other government departments,"\textsuperscript{14} was reached at a May 14 meeting of the CJIC, at which time it was also agreed that the CJIC would continue to function as a sub-committee of the Chiefs of Staff Committee.\textsuperscript{15} The head of the CJIB became a member

\textsuperscript{12}Letter to the Secretary, Chiefs of Staff Committee from N.A. Robertson, 2 May, 1946, with an attachment titled Co-Ordination of Intelligence, 3 May, 1946, NAC RG24. Vol. 6178. File 22-1-43. pt. 1.

\textsuperscript{13}Memorandum to CGS [Chief of General Staff] signed L.M.C., 13 May, 1946, DND 112.21009 (D152).


\textsuperscript{15}Extract from Minutes of Meeting of the Chiefs of Staff Committee, 14 May, 1946, DND. 112.3M2 (D116); and Memorandum to CGS [Chief of General Staff] signed L.M.C., 20 May, 1946, DND. 112.21009 (D152).
of the CJIC. Glazebrook assumed the chairmanship of the CJIC on June 21. Shortly thereafter, the R.C.M.P. and the Directorate General of Defence Research (soon to become the Defence Research Board) became full members of the CJIC.

The need for a CJIB to carry out the many tasks associated with intelligence activities had been evident for some time. The Canadian Joint Intelligence Committee served as a coordinating body, but had neither the staff nor the expertise to carry out intelligence analysis. This failing had made itself dramatically clear by early 1946 when Canada and the United States began their joint assessment of the threat to the North American continent from the Soviet Union. The CJIC had been requested by the Canadian [Defence] Planning Group "to prepare an appreciation outlining the war potential of Soviet Russia and her ability to embark on a program of aggression, either directly or indirectly, against the North American continent." Nevertheless, the report prepared by the CJIC demonstrated that "adequate information concerning Russia is not available through Canadian sources and the appreciation therefore is of little value."

The Canadian Joint Planning Committee pointed out that the failure of the CJIC rested with an absence of intelligence about the Soviet Union, whether directly obtained by Canada or through intelligence sharing with the United States and Britain. The failure

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17 G.G. Crean memorandum for Mr. Heeney, 2 September, 1949, DFAIT File 11-4-1 DL2.


19 Ibid.
of the CJIC highlighted the lack of resources within the Canadian intelligence community for screening intelligence, classifying and distributing the material, as well as for the collection by Canada of foreign intelligence. In addition to strengthening intelligence collection by assigning additional service attachés to the task, the Canadian Joint Planning Committee also proposed that the CJIC review the intelligence organization within each of the armed services and present proposals for remedial action.\textsuperscript{20} The obvious response was the creation of a dedicated operational intelligence body with the expertise to collect, maintain, and evaluate intelligence whenever it was required by Canadian military and foreign policy decision-makers.

The CJIB would be under the direction of the CJIC and be "responsible for the collection, collation, study, and dissemination of certain types of intelligence."\textsuperscript{21} It was to use the existing machinery to obtain secret intelligence and, through its own channels, overt intelligence. The CJIB would be housed with the Department of National Defence and administered by the Defence Research Board, but guided by a committee representing also "two civil departments."\textsuperscript{22}

During the summer, the idea of an officer from External Affairs as chairperson of the CJIB evaporated. Why this happened is unclear. During July, each of the armed

\textsuperscript{20}Ibid.


\textsuperscript{22}The early archival material is vague about what departments were being discussed. DND officials even considered what the departments might be, although it seems likely that the departments were External Affairs and Trade and Commerce. See Memorandum to CGS [Chief of General Staff] signed L.M.C., 13 May, 1946, DND 112.21009 (D152).
services proposed one of its own people as a candidate for the position of Director of the CJIB. Glazebrook, who consistently demonstrated a low opinion of the armed forces, recalled that the attitude at National Defence was that, "the Chiefs of Staff found they were surrounded by retired admirals and generals who all thought this would be a cushy job." Since each candidate received one vote from his own service, External Affairs would cast the deciding ballot. None of the Service candidates were acceptable to DEA, which wrote to the CJIC that,

> It is the opinion of the Department of External Affairs that the Director of the Joint Intelligence Bureau should possess administrative experience and ability to make contacts with the heads of comparable intelligence organizations and of institutions from which information might be drawn. He would also require a thorough knowledge of the techniques necessary for research. Since the Joint Intelligence Bureau will be organized primarily for the purpose of serving the interests of the Services, the Director should also be a man with some knowledge of the organization of the Services and their special needs.

In the light of these qualifications the informal ballot taken in the Joint Intelligence Committee on the names proposed for the Director of the Joint Intelligence Bureau has been considered in the Department of External Affairs. It is the opinion of this Department that ... [none of the candidates were ideal and] ... that the field may not have been thoroughly canvassed as yet, and that further efforts might be made to discover additional names.

No decision on a director for the CJIB was taken for the remainder of 1946. The proposal for the creation of the Joint Intelligence Bureau was sent to the Cabinet Defence Committee on July 16, July 24, and September 18 only to be deferred each time. It was only on January 31, 1947, that the Cabinet Defence Committee finally approved the

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23 Interview with Mr. George Glazebrook, 12 January, 1977, p. 66, DFAIT Special Registry.

formation of the CJIB. Triggering the decision of the Cabinet Defence Committee was information from the Department of External Affairs that the U.S. representative to the joint planners preparing the U.S.-Canada joint defence plans had indicated that there was a requirement for a "compilation of topographical information, in its widest sense, concerning northern Canada." This information was needed if the two countries were successfully to defend North America against an attack by the Soviet Union across the Pole. Thus, the requirement for topographical information of military significance on the Canadian north beyond the limits of settlement provided the catalyst for the creation of the Joint Intelligence Bureau. Two weeks after authority was granted by the Cabinet Defence Committee to create the Joint Intelligence Bureau, the Canadian Joint Intelligence Committee proposed that the latter be constituted as the body to coordinate all foreign intelligence for the Chiefs of Staff Committee, in conformity with the CJIC reorganization of July, 1946, with formal and broad oversight for many of the elements of

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25Minutes of Cabinet Defence Committee for 24 July, 1946 and 18 September, 1946, NAC RG2. Vol. 2748. v. I; Minutes of Cabinet Defence Committee for 31 January, 1946, Vol. 2748. v. II; and Memorandum to Secretary, Joint Intelligence Committee, titled Organization of Joint Intelligence Bureau, Ottawa from R.H. Macdonald, Defence Research Board, 12 July, 1948, with attachment titled Memorandum for the Cabinet Defence Committee on Joint Intelligence Bureau, 16 July, 1946, NAC RG25. Vol. 5805. File 303-J (s); Memorandum to Secretary, Joint Intelligence Committee titled Organization of Joint Intelligence Bureau, Ottawa, signed R.H. Macdonald, 12 July, 1948; and an attachment to the memorandum titled Memorandum for the Cabinet Defence Committee, 16 July, 1946, NAC RG25. Vol. 5805. File 303-J (s). The date of establishing the CJIB is cited as 31 January, 1947, in an appendix to G.G. Crean's memorandum for Mr. Heeney, 2 September, 1949, DFAIT File 11-4-1 DL2.

the Canadian intelligence community.

Following the decision to establish the CJIB, the Inter-Service Topographical Section (ISTS), from National Defence, was deployed as the nucleus of the CJIB with additional resources made available as required.27 The CJIB's first priority was to fulfill the information requirement on Canada's north, as well as on Newfoundland and Labrador, for the Canada-U.S. Basic Security Plan, a task to be completed by 1948. The Department of Mines and Resources, organizing its own Geographical Bureau, volunteered to assist the CJIB with information, from a non-military perspective, on airfield facilities, rail, road and sea communications, inland waterways, cable and wireless facilities, as well as a study of the terrain, coast, anchorages, tides, currents, beaches, climate, population, health and sanitation, and natural and man-made resources in the area. Additional information came from the Departments of Transport and Health and Welfare, as well as by Provincial Governments, the Bureau of Statistics, the Arctic Institute, and the Social Science Research Council.28 The reports were issued as Canadian Intelligence Surveys and were analogous in design and content to similar

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27 As soon as the ISTS was identified as forming the core of the new CJIB, Diamond Jenness, the head of ISTS who had fought so strenuously to protect the organization asked to return to his home department of Mines and Resources, or be permitted to retire. This left ISTS with few officers, nearly all of whom were scheduled to leave during the summer, and a handful of clerks. Memorandum, 14 May, 1947, NAC RG2. Vol. 81. File I-40 (1945-47).

surveys prepared by the British JIB and the American CIA, itself created only in 1947.\textsuperscript{29}

Even before a decision to establish the CJIB had been taken in the first weeks of 1947, the CJIC was proposing the creation of another organization, to be named the Canadian Joint Intelligence Staff (CJIS), and charged with preparing intelligence assessments.\textsuperscript{30} The CJIC sought a capacity for coordinated intelligence assessments which could harness the resources of all departments and agencies. The CJIS was to reflect the membership of the CJIC and its subordinate staff, but would be a fluid organization, periodically gathering area experts from departments and agencies for the specific purpose of preparing an intelligence evaluation, under the guidance of an \textit{ad hoc} chairperson appointed for the purpose.

The CJIS was to prepare joint strategic intelligence appreciations for the Permanent Joint Board on Defence (PJBD), which feed into revisions of plans for the joint defence of North America. Colonel W.A.B. Anderson, replacing Murray as Director of Military Intelligence in February 1946, thought it vital that the intelligence basis for the revision of the Joint Hemisphere Defence Plan to contain a Canadian contribution and proposed a formal link between the Canadian and American Joint Intelligence

\textsuperscript{29}Memorandum from Lt.-Col. J.A.K. Rutherford, Secretary, Joint Intelligence Committee on Joint Intelligence Bureau – Expansion, 20 May, 1948, NAC RG25. Vol. 5805. File 303-J(s).

\textsuperscript{30}Memorandum to Secretary, Chiefs of Staff Committee from CJIC, 13 July, 1946, NAC RG24. Vol. 8164. File 1700-51; and Minutes of the Canadian Joint Intelligence Committee, 5 July, 1946, Vol. 8088. File 11274-10 vol. 2.
Committees. During the spring, when joint intelligence appreciations were first raised, the military still thought that these would be done by the CJIC, which proved to have neither the resources nor the expertise for such work. The first CJIS report was a credible fifteen page assessment of Russian industrial war potential, strength and role of each of the Red military services and ice conditions in the Arctic. It concluded that there was no threat of a full scale air attack against North America in the immediate future although risks of Soviet mischief existed elsewhere in the world.

In October, Wrong wrote to Pearson, incoming Under-Secretary of State for External Affairs, advising him to look at the postwar intelligence structure, reminding him that Canada had conducted “our most secret operations with the vague general blessing of the Prime Minister and under his authority.” He now thought that the newly appointed Secretary of State for External Affairs, Louis St. Laurent, would have to sanction the continuing activities and be brought fully into the picture. Wrong believed that, “Unless the circle of Ministerial knowledge is widened and we carry the judgment of Mr. St. Laurent and Mr. Abbott [the Minister of National Defence], we shall find ourselves in difficulties that might lead to the cutting off of our receipts from other

31 Memorandum to DGCS(A) [Deputy General Chief of Staff – Army] titled Intelligence Aspects Permanent Joint Defence signed Col. W.A.B. Anderson, 30 April, 1946; and untitled Memorandum to VCGS from L.M.C., 11 May, 1946, DND. 112.21009 (D153).

32 Appreciation of Russian Ability to Engage in a War with the Object of Obtaining Supremacy of the Western Hemisphere, 12 March, 1946, NAC RG24, Vol. 8088, File 1274-10-5.

33 Memorandum for Mr. Pearson titled Intelligence Questions signed HW [Hume Wrong], 5 October, 1946, DFAIT File 29-1-1 Cda. vol. 1.
Wrong did not expand on the statement, but it suggests that intelligence from Canada's Allies was provided under an assumption that an intelligence relationship was sanctioned by Canada's senior political leadership. Pearson was also provided with an update of the Canadian intelligence community.

Glazebrook had been chairing meetings of the CJIC since June 21, 1946, and continued to do so until his departure from External Affairs late in 1946, to resume his career as a historian at the University of Toronto, at which time the chairmanship rotated among R.G. Riddell, D.M. Johnson, and Bill Crean, all from the Department of External Affairs. The absence of a consistent and strong chairperson for CJIC hindered and slowed creation of strong foreign intelligence institutions. Postwar intelligence policy and activities were being conducted by a series of committees and small units including the Communications Research Committee, chaired by External Affairs, which oversaw the activities of the CBNRC (the postwar SIGINT service), the Joint Intelligence Committee, the Joint Intelligence Staff, which prepared intelligence appreciations, the Joint Intelligence Bureau, which was not yet functioning, and the Security Panel set up to deal with all security questions of concern to more than a single department.

The Joint Intelligence Committee was now under the chairmanship of Riddell and

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Ibid.


Ibid., Memorandum titled Canadian Intelligence Policy, signed G.G.C. [G.G. Crean], 10 October, 1946.
efforts were being made to raise the level of what had hitherto been an ineffective body. It lacked the resources and skills to operate as an intelligence organization. External Affairs hoped that the creation of the Joint Intelligence Bureau would establish a resource for conducting intelligence research while appreciations prepared by the Joint Intelligence Staff would give the CJIC something meaningful to consider.

The immediate challenge facing the Canadian foreign intelligence community in early 1947 was leadership of the Canadian Joint Intelligence Bureau (CJIB). The Chiefs of Staff wanted the CJIB to proceed, although they were concerned that the poor performance of the Joint Intelligence Committee (CJIC) jeopardized success. Too much CJIC time was spent on procedural and organizational matters with few resources devoted to the consideration of intelligence. Having established and partly manned the CJIB, the CJIC still experienced difficulty in identifying a candidate with the skills and availability to direct the new organization. The matter had been discussed with the head of the British JIB, General Kenneth Strong, General Dwight Eisenhower’s wartime intelligence chief, who was anxious to have a functional Canadian organization with which to collaborate and offered to lend Canada someone to head the CJIB. The CJIC declined the British offer and eventually settled on Lieutenant Colonel G.W. Rowley, of the National Defence’s Directorate General of Defence Research. Rowley, appointed in


an acting capacity, was unpopular with the Navy which complained that he was a geographer with no intelligence experience and leaned too heavily on the Department of Mines and Resources’ Geographical Bureau, and was unlikely to focus on the foreign intelligence function of the CJIB.39 Unable to identify and gain broad support of a strong constituency within the armed services, Rowley faced an uphill battle but remained the acting director of CJIB until the summer of 1948, when he tendered his resignation.

The CJIB collected and collated a great deal of intelligence from open sources as well as from diplomatic and intelligence sources. Once a month, a “Summary of Intelligence on J.I.B. Subjects Received from Canadian Sources” was circulated among readers in Ottawa. The topics covered focused on economic and social infrastructure with only a small number being geo-political in nature. There was little differentiation in coverage between Soviet bloc adversaries and the soon-to-be NATO allies.40

The CJIB sought funding of $107,000 for its first year, about half of which was for salaries. Authority was also requested to staff 24 position, half officers and half support personnel, with several of the officer positions initially filled by personnel from the Geographical Bureau of the Department of Mines and Resources.41 The organization was never envisaged as being large, and probably never amounted to more than 75


40Joint Intelligence Bureau reports dated October and November, 1948. The North Atlantic Treaty was not signed till April 4, 1949, but exploratory talks had begun the previous spring. NAC RG2. Vol. 81. File I-40 (1948-49).

persons. By 1950 the total staff complement stood at 19 research officers, 10 technical officers, and 13 support staff.42 The CJIB was effective, and if one can gauge its value by a single indicator, it is worth noting that the Joint Intelligence Bureau produced 11 intelligence “Appreciations” (each between 50 and 100 pages, or more, in length) during the period January 1949 – January 1951, a respectable output.43 Some other reports, of less significant length, were also prepared.

Although under the policy direction of CJIC, the CJIB was housed with the Defence Research Board (DRB), for administrative purposes, in part because the latter enjoyed a secret vote (unvouchered funds which did not appear in the annual budget). It was not long, however, before the Defence Research Board balked at this arrangement. After a year of administrative responsibility for the CJIB, the Defence Research Board complained to the CJIC that the situation was untenable and proposed that the DRB be relieved of its administrative responsibility or that it assume full authority for the CJIB.44 Military members of the CJIC reacted negatively to the DRB recommendation. Colonel W.A.B. Anderson, the Director of Military Intelligence, pointed out that coordination of foreign intelligence was vested in the CJIC, with the CJIB created to “assume responsibility for all Intelligence work in such fields as could be demonstrated to be


common to more than one agency." Since intelligence work remained within the responsibilities of the Service Directorates and External Affairs which, Anderson argued, constituted the CJIC, the latter remained responsible for the CJIB. \(^{46}\) The squabbling continued with no solution in the short term.

On June 1, 1948, the Chiefs of Staff Committee took the opportunity, sensing the discord and lack of direction confronting the CJIB, to restate the tasks and organization of the Joint Intelligence Bureau. The duties of the CJIB were fourfold:

A. To collect and collate the information require for defence purposes on Canada, Newfoundland (including Labrador), St. Pierre and Miquelon to meet the requirements of the Strategic Information Appendix to the Canada-U.S. Basic Security Plan.

B. To provide, in greater detail than the Canadian Intelligence Surveys, the basic information necessary for planning the movement of forces by sea, land and air in Canada and adjacent territory....

C. To collect, collate and provide information on the topography, communications, economic and industrial war potential of foreign countries as required by the various intelligence and planning staffs.

D. To exploit all available Canadian sources of overt information on foreign countries, not already under the control of the other Intelligence Agencies....\(^{47}\)

The Chiefs of Staff also reiterated that the Defence Research Board remained responsible

\(^{45}\)Col. W.A.B. Anderson to Secretary, Joint Intelligence Committee, 16 August, 1948, NAC RG 25. Vol. 5805. File 303-J(s).

\(^{46}\)Ibid.

for the administration of the Canadian Joint Intelligence Bureau.

Although Rowley's resignation occurred three days after the restatement by the Chiefs of Staff Committee of the CJIB responsibilities, the two events were not related.\textsuperscript{48} Rowley had been uncomfortable for some time with the lack of support he received and decided independently to retire.\textsuperscript{49} Each of the armed services proposed their own candidates as successors to Rowley. By this time, however, the Department of External Affairs was losing patience with the prolonged organizational struggles of the unit and, by October 1948, Glazebrook, the former External Affairs officer, had agreed to have his name considered for appointment as Director of the CJIB.\textsuperscript{50}

Glazebrook had resumed his academic career with the history department at the University of Toronto in 1946, but had lost his zest for teaching. Moreover, he had given up a lucrative fellowship because of his many trips to Ottawa to deal with loose ends within the wartime intelligence world. In early December, 1948, the Minister of National Defence, and Acting Secretary of State for External Affairs, wrote the president of the University of Toronto pleading national urgency in seeking the release of Glazebrook

\textsuperscript{48}Memorandum to Secretary, Chiefs of Staff Committee, 4 June, 1948, NAC RG24. Vol. 6178. File 22-1-43. vol. 2. The resignation became effective either on 1/7/48 or 1/8/48. Both dates are cited in documents in the file.

\textsuperscript{49}Memorandum from DMI to JIC, 16 August, 1948, NAC RG24. Vol. 6178. File 22-1-43 vol. 3.

\textsuperscript{50}Minutes of the Personnel Members Committee, 28 October, 1948. NAC RG24. Vol. 6178. File 22-1-43. vol. 3.
from his university duties.\textsuperscript{51} Glazebrook was willing to return to assume the Directorship of CJIB if he had a free hand without interference from the Defence Research Board. To bolster a more independent position, Glazebrook returned to the Department of External Affairs, attached to the Department of Defence as Director of CJIB.\textsuperscript{52} While he wanted to cement the relationship between the Department of External Affairs and the Canadian Joint Intelligence Bureau, and was nominally under the authority of the CJIC, he retained doubts about the durability of the CJIB and sought the security of his old department, with an assurance that he could resume conventional diplomatic work should he wish.\textsuperscript{53}

Glazebrook assumed his new duties as Director of the Joint Intelligence Bureau in January, 1949, and this marks the date on which CJIB began to function.\textsuperscript{54} Very quickly, Glazebrook divided the CJIB into two divisions, one being an economic division which he headed. This unit did intelligence assessments, received and integrated material made available from CBNRC, and disseminated the evaluations to key clients in Ottawa.\textsuperscript{55}

\textsuperscript{51}Letter from T.W.L. MacDermot to Dr. S.E. Smith, University of Toronto, 7 December, 1948, NAC RG2. Vol. 81. File I-40 (1948-49).

\textsuperscript{52}T.W.L. MacDermot Note to File, 6 November, 1948, NAC RG25. Vol. 5805. File 303-J(s).

\textsuperscript{53}Letter from George Glazebrook to Bill Crean, 20 November, 1947. As event turned out, Glazebrook did eventually return to conventional diplomatic work (and some intelligence activities) with the Department of External Affairs after his tour with the CJIB. NAC RG25. Vol. 5805. File 303-J(s).

\textsuperscript{54}Letter from D.A. Camfield, CJIB, to J.J. McCardle of DL(2) at DEA, 13 August, 1965. DFAIT File 1-3-14-1. Vol. 1.

\textsuperscript{55}Interview with Mr. George Glazebrook, 12 January, 1977, p. 67, DFAIT Special Registry.
second unit was a topographic division representing much of the Inter-Services Topographical Section which had been bequeathed to the CJIB. This division was under the direction of Ivor Bowen, who had been released by the British Joint Intelligence Bureau for secondment to Canada in February, 1948. A prewar assistant lecturer in geography at the University College, Exeter, Bowen had spent the war in British military intelligence and had joined the BJIB upon demobilization.56

During his tenure at CJIB, Glazebrook acted with a great deal of autonomy and often independently of the Canadian Joint Intelligence Committee. He had earlier been its chairman and it was now led by his former subordinate, Bill Crean. The duties assigned by the Chiefs of Staff Committee to the CJIB in June, 1948, had been general in nature. In March, 1949, after Glazebrook’s arrival, these were made more specific by a request from the Secretary of the Cabinet Defence Committee for CJIB to provide information for a study on the “vital points in Canada” (i.e., potential threats to critical infrastructure), a plan for economic warfare, and some early efforts on psychological warfare with particular reference to economic shortages.57

The CJIB recorded an increase in requests for material on foreign countries, including those countries which constituted the North Atlantic Treaty nations.58 By the

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58Ibid.
spring of 1949 the CJIB’s major task was providing information on the economic war potential of foreign countries, with the Soviet Union and its satellites forming the first priority and the “countries of the Atlantic community or countries on the periphery of the Soviet sphere of influence ... and Argentina” forming the second tier.\footnote{Circular Document No. A. 38 from G.G. Crean to Heads of Canadian Missions Abroad, 31 May, 1949, NAC RG2. Vol. 248. File I-40 (1948-49).} The areas of interest focused on general information, including manpower, finance, and economic mobilization capability; food production and supply; fuels and power; mining and metallurgy; chemical industry; and, armaments and engineering.\footnote{Ibid.} At about this time, Canadian missions abroad began to receive specific requests for information from the CJIB, to meet its intelligence requirements.\footnote{Ibid.}

It will be recalled that before Glazebrook’s appointment as head of the CJIB, another small foreign intelligence unit had been proposed under the authority of the CJIC to collect, research, evaluate and disseminate all foreign intelligence on foreign countries required by Canada, and to prepare strategic intelligence appreciations, reports and research papers. The Chiefs of Staff Committee granted approval in February 1947, for CJIC to create a full-time Joint Intelligence Staff (CJIS), manned by a representative from External Affairs, DND’s Directorate of Scientific Intelligence (DGDR), and each of the Naval, Military, and Air Intelligence (DNPI, DMI, and DIA) Directorates.\footnote{Memorandum from Lt.-Col. J.A.K. Rutherford to the Secretary, Chiefs of Staff Committee, 17 February, 1947, NAC RG2. Vol. 81. File I-40 (1945-47).} The idea of
CJIS had first been floated in the spring of 1946 as a vehicle for preparing the Canadian contributions to Canada-U.S. strategic intelligence appreciations for the Permanent Joint Board on Defence (PJBD). Nothing had been done for the remainder of the year as Canada struggled to identify and select the appropriate leadership for the parent CJIC.

The CJIS was a ‘virtual’ organization with no physical establishment and the constituent parts only coming together irregularly. The members of the CJIS remained in their home organizations but, for the most part, were relieved of other responsibilities so that they could direct their activities on tasks for the CJIS.63 There was no permanent chairperson of the CJIS, although one was appointed for each research project. A Service member of the CJIS served as a Secretary with the position rotating annually between the Army, Navy and Air Force.64 The CJIS prepared all intelligence appreciations required by the Canadian Joint Intelligence Committee, as well as recommending subjects to be considered for analysis. For the most part, the first draft of an assessment was prepared by a single CJIS member, with the document then reviewed, revised and approved by other members of the CJIS.65 The CJIS issued a highly classified Monthly Intelligence Review for limited circulation. A more widely distributed version, in a sanitized format

63G.G. Crean memorandum for Mr. Heeney, 2 September, 1949, DFAIT File 11-4-1 DL2.

64Chiefs of Staff Committee memorandum on Joint Intelligence Staff, 15 March, 1947, and Lt.-Cdr. F.W.T. Lucas to Secretary, Chiefs of Staff Committee, 21 July, 1947, NAC RG2. Vol. 81. File I-40 (1945-47), and Minutes of the Joint Intelligence Committee, 20 June, 1947 and 25 June, 1947, NAC RG 24. Vol. 6178. File 22-1-44. Although almost certainly an error, the date of establishing the CJIS is cited as August 1947 in an appendix to G.G. Crean’s memorandum for Mr. Heeney, 2 September, 1949, DFAIT File11-4-1 DL2.

65G.G. Crean memorandum for Mr. Heeney, 2 September, 1949, DFAIT File 11-4-1 DL2.
with a lower classification, was also prepared.

The early postwar years, when the foreign intelligence units came into being, were a period of dramatic reconfiguration of Canada's foreign policy. Canada's role exceeded the boundaries of its geo-political and economic power. Canada's views were sought, and were influential, in the creation of the United Nations and, later, the North Atlantic Treaty Organization. The Department of External Affairs was engaged in significant expansion to meet the staffing requirements demanded of the new role Canada was called upon to play. Pearson, as Under-Secretary of State for External Affairs, refused to assign External Affairs staff to the CJS if this prevented limited DEA resources from carrying out "studies on matters of primary importance." In a long letter to the Chiefs of Staff, Pearson wrote:

At the present time there is an acute shortage of trained officers to undertake the work in the Department, and I do not consider that the J.I.S. or the Departmental representative on it could undertake the satisfactory preparation of such a summary [the Monthly Intelligence Review].

I should like to stress that I am most anxious that such a summary should be produced, and that as soon as adequate arrangements have been made in the Department I would propose that the J.I.S. should prepare such a summary....

I might add that papers commenting on and interpreting political developments of strategic significance will be prepared in the Department from time to time, with such assistance from the J.I.S. as may be required, and these will be available for limited distribution in Ottawa through the J.I.S.

I am arranging to provide the J.I.S. with copies of telegrams and despatches on political and economic matters so that the members may be kept up to date on

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66 Letter from L.B. Pearson to Secretary, Chiefs of Staff Committee, 2 September, 1947, NAC RG24. Vol. 6178. File 22-1-44.
current developments.\textsuperscript{67}

In spite of refusing to be an active partner in the CJIS, External Affairs had no qualms about calling on the CJIS, at the beginning of 1948, when Canada was elected to a seat on the UN Security Council, to request a long list of studies on topics expected to occupy the Canadian delegation during its tenure. Prior to January, 1948, the CJIS had prepared only two studies for the Department of External Affairs. For the remainder of 1948, there was a steady flow of demands for reports on the capabilities, aims, and strategies of the USSR, and appreciations on the Near and Middle East, Western Europe, the Far East, Palestine, Germany, Greece, Trieste, Turkey, Iran, China, and Japan.\textsuperscript{68} The CJIS succeeded in accommodating the unexpected demands.

Very few intelligence assessments prepared by the CJIS for approval by the CJIC have been declassified. One accessible report is a twenty-five page analysis on Yugoslavia prepared in 1950 to assess the possibility of a Soviet or Soviet-assisted attack by 1952. A comprehensive evaluation, the report reviewed Yugoslav relations with the U.S.S.R. and its satellites, as well as with the West. It also assessed the country’s economic resources, transportation infrastructure, and airfield and defence resources, and evaluated deficiencies which, if addressed, would permit Yugoslavia successfully to

\textsuperscript{67}Ibid.

\textsuperscript{68}Department of External Affairs memorandum to the Joint Intelligence Committee, 29 January, 1948, NAC RG24. Vol. 6178. File 24-14-5; and G.G. Crean, Joint Intelligence Committee memorandum to Secretary, Chiefs of Staff Committee, 13 December, 1948, NAC RG24. Vol. 6178. File 22-1-44.
withstand an attack.\textsuperscript{69}

With the outbreak of war in Korea, the CJIS was charged with preparing a morning situation report based on External Affairs reporting telegrams, signals available to the three Service Directorates of Intelligence, and media coverage.\textsuperscript{70} The reports ran two to three pages in length, covered ground, naval, and air forces. A political segment was intermittently included detailing events in the U.N. Security Council, the capture of a Russian air force lieutenant, or Canadian decisions on participation in the war. The contents were not derived from intelligence material but reflected military theatre reporting and normal diplomatic reporting. No political analysis or socio-economic information were detailed in the reports.\textsuperscript{71}

An agreement between the CJIC and U.S. military intelligence for the joint preparation of intelligence appreciations for the Canada-U.S. Basic Security Plan had been the catalyst for creating the CJIB. This was expanded to include American-British-Canadian intelligence appreciations. What became an annual ritual of forecasting Soviet threats to North America began for Canada with a Cabinet decision on December 19, 1945, detailing a Canadian planning team to meet with an American counterpart to form the Joint Canadian-United States Military Co-operation Committee for the purpose of

\textsuperscript{69}JIC. Chiefs of Staff Committee Paper No. 5(51): Yugoslavia, 18 May, 1950, NAC RG24, Series C-1, Reel C-11665, File 9042-34/352.

\textsuperscript{70}Memorandum for the Joint Intelligence Staff, 29 June, 1950, NAC RG24, Series C-1, Reel C-11665, File 9042-34/178-3.

\textsuperscript{71}Korea: Joint Intelligence Committee Sitrep, July to September, 1950, NAC RG24, Series C-1, Reel C-11665, File 9042-34/178-3.
revising ABC-22, the joint basic security plan.\textsuperscript{72} From the preparation of the joint basic security plan grew the annual estimates of the Soviet threat. The CJIC was tasked with "preparing an appreciation as to possible forms and scales of attack against Canada which would be amplification of the joint appreciation agreed upon by the Canadian-U.S. Committee."\textsuperscript{73} The study concluded that the Soviet Union was the only conceivable enemy but that no large-scale attack was likely before 1950, after which attacks of a more serious nature were possible.\textsuperscript{74}

The Canadian effort concluded, however, that there was a lack of intelligence about Russia, little such intelligence was available from Canada's allies, and there was a lack of adequate intelligence staff to use available information effectively.\textsuperscript{75} Nevertheless, the 1946 appreciation received only minor adjustment in 1947 while the 1948 appreciation was completely redone.\textsuperscript{76} That report was finished on December 8, 1948, having been begun already in April. Over 100 pages in length, and projecting from 1949 to 1956, it was an extensive study of Soviet resources, capabilities, and intentions based on economic, political, and military factors. The major conclusion was that the

\textsuperscript{72}Joint Canadian-United States Basic Security Plan, 18 June, 1946, DND 112.3M2(D116).

\textsuperscript{73}J.I.C. Appreciation on Forms and Scales of Attack, 29 May, 1946, NAC RG24, Vol. 8088, File 1274-10 vol. 1

\textsuperscript{74}Ibid., Outline of J.I.C. Appreciation Leading to Canadian-U.S, Basic Security Plan, 28 May, 1946.

\textsuperscript{75}Intelligence – Russia, 10 May, 1946, DND 112.3M2(D116).

\textsuperscript{76}Long-Term Strategic Appreciation, 2 September, 1948, NAC RG24, Reel C-11665, File 9042-32/21-3.
Soviet Union "would not be capable of attacking Canada and the United States by
c conventional bombing throughout the period."\textsuperscript{77} Nevertheless, there were obviously
differences of interpretations which dogged the joint assessment exercise. A Canadian
evaluation at the mid-point of the drafting states that the Americans believed that Soviet
air attacks "would no longer be 'of limited strength,' whereas we [Canada] have no
intelligence which indicates an increased enemy capability in this regard."\textsuperscript{78} In a
discussion of the final 1948 report by the CJIC in early 1949, there was evident Canadian
concern that the Americans had proposed a marked increase in the Soviet strategic air
force, and attendant ability to attack North America, by a factor of two and a half times
the initial estimate of B-29 aircraft (Tu-4 was the Soviet copy), and that Canada "was not
prepared to accept these figures until confirmation was available."\textsuperscript{79} No documents
highlight any resolution of what may be the beginnings of the 'bomber gap.'

While Canada and the U.S. were drafting their appreciation on the Soviet threat to
North America, the British and Americans were similarly preparing an agreed intelligence
evaluation of Soviet intentions and capabilities, which was concluded on November 10,
1948, and ran to about 200 pages. The following year, Canada joined Britain and the United States in their preparation of a common evaluation of Soviet intentions and capabilities for 1950. The decision to include Canada was probably a last minute decision since the invitation was received on September 1, 1949, with the CJIS personnel heading to Washington on September 10 and the report being finished on September 27. Running over 100 pages, the assessment highlighted a divergence of analysis. The United States was of the view that, if war occurs, it could begin with little or no warning, while the British and Canadians estimated that armed conflict with no notice, while possible, was unlikely without necessary preparatory action by the Kremlin, which would be evident to the West. Canada sought, and received, inclusion of "an estimate of the forms and scales of attack against North American in relation to attacks elsewhere."

The invitation for Canada to join the British and Americans in the 1949 assessment of the Soviet threat, had come shortly after finishing a Canadian-American estimate of the Soviet threat to North America, looking forward to 1957. The report

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80 American-British Agreed Intelligence: Soviet Intentions and Capabilities, 10 November, 1948, NAC ATIP No. AH-2000-00257.


83 Ibid., Memorandum to The Secretary, Chiefs of Staff Committee from JIC, 19 October, 1949.

84 Probable Soviet Courses of Action Against Canada, the United States, and the Areas Adjacent Thereto, 1 Jan 1957, DND ATIP No. (A) 1999-01288 and NAC RG24,
followed the format of earlier Canada-U.S. reports but was significantly rewritten and
probably longer (the core report was a third longer, the appendices have not been
released). While the conclusions did not differ significantly from the report of the
previous year, Canada remained concerned with American perceptions of Soviet long-
range bombers. The air threat had been magnified by the Americans who claimed that
Soviet bombers could use air refueling to attack North American (and return home)
although there was no specific evidence to support this possibility. In addition, the
Americans envisioned a B-36-type Soviet bomber by 1957 with a range of 10,000 miles
thereby threatening Newfoundland, Florida, and California. The joint assessment simply
concluded that a B-36-type Soviet bomber was a possibility.85

The Canada-U.S. assessment had anticipated a Soviet atomic test by mid-1950
while the later American-British-Canadian threat assessment managed to be surprised by
the 1949 successful Soviet nuclear explosion and quickly added a paragraph stating that
the Soviet Union would have no more than ten atomic bombs by the beginning of 1950.86
Both studies were outdated immediately and a six-month study was launched in Canada
(with similar activities taking place in Britain and the U.S.) to assess the new threat. The
Canadian study was tasked with

Vol. 20887, File 14-8-11-3.

85 Brief for Chiefs of Staff Committee, 22 August, 1949, DND ATIP No. (A) 1999-01288.

86 Probable Soviet Courses of Action Against Canada, the United States, and the
Areas Adjacent Thereto, 1 Jan 1957, DND ATIP No. (A) 1999-01288; NAC RG24, Vol.
20887, File 14-8-11-3; and, A.B.C.I. 15/ Soviet Intentions and Capabilities – 1950, 27
September, 1949, DND ATIP No. (A) 1999-01290.
A determination of targets in Canada which the Soviet leaders may consider suitable for atomic attack and an estimation of the effect which the elimination of these targets by atomic bombs would have on the ability of Canada to wage war.\textsuperscript{87} Canadian and American intelligence staff met in Washington during April and May, 1950, to determine the Soviet atomic threats to North America by mid-1951 and by mid-1954.\textsuperscript{88} The American side was not prepared to discuss world-wide implications of Soviet atomic power although the Canadians attempted to include in their draft implications for Soviet military commitments elsewhere in the world. The length of the Washington meeting was the result of excellent preparatory work by the CJIS which made "it harder for the Americans to achieve an easy acceptance of many of their points of view."\textsuperscript{89} Acrimony also arose from a Canadian refusal to accept the U.S. proposed draft. The Americans were invited to London for a similar Anglo-American review the following June, but declined an American-British-Canadian conference on the subject.\textsuperscript{90}

Meanwhile, at the Canadian Joint Intelligence Bureau, Glazebrook continued to build up the organization and DEA officials often sought out the familiar and dependable person at the helm of the CJIB at a time when demands for its services were increasing.

\textsuperscript{87}Revision of ABC Intelligence, 10 November, 1949, and Revision of ABC Intelligence, 15 November, 1949, DND ATIP No. (A) 1999-01290.


\textsuperscript{89}Ibid.

\textsuperscript{90}Ibid. Canadian-U.S. threat assessment to North American by the Soviet Union continued until at least the 1970s.
with Canada's growing international stature. By November, 1949, less than a year after
he had assumed responsibility for the CJIB, Glazebrook felt confident enough to report to
the Chiefs of Staff Committee on progress. For the last half of the year, the incoming
intelligence reaching the CJIB had doubled from the beginning of the year. Much of it
was Canadian, originating primarily with the Departments of External Affairs and Trade
and Commerce, but some coming from Defence Attachés and additional material being
produced by the Department of Finance, the Department of Mines and Resources, and the
Bank of Canada. Some Canadian commercial firms, particularly those with developed
representation abroad, agreed to pass information to the CJIB. It should be underscored
that the information originating with sources other than the foreign service departments
was overtly collected economic and socio-political information. Intelligence material
reached the CJIB from its British counterpart, the BJIB, with which close relations
existed.

The bulk of the work of the CJIB was on behalf of the Department of National
Defence. CJIB responded to requests for information from the three service Directorates
of Intelligence, but also worked for the Cabinet Secretariat, the Department of External
Affairs, and the Department of Mines and Resources. Both Bowen and Glazebrook had
been lent to the CJIB for two years. Glazebrook returned to the Department of External
Affairs on January 1, 1950, and Bowen was asked to become Acting Director of the CJIB,

\[91\] CJIC to the Secretary, Chiefs of Staff Committee, a Report on the Joint

\[92\] Ibid.
being confirmed in the position on July 1. With a permanent appointment as Director of CJIB, Bowen resigned from the British service.

From its inception, the CJIB was expected to maintain intelligence exchanges and liaison arrangements with corresponding intelligence organizations in the United States and in Great Britain. In a practice dated back to at least the 1930s, the Britain made available to Canada various intelligence reports and it was decided in 1950 to assign an officer from the CJIB to London to act as a liaison officer to British intelligence. However, formal intelligence assessments shared by the British Joint Intelligence Committee were forwarded to the CJIC, rather than to the CJIB.

A relationship with the newly-created U.S. Central Intelligence Agency (CIA) was sought, although there were no links between the CJIB and the CIA during the first year of the CJIB's existence. The American National Security Act of 1947 established the CIA as an independent agency within the Executive Office of the President. The earliest substantive contact between the Canadian intelligence community and the CIA dated to early 1949 when Crean, then Chairman of the Joint Intelligence Committee, met with CIA Director, Rear Admiral R.H. Hillenkoetter, in Kingston, to discuss placing a


94Ibid.


CIA liaison officer in Ottawa. Hillenkoetter suggested that “such a position was of benefit to both of our organizations.”97 Some contact may have preceded this meeting since, already on June 1, 1948, the Canadian Chiefs of Staff Committee had authorized “The Joint Intelligence Bureau ... to establish liaison with the Central Intelligence Agency in the U.S.A. for the exchange of pertinent information within the Joint Intelligence Bureau field...”98 Exchanges of letters, some visits, and further discussions continued for more than a year with little progress in the relationship. James Angleton, the CIA’s counter-intelligence chief, accompanied by a Colonel Schow, visited Ottawa in June, 1949, at the initiative of Hillenkoetter, to discuss liaison links with the CJIC.99 The visit of Angleton and Schow was inconclusive, since the CIA wanted Canadian assistance in the counter-intelligence field while the CJIC was interested in exchanging primarily economic and scientific intelligence.100

In early 1951, a relationship between the Canadian intelligence community and the CIA began to blossom, following a visit by Lieutenant General Charles Foulkes to Lieutenant General Walter Bedell Smith, the Director of the CIA. Foulkes met Bedell


98Ibid., Minutes of the Meeting of the Chiefs of Staff Committee of 18 March, 1949.


100Memorandum from G.G. Crean for Mr. Heeney, 2 September, 1949, DFAIT File 11-4-1 DL2.
Smith at the request of the Canadian Joint Intelligence Committee to discuss liaison arrangements and because a "close link existed between the Central Intelligence Agency and the U.K. Joint Intelligence Bureau[,] and the Central Intelligence Agency was anxious that this link should be broadened to include Canada."\textsuperscript{101}

The CIA invited Canadian representatives to Washington, where Agency studies were made available as long as "their use [was] confined to military purposes."\textsuperscript{102} The CJIB (and DND's Directorate of Scientific Intelligence) began an intelligence exchange with the CIA which became particularly close following a visit to Washington in April by the Director of the Canadian Joint Intelligence Bureau.\textsuperscript{103} From this meeting emerged a Canadian decision to send to the CIA as many as possible of its CJIC papers, which were prepared by the CJIB and the CJIS, with only those relating to Canadian policy towards other countries being exempted. At the same time, Canada increased the flow of Canadian intelligence assessments to the British intelligence community.\textsuperscript{104}

The relationship between Canadian intelligence units and the CIA was not always smooth and, by 1952, the CIA was complaining that Canada was not pulling its weight,

\textsuperscript{101}Ibid., Minutes of the Meeting of the Chiefs of Staff Committee of 28 February, 1951.

\textsuperscript{102}Ibid.

\textsuperscript{103}Letter from General Foulkes to Bedell Smith, Director, Central Intelligence Agency, 7 March, 1951, letter from Bedell Smith, 3 April, 1951, and General Foulkes to Air Vice Marshall H.L. Campbell, and Foulkes to Bedell Smith, 13 April, 1951, DND File 73/1223 Series 9 File 3170 Intelligence.

\textsuperscript{104}Ibid. Minutes of the Meeting of the Chiefs of Staff Committee of 24 April, 1951, NAC RG24. Vol. 6178. File 24-14-5; and Memorandum to Chairman, JIC entitled Intelligence Relationship with CIA, signed Lt. Col. R.L. Raymont, 24 April, 1951.
being “the poorest contributor of all those collaborating with the CIA.”\textsuperscript{105} The CIA pushed Canada to become more aggressive in debriefing individuals in possession of information of intelligence value.\textsuperscript{106} In June, 1952, Foulkes informed the CIA of a new overt HUMINT collection initiative which was under consideration and which would exploit the knowledge and expertise of refugees and travelers with access to information of intelligence value.\textsuperscript{107} The following year, the CJIB established the Interview Program, a non-clandestine HUMINT collection organization. Although limited debriefing of travelers by the CJIB had begun in the late 1940s, it required American intervention to formalize the program.\textsuperscript{108}

An exchange of intelligence between the CJIB and the Australian Joint Intelligence Bureau began in 1951, but it was limited for a number of years. The intelligence exchange with the New Zealand Joint Intelligence Bureau did not commence until the mid-1950s.\textsuperscript{109} No direct exchange of political intelligence between External


\textsuperscript{106}Ibid.

\textsuperscript{107}Letter from General Foulkes to George Glazebrook, 3 June, 1952. DND File 73/1223 Series 9 File 3170 Intelligence.

\textsuperscript{108}Kurt F. Jensen, “Canada’s Foreign Intelligence Interview Program, 1953-90” (paper presented at the annual meeting of the Canadian Association of Security and Intelligence Studies, Ottawa, Ontario, 26-28 September, 2002). The Interview Program, now located at the Department of Foreign Affairs and International Trade, is the only element of the CJIB still in existence.

\textsuperscript{109}Letter from General Foulkes to George Glazebrook, 3 June, 1952. DND File 73/1223 Series 9 File 3170 Intelligence. The exchange of intelligence between the CJIB and the NZJIB began in 1956.
Affairs and any American intelligence agency existed during the late 1940s. Some discussions with the Office of Intelligence and Research of the U.S. State Department had taken place to develop an intelligence flow but these talks did not produce results until some time later.\footnote{Ibid.}

The rudiments of a foreign intelligence structure were defined and functioned well by the end of the decade, albeit with little entrenched political support. An internal dialogue on the country’s intelligence capabilities and requirements was initiated in the summer of 1949.\footnote{Letter from G.G. Crean to Mr. Gill, Secretary, Chiefs of Staff Committee, 14 July, 1949, NAC RG2. Vol. 248. File I-40 (1948-49).} A paper on “Canadian Intelligence Requirements,” prepared by George Glazebrook, R.G. Riddell, Colonel W.A.B. Anderson, and Bill Crean,\footnote{Ibid., Memorandum for Mr. Gill signed G.G. Crean, 14 July, 1949. Although first circulated on 14 July, the paper had been drafted about a month earlier.} initiated the process and stated that,

In the widest sense, the requirements of intelligence by the Canadian Government embrace any aspect of foreign affairs in which the Government may from time to time be interested. Such requirements include both the intelligence required for the production of appreciations on strategic problems and relationships, and the intelligence required by the Services and certain of the civilian departments of government for the successful discharge of their day-to-day responsibilities.\footnote{Ibid., Memorandum for Mr. Gill signed F.W.T. Lucas, 18 July, 1949.}

Intelligence was required for strategic political appreciations to meet four specific needs:

(a) assessment of political intentions and capabilities;
(b) war potential and preparations for war;
(c) strategic plans and capabilities;
(d) vulnerability to direct attack or indirect pressure.\textsuperscript{114}

Canada was dependent on intelligence from Great Britain and the United States which was “derived from various sources and of great value,”\textsuperscript{115} but to depend entirely on foreign intelligence provided by others had consequences:

(a) It would make impossible the exchange of intelligence .... Even a small quantity of intelligence supplied from original Canadian sources – provided that the quality is high – allows for a free exchange; [sic]

(b) It would, in those matters which are of particular Canadian interest, make it difficult to provide appreciations [intelligence analysis] suited to the nature and scope of the interest.

(c) Reduce the possibility of creating a Canadian intelligence structure sufficiently experienced and rounded as to operate adequately under all emergencies.\textsuperscript{116}

Canada’s intelligence allies were unlikely to continue a flow of intelligence without a corresponding Canadian contribution of intelligence, and over-dependence on the intelligence of others constricted independent choices and hampered sound policy-decisions. While Canada’s foreign policy-making required intelligence appreciations, “It does not follow that these appreciations must be based wholly on intelligence acquired from Canadian sources.”\textsuperscript{117} Information from Allied intelligence services was welcomed for augmenting and enhancing Canadian intelligence assessments.

But Canada was becoming dependent on the United States and Great Britain for

\textsuperscript{114}Ibid., Memorandum for Mr. Gill signed G.G. Crean, 14 July, 1949.

\textsuperscript{115}Ibid.

\textsuperscript{116}Ibid.

\textsuperscript{117}Ibid.
an increasing amount of its foreign intelligence with a potential impact on independent action. At the heart of the debate were two questions:

(a) Is the Canadian intelligence organization, at home and abroad, adequate for the purposes defined above?
(b) If not, what alterations or additions are necessary?\textsuperscript{118}

No answers to these key questions were available.

The following September, Crean prepared an extensive report on the Canadian intelligence community for Arnold Heeney, who had become Under-Secretary of State for External Affairs in March 1949.\textsuperscript{119} Crean said that External Affairs had two main interests in assuming a dominant role in policy relating to foreign intelligence:

(a) The formation of sound foreign policy depends in large measure upon the amount and accuracy of intelligence available to the Department. Not only do we require political intelligence from our missions abroad, but also all political intelligence which can be made available from secret sources. In addition we require strategic intelligence, which can be provided by the [C.] J.I.C. While strategic considerations may often be discarded on political grounds, it is important to take them into account in forming foreign policy. Prior to the creation of the [C.] J.I.C. in its present form, a mechanism for producing collated strategic intelligence did not exist in Ottawa. Increasing use should be made of the [C.] J.I.C. for this purpose.

(b) The conduct of our relations with intelligence agencies in other countries, must be kept in line with government policy toward the governments of those countries. It is thus desirable for External Affairs officers to take a leading part in negotiations and talks with such authorities. In the past four years, this has been important in working out relations with G.C.H.Q., S.I.S., the U.S. Sigint authorities, and the U.S. and U.K. Joint Intelligence Committees.\textsuperscript{120}

\textsuperscript{118}Ibid.

\textsuperscript{119}Memorandum from G.G. Crean for Mr. Heeney, 2 September, 1949, DFAIT File 11-4-1 DL2.

\textsuperscript{120}Ibid.
Three challenges, thought Crean, confronted the organizing of foreign intelligence within External Affairs. The first of these was the "S.I.S. problem," meaning that External Affairs did not possess the qualified staff to evaluate the intelligence obtained from the British Secret Intelligence Service (BSIS) with which the department cooperated closely in overseas intelligence operations, and provided protection for defectors requiring resettlement.  

Linked with this was the need for staff to collate and disseminate the foreign intelligence which reached External Affairs. The second challenge concerned counter-espionage and security intelligence. The final challenge was the inadequacy of security arrangements at Canadian missions abroad.  

Crean contended that the staff of the Defence Liaison Division was insufficient for the work, with the department's foreign intelligence interests, intelligence liaison duties, security responsibilities, chairing of both the Communications Research Committee and the CJIC overwhelmed the two individuals available for the tasks. An External Affairs officer was Chairman of the CJIC but the Chairman must be freed so far as possible from the detail of departmental duties, if he is to discharge his responsibilities to the Committee [CJIC] and to the Chiefs of Staff [at National Defence]. At the same time he must retain responsibility for his own Division in the Department in order to be fully informed of all important developments in international affairs. Under these circumstances, and with the present staffing of the Defence Liaison Division, the Head of the Division cannot possibly discharge adequately his functions as Chairman, J.I.C.  

Resources were consistently insufficient to meet national demands.

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121 Ibid.

122 Ibid.

123 Ibid.
External Affairs’ Defence Liaison Division, with responsibility for defence relations and foreign intelligence, had only been established in November, 1948, as part of the administrative reforms introduced by Pearson when he became Secretary of State. Crean’s initiative led to Defence Liaison being split into two separate divisions in 1950, one remaining responsible for bilateral and multilateral defence policy matters and the second being exclusively tied to security and intelligence matters. The two new divisions retained the existing name but became designated 1 and 2, or DL(1), for defence matters, and DL(2) for security and intelligence affairs.\(^{124}\) Few additional resources, however, were made available to meet the demands.

The idea of establishing a clandestine HUMINT service must have circulated within the Canadian intelligence community in the late 1940s, although very little relevant archival material has become available. The British likely urged Canada to expand its activities to include clandestine intelligence gathering, a capability which they assisted the Australians to develop at about this time.\(^{125}\) During the spring of 1947, Canada considered drawing upon the knowledge and expertise of William Stephenson, the Canadian-born head of British Security Coordination (BSC), who had operated in New York with responsibility for all British security and intelligence activities in the Western Hemisphere for most of the Second World War. Stephenson’s operation had


wound up in 1945, although he continued to live much of the time in New York.\textsuperscript{126}

No decision on creating a covert foreign intelligence unit had been taken by Canada when Glazebrook, now back at External Affairs, proposed to Heeney in October, 1951, that the department explore the establishment of a clandestine HUMINT service, and "examine in what way such a service is a unique provider of intelligence, how it might benefit the Government of Canada, and how such a service could be established and operated."\textsuperscript{127} The organization would be under the authority of the Department of External Affairs and the intelligence collected could provide insight into the thinking of another country which would not otherwise be available. Canada, Glazebrook feared, was unlikely to have continued access to Allied HUMINT if it did not, itself, collect and exchange this type of information. His initiative called for a modest organization, with a defined geographic focus, just sufficient for Canada to be acknowledged by its intelligence partners to be engaged in HUMINT collection. However, with little tradition of involvement in, and political commitment to intelligence matters, Canada followed the path of least resistance and did nothing. No action was taken on Glazebrook's proposal and Canada did not establish a clandestine HUMINT service. Glazebrook said later that the proposal was turned down for the perennial Canadian reason of a shortage of

\textsuperscript{126}David Stafford, \textit{Camp X: Canada's School for Secret Agents 1941-45}. (Toronto: Lester & Orpen Dennys Ltd., 1986), p. 252. Stafford attributes the information to Vining's scrap book and may have some of the details incorrect (private information). No Canadian documents supporting the statement have been released.

\textsuperscript{127}Memorandum for Mr. Heeney from G. deT. Glazebrook, titled "Memorandum on a Canadian Secret Intelligence Service, 26 October, 1951, DEA 29-1-1-Cda Vol. 2.
officers.\textsuperscript{128}

By 1951, Canada had established strong intelligence links with British and American intelligence agencies extending beyond the realm of SIGINT, and the Allies sought Canadian engagement in HUMINT collection, but the government would have none of it. The decision to forego a covert HUMINT capability ultimately defined perceptions of Canada’s foreign intelligence community among its intelligence allies.

There matters rested at the end of a tumultuous decade. The postwar intelligence machinery which governed the non-SIGINT side of foreign intelligence was in place. Canada had established or re-defined three separate organizations (the CJIC, the CJIB, and the CJIS) to perform distinct facets of the intelligence tasks, but without a clandestine HUMINT organization. While this organizational base strongly influenced the postwar structure of foreign intelligence in Canada, it was a structure built under adversity, formulated to address specific challenges with minimal resources. Nevertheless, Canada, by the end of the decade, had a credible foreign intelligence infrastructure which, while organizationally cumbersome, hierarchical and resource intensive, was functional and met the needs for which it had been constructed.

\textsuperscript{128}Interview with George Glazebrook, January 12, 1977, p. 49, DFAIT Special Registry.
1. It is not considered that it would be practical or economical for the Bureau to be the initial recipients and distributors of intelligence, normal records from similar organisations in UK and USA.

2. Present organisations would continue to receive and interpret information in their own fields for their own particular needs. Information would, however, be passed to the Bureau, whose staff would digest it for the benefit of higher officials and from the points of view of other departments.

3. The Bureau would also deal with inquiries for collection and collation of

4. Co-Director of Joint Coordinating Bureau for Counter Intelligence co-ordinates all counter intelligence. Identity of Co-Director to be kept secret.

5. Part of organisation chart in red NOT to be included on future drafts.

Normal channel
Chapter 9

The Postwar SIGINT Community

Signals Intelligence (SIGINT) was Canada’s premier postwar foreign intelligence collection tool. The decision to continue SIGINT collection after the war had been in doubt in the closing period months of 1945. After months of uncertainty and vacillation, a decision was made on December 29, 1945, to form a civilian SIGINT service which would continue to operate in peacetime.\(^1\) An Order-in-Council\(^2\) authorizing SIGINT collection was signed on April 13\(^3\) of the following year, and the new organization became operational on September 3 as the Communications Branch, National Research Council (CBNRC).\(^4\) As suggested by the new name of the organization, the Canadian SIGINT service continued to be housed with the National Research Council.

The remainder of 1946 was spent making the new structure fully operational. CBNRC was divided into four main units: communications, cryptanalysis, intelligence, and administration. The cryptanalysis unit would focus on Europe, the Far East, and

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\(^3\) Memorandum to His Excellency, the Governor General in Council from C.D. Howe, 13 April, 1946, White Files. CBNRC File folder; and G. deB. Robinson, ed. *A History of the Examination Unit 1941-45* (Ottawa, 1945), Addendum, Chap. V, p. 27.

\(^4\) Canada, Communications Security Establishment, *History of the CBNRC, Vol. 1* (Ottawa: 1987), Chap. 1, p. 1. The date authorized for the start of CBNRC was September 1. However, this was a Sunday and was followed by Labour Day.
South America. The prime decryption assignments were in the French, Spanish, and Chinese languages, with only the latter representing a departure from wartime interests.\(^5\)

The newly created CBNRC had authority to staff an initial 179 positions.\(^6\) The existing 62 staff of the Communications Research Centre were transferred to the National Research Council to form the nucleus.\(^7\) This figure grew to nearly 100 persons by the end of 1947.\(^8\) In spite of not yet having reached its full staff allotment, the CBNRC was authorized an additional 48 positions in 1947, for a total complement of 227 staff. However, it was not until 1949 that CBNRC even reached the original staffing level of 179 positions.\(^9\) From there the CBNRC grew slowly but steadily until it reached a staff of


\(^6\)G. deB. Robinson, ed. A History of the Examination Unit 1941-45 (Ottawa, 1945), Addendum, Chap. V, p. 27. The Addendum was added some time after the original History was completed. The date that this occurred is unclear but at least after May, 1946. Other addendums to the History refer to events as late as 1975.

\(^7\)The address for classified correspondence was Director, Communications Branch, National Research Council, c/o Dept of External Affairs, Room 117, East Block, Ottawa. Telegram to GCHQ from [E.M.] Drake, 28 August, 1946. White Files. CBNRC File folder.


\(^9\)G. deB. Robinson, ed., A History of the Examination Unit 1941-45 (Ottawa: 1945), Chap. SIGINT in Canada, pp. 001206-001207 of the ATIP version. This section consists of material which appears to have been appended to the original history but was clearly written many years later. The chapter and pagination is disrupted from many excisions. The ATIP page number is consistent on all copies.
470 persons by 1954.\textsuperscript{10}

By the late 1940s the staffing levels included 23 persons in the Communications Section and 74 persons in Cryptanalysis; just over half were directed at European targets (French and Spanish languages). A further 78 staff members were dedicated to research, intelligence (analysis), cipher making, and various administrative duties.\textsuperscript{11} This number of staff inexplicably only adds up to 175 positions, four short of what was authorized. Annual salaries for staff in the new organization ranged from $5,400, for the Director, to $1,140, for Laboratory Assistants.\textsuperscript{12} As in the past, Canada had to 'import' some of the cryptographic expertise. Four individuals were brought from Great Britain to assist the new CBNRC, including Kevin O'Neill who eventually headed the organization during the 1970s and oversaw the writing of the classified multi-volume \textit{History of CBNRC}, after he retired.\textsuperscript{13}

One of the topics which had been discussed at the Commonwealth Signals Intelligence Conference of Britain and the Dominions in February-March in London was the transmission of the special intelligence material between the partners. The wartime


\textsuperscript{11}Survey of the Organization of the Communications Research Centre, unsigned, 18 July, 1946, White Files. General File folder.

\textsuperscript{12}Supplementary List of Temporary Positions Authorized by Treasury Board on May 23, 1946, attached to letter to S. Preston Eagleson from the Treasury Board, 29 May, 1946, White Files. CRC File folder.

\textsuperscript{13}Ibid., Letter to A.L. Jolliffe, Director of Immigration from S.P. Eagleson, 1 August, 1946. The letter concerned the admission to Canada of the four British nationals.
radio station HYDRA, established by the British Security Coordination at Camp X near Oshawa during the war to link London, Ottawa, and Washington, still existed although its future was in doubt. The British were ready to hand over the Oshawa facility to Canada at no cost, and Robertson recommended to the Prime Minister that Canada take over HYDRA "because it would seem more suitable that it should be a Canadian rather than a United Kingdom installation, and also because it would enable us to make an acceptable contribution to a field in which both London and Washington are continuing to give us valuable assistance on information."  

Robertson went on to explain that National Defence was prepared to operate HYDRA.

Robertson's recommendation proved astute by establishing Canada as an important communications hub between the three principal partners, and establishing for Canada a more significant role than the country's limited expertise and resources in cryptography warranted. The Prime Minister's response was probably verbal, since no record of it has been found. Robertson's recommendation to King has appended a handwritten notation from a Prime Ministerial aide advising that the latter had returned the document without any written comment.

The Prime Minister, however, assented to the recommendation because on October 19, the Department of External Affairs told Sir Edward Travis of the British GC&CS (the SIGINT service), via the Canadian High Commission in London, to proceed

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14Ibid., Memorandum for the Prime Minister signed N.A.R. [N.A. Robertson], 12 July, 1946.

15Ibid.
with the transfer of HYDRA to Canadian government ownership.\textsuperscript{16} Wrong had written to warn Pearson, in Washington but soon returning to Ottawa to assume the position of Under-Secretary of State at External Affairs, that the matter of HYDRA was one of the issues which he would face upon his return.\textsuperscript{17} The transfer of HYDRA to Canada took place in April, 1947, but the station did not reach its full communications capacity until 1948 (partly due to the expansion of British and Canadian users requiring encryption employing Rockex cipher equipment).\textsuperscript{18}

Some upgraded equipment had to be put in place while the land-lines continued to be cost-shared between Canada and the United States, as had been the case during the war.\textsuperscript{19} The Department of External Affairs had been eager for Canada to take over HYDRA since ownership represented a substantial contribution to the postwar SIGINT effort, ensured continued Canadian access to ULTRA traffic from the Allies, and provided the department with a highly secure communications facility for its own message traffic with London and Washington.\textsuperscript{20} The cost of operating HYDRA as a high-level secure communications link between London-Ottawa-Washington at an annual

\textsuperscript{16}Ibid., Telegram to Secretary of State for External Affairs from the High Commissioner, London, 19 October, 1946.

\textsuperscript{17}Memorandum for Mr. Pearson titled Intelligence Questions, signed HW [Hume Wrong], 5 October, 1946, DFAIT File 29-1-1 Cda. Vol. 1.

\textsuperscript{18}Letter to T.A. Stone from G.G. Crean, 18 November, 1947, DFAIT File 5-1-2. vol. 1.

\textsuperscript{19}Telegram to M.I. 2, Ottawa, from G.C.C.S., 5 March, 1946, DFAIT File 5-1-2. vol. 1. The text indicates the message is to Robertson from Glazebrook.

\textsuperscript{20}Ibid., Memorandum for Mr. Robertson signed G.G.C. [G.G. Crean], 4 April, 1946.
expense of $90,000 (plus $150,000 for new equipment) was not justified by the size and needs of the Canadian intelligence community. However, HYDRA made Canada a communications hub for ULTRA traffic between the three countries. In addition, some costs were offset by a British proposal to send 75 per cent of its communications traffic with its embassy in Washington via HYDRA.²¹

A triumvirate of senior staff managed the CBNRC during the early days. All had had wartime experience either with the Examination Unit or with the Joint Discrimination Unit (and its predecessors). At the helm was Edward Drake, the former head of the Joint Discrimination Unit, by now a civilian, who, as Director of the CBNRC, concentrated on administration and security. A second individual, whose name has never been made public, headed operations and plans, with the title of Assistant Technical Director. The third member of the triumvirate was Mary Oliver, who was officially titled Administrative Assistant and, incidentally, was the sister of Norman Robertson, Under-Secretary of State at External Affairs. She was occupied principally with personnel matters, assisted by a number of young women whom she trained and directed in a motherly manner. She had had much the same responsibilities with the Examination Unit during the war.²² It was to her that many of the tasks of identifying and selecting staff fell, although final decisions were normally made by Drake. These three were the

²¹Ibid., Telegram to M.I. 2, Ottawa, from G.C.C.S., 5 March, 1946. The text indicates the message is to Robertson from Glazebrook. The costs were soon revised upwards to $120,000 annual operating costs and $200,000 for equipment. See Memorandum for Mr. Robertson signed G.G.C. [G.G. Crean], 4 April, 1946.

architects of the CBNRC. C.J. MacKenzie, who had played such an important role in the creation of the Examination Unit in 1941, remained as President of the National Research Council until early 1952. After overseeing the conversion of Canada’s wartime SIGINT units into the CBNRC, MacKenzie tended to treat the organization “with an attitude of benevolent neglect.”

The National Research Council had already been home to the Examination Unit and was familiar with the purpose and goals of a SIGINT collection organization. The budget for the CBNRC was easily concealed within the larger budget of the National Research Council (NRC). A greater immediate challenge was camouflaging money for the initial cost of the intercept stations and the 100 intercept positions (that is, work stations, not staff). The capital costs (the physical plant and equipment) would run to just over one million dollars although that figure quickly grew to $3 million, a quite substantial amount when converted to current values. Pearson sought Mackenzie’s assistance in hiding the funding for the intercept stations within the National Research Council. Mackenzie was cool towards the proposal, suggesting that the NRC was a civilian agency and that the intercept stations, staffed by military personnel, were unlikely to be perceived as conventional research facilities. Mackenzie proposed that the money for the intercept stations (not for the CBNRC, per se) should be placed with the Defence Research Board (DRB), which would be a more credible and defensible location for the

23 Ibid., p. 7.

funds, and was also an organization which was expected to have funding for secret research. Indeed, the funding was eventually placed with the DRB.\textsuperscript{25}

A cover story for the CBNRC was developed in February, 1947, and obscured the clandestine nature of SIGINT activity by focusing on the defensive nature of some of its activities. After some initial debate, a public line was agreed upon which read,

It will be realized that most of the Government and Service authorities in Canada have security means whereby they could exchange confidential messages internally or with external authorities. To preserve the security aspects of such communications some form of ciphering or encoding devices are used. It is the duty of this Branch [CBNRC] to analyze such devices from a security point of view and recommend improvements where need be to ensure that the devices are safe to use.\textsuperscript{26}

Overseeing the operations of the CBNRC was the Communications Research Committee (CRC) which, under a Chairman from the Department of External Affairs, held its first meeting on June 20, 1946.\textsuperscript{27} Its mandate was to guide the SIGINT effort. A Technical Steering Committee had also been formed in April, 1947.\textsuperscript{28} A more senior policy directing body was created in November, 1948, under the Under-Secretary of State for External Affairs and including participants of corresponding rank from other departments. Initially called the Senior Committee, it was later renamed the

\textsuperscript{25}Ibid., p. 296.


\textsuperscript{27}Canada, Communications Security Establishment. \textit{25 Years of Signals Intelligence and Communications Security} (Ottawa: 1971), p. 2.

Communications Security Board (CSB). Glazebrook has disdainfully dismissed the CSB, stating that "it hardly ever met [and] we didn’t want it to meet." When queried about his strong stance, Glazebrook added that, "Because they [CSB] didn’t know enough about it [SIGINT collection] and were liable to be a nusience [sic] they were called only occasionally and they had this committee because the British had a similar one...." Glazebrook’s recollections ignores the imposed checks and balances which were built into the oversight of the CBNRC through different levels of increasingly senior managing committees which framed policy and may have provided advice on operational objectives.

The CBNRC assumed control of cryptographic keying material, the means of coding of communications, in 1947. Prior to that time, both the Department of External Affairs and the National Defence services had made use of cost-free ciphering material supplied by Great Britain. This did not, of course, ensure confidentiality for Canadian enciphered communications. At the Commonwealth Signals Intelligence Conference in London in February, 1946, the British had asked Canada, Australia, and New Zealand to

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30Interview with George Glazebrook, January 12, 1977, p. 95, DFAIT Special Registry.

31Ibid.

32During the Second World War and immediately after, Canada had neither the time nor the intellectual resources to develop ciphers which would meet its security standards.
develop their own cipher requirements.\textsuperscript{33} When CBNRC was established, it had been specifically stipulated that one of its functions was to assume responsibility for Canada’s code and cipher requirements.\textsuperscript{34} Nevertheless, as late as October, 1946, no agreement had been reached as to what Canadian government authority would have responsibility for cipher security policy,\textsuperscript{35} and it was two years later, in June, 1948, before a Communications Security Group was established, as a sub-committee of the Communications Research Committee, to set communications security policy. Some initial conflicts arose with the Department of National Defence, which sought an autonomous committee, "which would not have to include intelligence representatives," for formulating policy regarding the production and security of ciphers.\textsuperscript{36} The conflict appears to have been resolved by the end of the decade. The first Canadian-made One Time Key Tape (i.e., the encryption code for the Rockex secure communications equipment) became available in September, 1948.\textsuperscript{37}

The CBNRC was initially located at the LaSalle Academy on Guigues Street. Space, however, was at a premium, and the steady growth of the CBNRC required that


\textsuperscript{35}Ibid., p. 3.


\textsuperscript{37}Canada, Communications Security Establishment. \textit{25 Years of Signals Intelligence and Communications Security} (Ottawa: 1971), pp. 21-22.
new facilities be found and a move followed in late 1949 to the former psychiatric ward of the Rideau Military Hospital on Alta Vista Drive in Ottawa.\textsuperscript{38} The CBNRC remained at this location until November, 1956.\textsuperscript{39}

With the establishment of the CBNRC, the armed forces were called upon to man the collection sites. The Army provided 40 intercept positions staffed by a complement of some 100 personnel. The station in Vancouver had 25 of the positions while the rest were located in Ottawa. Because of the shortage of qualified staff to meet all of the personnel requirements, former Department of Transport operators, and others, were taken on as civilians as an interim measure. At this time, the Army was still operating stations in Grande Prairie and Victoria. It is unclear, however, whether these were meant to close shortly after CBNRC was established.\textsuperscript{40}

The Navy was also accorded 40 positions to be located at Coverdale NB (20), Churchill MN (13), and Prince Rupert BC (7). Coverdale already existed but with only 4 positions operating while authority to build the Churchill station had not yet been granted. An existing wartime facility at Churchill was only an ionospheric station. Only Prince Rupert was operating at full capacity.\textsuperscript{41} The R.C.A.F. was asked to man 20 positions, all


\textsuperscript{40}Ibid., p. 21.

\textsuperscript{41}Ibid.
to be located at a station near Whitehorse, Yukon. At the point the request was made, there was no authority to establish the Whitehorse station and no operators were available for deployment.\textsuperscript{42}

By the end of the decade, and notwithstanding a slow Canadian start in establishing and manning intercept stations, intercept facilities had been built up in Churchill (1950), Aklavik NWT (1949), Coverdale (since 1941), Fort Chimo, QB (1949), Vancouver-Victoria BC, and Whitehorse YU (1948).\textsuperscript{43} By the 1950s, extending beyond the period covered by this study, there were additional stations at Frobisher Bay on Baffin Island, Gander NFLD, Masset BC, Alert NWT, and Ladner BC.\textsuperscript{44} Later intercept sites were also established at Inuvik NWT, Bermuda WI, and Flin Flon MN, and likely others. Some stations were also closed over the years. The focus on stations in the north of Canada reflected Canada’s intercept responsibility for Soviet air force and air defence communications.

The resources initially authorized for the CBNRC were only slightly different from what had been projected for a postwar SIGINT collection establishment while the Second World War was still raging. In August, 1944, the armed forces had assumed that three Army and three Navy intercept stations would be required to operate a SIGINT

\textsuperscript{42}Ibid.

\textsuperscript{43}Ibid., pp. 23-42.

\textsuperscript{44}Matthew M. Aid, and Cees Wiebes, eds. \textit{Secrets of Signals Intelligence during the Cold War and Beyond} (London: Frank Cass, 2001), p. 102.
collection program after the end of hostilities. When expanding upon the 1944 document two years later, and in preparation for making the CBNRC operational, Drake stated that a sound appreciation of the resource requirements for peacetime SIGINT monitoring was entirely dependant on what the Canadian collection requirements would be. Drake suggested that the Canadian priorities ought to be:

(a) Interception of commercial transmitters for P/L and code traffic – automatic high speed.
(b) Interception of Service traffic (foreign Navy, Military and Air Force traffic) – high and hand speeds.
(c) Interception of clandestine traffic – hand speeds.

In peacetime, he envisaged the greatest collection resource would be foreign high speed commercial transmitters, with the diplomatic traffic on commercial lines being the most critical.

Following his attendance at the Commonwealth Signal Intelligence Conference in London from February 22 to March 8, 1946, Drake modified some of his proposals to accord with the cooperative agreement reached between British, Canadian, Australian, New Zealand, and Indian SIGINT authorities. The 1946 Conference recommended “that Canada should supply 100 intercept positions 35 of which should be located on the East Coast and 65 on the West Coast.” The focus of the Canadian effort was to be on

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Russian, Western European, Chinese and Asiatic, Search and Development, and Illicit International targets, as well as some minor South American targets. Apart from acting as intercept stations, the Commonwealth partners would maintain a direction-finding (D/F) network with worldwide, interconnected stations operating in Great Britain, Gibraltar, Malta, Cyprus, India, Ceylon, the Cocos Islands, Hong Kong, Fiji, Canada, Bermuda, and Sierra Leone.\textsuperscript{49}

Canada’s participation in a SIGINT alliance with the United States, Great Britain, Australia, and New Zealand provided Canada with significant access to signals intelligence. The alliance, many of the details of which are still murky after more than fifty years, bound the partners together through a series of bilateral and multilateral agreements to provide communications intercept coverage of much of the world. Each partner had access to all, or at least most, of the collected material while making a contribution commensurate with their individual abilities and resources.

Neither the Government of Canada nor those of the other members of the alliance, have provided details of the agreements which govern the postwar SIGINT collection activities of the Anglo-Saxon alliance, nor released or avowed the applicable treaties. Nevertheless, it is possible to reconstruct some of what occurred during the late 1940s relating to forging of the intelligence alliance. The formal beginning of the alliance, however, admittedly remains very much in the shadows.

Prior to launching formal talks for postwar SIGINT cooperation between Britain and the United States, Travis had paid a visit to Ottawa in October, 1945, urging that a

\textsuperscript{49}Ibid.
British-Canadian cryptanalytic agreement be reached which would allow Britain to speak for Canada in talks with the United States. The Americans, learning shortly thereafter about the British-Canadian agreement, objected to the idea. Because of "Canada's strategic position with respect to the United States and Russia, [the Americans] believed that all consideration of U.S. intelligence relations with that nation should be made independently." \(^{50}\) At a Commonwealth Ministers' Conference in London during April and May, 1946, both Canada and Australia argued successfully for greater latitude in managing their respective national intelligence efforts, including negotiating their own bilateral cryptologic agreements with the Americans. \(^{51}\) There is no record of any Canadian perceptions of lacking a voice in discussions which must have been recognized even at the time as being very important. Whatever the Canadian position and argument may have been behind the scene, the outcome was that Britain spoke for Canada, and the other senior Commonwealth states, during the British-American talks which followed in 1946 – but the Americans did not delay in initiating talks with Canada for a Canada-U.S. agreement.

The creation of the alliance benefitted from fortuitous circumstances which built confidence among the partners and underscored the value of continued cooperation. The wartime alliance of the United States and Great Britain was the foundation. Forged by


the needs of the moment and bound by a common heritage, it was natural that the two countries began an exceptional intelligence relationship in World War II. The old Commonwealth nations, particularly Canada, were easily subsumed within the alliance.\(^{52}\) While the wartime alliance provided the foundation and confidence on which the postwar relationship was built, it was this conference between the British and the Americans which provided the catalyst for much of what followed.

The unifying theme of mutual dependence brought the wartime Anglo-Saxon partners together to forge a strong intelligence alliance. Fiscal austerity and the unprecedented perceived enormity of the threat from the Soviet Union made it clear that no single individual member of the future Anglo-Saxon alliance was capable by itself of allotting the resources necessary to provide intelligence coverage of the Soviet Union and its allies to meet fully the potential threat and the requirements of national needs.\(^{53}\)

The 1946 conference in London grew from talks which had begun in the spring of 1945. The initiative came from the British who, in spite of their “undoubted brilliance in cryptanalysis, realised that it would be they who would need partners and not the other

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way around."\textsuperscript{54} The head of GC&CS, Sir Edward Travis, was the moving force for a postwar relationship with the Americans and, initially, saw the cooperative agreements as being limited to signals intelligence although, with time, the relationships came to encompass sharing of a broad range of intelligence products.

The environment in which these events occurred should be recalled. Britain had already scaled back its postwar intelligence community somewhat and Canada had only just concluded that it would, indeed, have one at all. The United States Army Security Agency and the Navy’s OP-20-G had had 36,500 personnel at the end of the war and were down to 7,000 by mid-1946.\textsuperscript{55} The Americans had also dismantled the OSS and only just created the Central Intelligence Group (CIG) on January 22, 1946, as an interim intelligence-gathering entity while internal politics coalesced around an intelligence vision for the future. The Central Intelligence Agency was not established until June, 1947. There was a general feeling in the United States and Britain, as well as in Canada, that the conclusion of hostilities would return the victors to traditional parochial interests and signal an end to SIGINT cooperation.\textsuperscript{56} It was the perceived threat from the Soviet Union which provided the motivation for continuing wartime intelligence cooperation into the postwar era.


\textsuperscript{56}Ibid., p. 9.
At the time of the visit by Travis to the U.S. to discuss postwar SIGINT cooperation, the United States was already moving towards isolationism and it took a presidential directive and an allusion to "possible hostile intentions of foreign nations... [to] authorize continuation of collaboration between the United States and the United Kingdom in the field of communications intelligence." What emerged from the British-American talks was the 1946 BRUSA Agreement which was successfully concluded in the last week of January, 1946. However, the 25-page British-United States Communications Intelligence Agreement (BRUSA) was only signed in London on March 5, 1946.58

A UKUSA Agreement, also known as the UK-USA Security Agreement or UK-USA Comint Agreement, is said to have followed in June, 1948.59 There is still some confusion over this agreement. Some sources cite 1947 as the year in which it came into force while more current sources list 1948 as the year in which the UKUSA entered into being.60 The June 1948 UKUSA Agreement is said to have formally added Canada,

57Ibid., p. 54.

58Ibid., p. 10.


Australia, and New Zealand to the 1946 BRUSA Agreement, but retained Britain as the dominant partner among the Commonwealth members. Britain is supposed to have again signed on behalf of the Commonwealth members.

No reference to the existence of a UKUSA Agreement has been found in the documentation released to archives by the U.S. National Security Agency. Matthew Aid, an American historian who has researched this period in considerable detail, is of the view that there may not be any UKUSA Agreement. The negotiations over cryptologic cooperation between Britain and the United States, which followed the signing of the 1946 BRUSA Agreement, continued in London throughout 1946, including a June UKUSA Technical Conference to finalize some technical details, followed by negotiating supplementary agreements governing COMINT security, collection, and other aspects of British-American cooperation. These technical clarifications were added as appendices to the core BRUSA Agreement. Nearly two years of negotiations, updates, revisions, and clarifications were required to articulate the detailed cryptologic cooperation between Britain and the United States. In the view of Aid, these extensive negotiations have mistakenly been identified as a UKUSA Agreement.

Christopher Andrew, in *For the President's Eyes Only*, acknowledges that BRUSA was followed by two years of negotiations, which clarified the agreement, but

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62Information received from Matthew Aid, e-mail dated 12 December, 2003.
concludes that the culmination was a separate UKUSA Agreement in 1948.\textsuperscript{63} The expansion of the agreement, whether as a more detailed BRUSA Agreement or as a separate UKUSA Agreement provided for a division of responsibilities among the allies. Each of the partners was given primary responsibility for SIGINT collection in a specific part of the world commensurate with its location and capability, with Canada looking after the Russian polar regions.\textsuperscript{64} In addition to the northernmost regions of the Soviet Union, Canada was also given responsibility for SIGINT collection on parts of northern Europe and the Far East.\textsuperscript{65} As early as 1948, the SIGINT cooperation between the Anglo-Saxon nations had developed to such an extent that a senior U.S. intelligence official could write that, "At the present time, there is complete interchange of communications intelligence between the cognisant United States and British [i.e., Commonwealth] agencies. It is not believed that the present arrangement on the interchange of this information could be improved."\textsuperscript{66} While little information has become available on the details of Canada's SIGINT mission, the limited accessible resources and the demands of transforming the wartime organizations into the new

\begin{itemize}
  \item \textsuperscript{63}Christopher Andrew, \textit{For The President's Eyes Only}. (New York: Harper Collins Publishers, 1995) p. 163.
  \item \textsuperscript{64}Jeffrey T. Richelson, \textit{The U.S. Intelligence Community} 3\textsuperscript{rd} ed. (Boulder: Westview Press, 1995), p. 277.
  \item \textsuperscript{65}Matthew M. Aid, "All Glory is Fleeting, The U.S. Communications Intelligence Effort: 1945-1950" (paper presented at the Annual Conference of Society for Military History, Calgary, Canada, 25-27 May 2001), p. 12.
  \item \textsuperscript{66}Matthew M. Aid, and Cees Wiebes, eds. \textit{Secrets of Signals Intelligence during the Cold War and Beyond} (London: Frank Cass, 2001), p. 315.
\end{itemize}
CBNRC, served to confine what could be achieved. To this must be added the COMSEC role of CBNRC, that is, the protection and securing of Canada’s own official communications. Nevertheless, one of the CBNRC histories records that, in August 1946, “the workload was not high.”

Following the 1946 London conference, talks continued between the principal intelligence partners. A Commonwealth Sigint Organization (CSO) Agreement, at British instigation, was concluded in 1947 among the Commonwealth partners. Somewhere between 1946 and 1948, Canada seems to have found an independent voice with which to represent its national intelligence interests. While no details of the CANUSA Agreement have been made public, it has been suggested that it is modeled on the BRUSA Agreement, although the terms of the relationship are more confined and that the exchanges are limited to a “need to know.” An American official related at the time that, “The Canadians have no information to exchange.” CANUSA governed all Canadian-American cooperation on communications intelligence which was defined as comprising “all processes involved in the collection, production and dissemination of information derived from the communications of countries other than the U.S.A., the

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69 Matthew M. Aid, and Cees Wiebes, eds. Secrets of Signals Intelligence during the Cold War and Beyond (London: Frank Cass, 2001), pp. 315-16.
British Empire, and the British Commonwealth of Nations.” Negotiations between the United States and Canada began in early 1948 to establish a comparable agreement to the 1946 BRUSA Agreement between Britain and the United States. The resulting agreement between Canada and the United States has sometimes been listed as being concluded on September 15, 1950, through an exchange of letters giving formal acknowledgment of the “Security Agreement Between Canada and the United States of America,” with an Arrangement for Exchange of Information between the United States, Great Britain, and Canada following two months later. The 1950 date for the agreement is not supported in accessible Canadian archival documents.

Agreements already existed among Britain, Canada, and Australia through the Commonwealth SIGINT Organization Agreement of 1947, when Canada and the United States commenced bilateral discussion. A draft agreement had been concluded by May 1948 between the U.S. Communications Intelligence Board (USCIB) and the Canadian Communications Research Committee (CRC) for a Canadian-U.S. Communications Intelligence Agreement (CANUSA). The bilateral agreement governed the exchange of COMINT translations and traffic between the two countries, taking into account the much more limited resources of Canada.


72 Ibid.

73 Information received from Matthew Aid, e-mail dated 12 December, 2003.
The Canada-U.S. negotiations continued throughout the summer of 1948, then recessed for half a year while the extended detailed appendices to the BRUSA Agreement were concluded. Negotiations resumed in December 1948 with the Americans stating that they were in a much better position to pursue definite discussions. Talks continued for most of 1949, culminating in a conference in November-December 1949 which ended with the signing of a CANUSA COMINT Agreement.\textsuperscript{74}

Following closely on the CANUSA Agreement was another Canadian-U.S. SIGINT agreement, concluded in 1950, establishing a Canadian-American naval high-frequency direction finding net.\textsuperscript{75} There likely were similar additional specialized agreements signed during this period as well.

Notwithstanding a less than fully sovereign stance on some postwar intelligence negotiations, Canada took an early initiative which cemented its role as a key member of the alliance. We have already seen that Canada decided early in the postwar period to assume responsibility from the British of HYDRA, the wartime communications station at Camp X near Oshawa which linked London-Ottawa-New York-Washington. The British, who had managed the station but did not have the funds to ensure its postwar continuance, welcomed the Canadian initiative. Lester Pearson summed up the significance of HYDRA in a letter to Mackenzie at the NRC:

\textsuperscript{74}Ibid. Signing of CANUSA in 1949 is also clearly recorded in Copies of the CSSI (Canadian SIGINT Security Instructions) of 2 November, 1976, DND ATIP No. (A) 98/0109, Introduction p. 2.

The chief purpose of the link is for trans-Atlantic communication, which will link the London Signal Intelligence authorities with the United States Communications Authorities and ourselves. Its chief purpose is to carry traffic from the intercept stations in its raw form and to make for ease of handling and speed at the various centres. In addition, it will carry Foreign Office traffic to Washington and External Affairs traffic to the U.K. The Oshawa station is, therefore, an important link in the general signals intelligence network and is of vital importance to the United Kingdom and the United States, as for political reasons they do not want to pass the traffic direct.\footnote{John Bryden, \textit{Best Kept Secrets: Canadian Secret Intelligence in the Second World War} (Toronto: Lester Publishing Ltd., 1993), p. 297.}

This decision seems to signal that Canada was aware of its subservient role in some aspects of intelligence negotiations and sought avenues for articulating a national position.

Canada's SIGINT collection activity, both during the war and in the decades which followed, remained a closely held secret. Knowledge of British and American SIGINT activities, and other facets of their foreign intelligence collection programs, became known in the postwar world partly as the successes of World War II emerged and as some of the more egregious intelligence failures of the postwar world reached the media. However, little attention was paid to anything which Canada might be doing in collaboration with the significant international intelligence players.

While Canada's involvement in postwar SIGINT activity was a natural outgrowth of all which had gone before, it came as a surprise to the Canadian public when the existence of the CBNRC and its close relationship to the Allied services were revealed on the CBC's \textit{The Fifth Estate} television magazine, which aired on January 9, 1974. Questions followed in the House of Commons, but there was no admission by the
government that Canada carried out SIGINT activities in cooperation with other
countries.  

Details of the secret relationships slowly emerged. A 1995 government statement
before a House committee was the first public acknowledgment that Canada was engaged
in “the collection of foreign signals intelligence,” an activity which was carried out in
cooperation with the SIGINT agencies of the United States, Great Britain, Australia, and
New Zealand, and was founded in “international agreements, which ... date back to the
Second World War.”  

The postwar SIGINT alliance emerged from fortuitous circumstances. Wartime
collaboration, which had proven highly beneficial to all the partners, was the foundation

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77C.M. Drury, the Minister of State for Science and Technology admitted
in 1975 before a House of Commons Standing Committee on Miscellaneous Estimates
that Canada had communications intelligence agreements with Great Britain and the
United States although, in his view, the purpose was “to ensure effective collaboration
between these three countries in security matters.” See Jeffrey T. Richelson and
Desmond Ball. The Ties that Bind: Intelligence Cooperation Between the UKUSA
Countries, 2nd ed. (Boston: Unwin Hyman, 1990), p. 6. Another partial acknowledgment
was made by Jean-Luc Pépin, the Minister of State for External Relations on September
22, 1983, and focused on security and support of foreign and defence policies. See Philip
Rosen, The Communications Security Establishment – Canada’s Most Secret Intelligence
Agency. (Ottawa: Library of Parliament/Research Branch, Background Paper BP343E,
1993) p. 5.

78Statement of 2 May, 1995 by Deputy Clerk, Security and Intelligence, before
the House National Defence Committee [online, cited on 3 March 2003]. Available from
World Wide Web: (http://www.parl.gc.ca/committees/defa/evidence/22_95-05-
02/defa22_bnk101.html). Other details of Canada’s foreign intelligence program were
equally slow to emerge. It was only in 2002 that the first acknowledgment of Canadian
overt foreign intelligence HUMINT collection occurred. For details, see Kurt F. Jensen,
“Canada’s Foreign Intelligence Interview Program, 1953-90” (paper presented at the
annual meeting of the Canadian Association of Security and Intelligence Studies, Ottawa,
Ontario, 26-28 September, 2002).
on which the cooperative agreements were founded. The perceived postwar threat to all
the partners in the alliance from the Soviet Union, and their recognition that none of the
countries could fulfill the information requirements by themselves, was the catalyst to
cooperation. During the period of this study, the alliance proved mutually beneficial in
spite of unequal contributions. The resources which were eventually harnessed for the
task have proven gargantuan, as have the collection resources. In the decades which
followed, well beyond the scope of this study, the Anglo-Saxon countries established at
least 420 intercept stations worldwide operated by the member states, plus an additional
27 stations manned by Third Party members (Denmark, Norway and Germany) to the
alliance.\textsuperscript{79} The SIGINT alliance, of which Canada was a small but significant cog, proved
to be a boon for Canadian sovereign intelligence needs by providing a steady flow of
independently produced foreign intelligence vital to the foreign policy-making process.

Outside of the postwar intelligence alliance, with limited resources and facing
gargantuan technological challenges which could only be overcome by the senior alliance
partners, Canada could not have established a credible SIGINT organization capable of
addressing the national needs. Details of Canada's contribution to the alliance during
these early years have never been made public, but one can presume that it was limited
and represented only a fraction of the SIGINT material to which reciprocal access was
gained. SIGINT, as well as other intelligence products, provided Canada with significant
benefits in the form of information with which to inform the foreign policy-making

\textsuperscript{79}Jeffrey T. Richelson, and Desmond Ball. \textit{The Ties that Bind: Intelligence
Cooperation Between the UKUSA Countries, 2nd ed.} (Boston: Unwin Hyman, 1990), pp.
333-57.
process. Intelligence could provide insights not normally attainable through the conventional diplomatic process. Similarly, intelligence could confirm or validate information which did become available through diplomatic channels. By making available separate sources of information on issues of vital importance to Canada’s foreign policy interests, intelligence served to articulate a more confident international role for Canada which, while hardly derived from the access to intelligence, did benefit from the confidence with which decisions could be taken.
Conclusion

Canada's foreign intelligence community, which was established during World War II and in the immediate years thereafter, is a testimony to the vision, determination, and hard work of a relatively small number of individuals centered primarily in the Departments of External Affairs and National Defence. These individuals recognized the need for Canada to have access to foreign intelligence to complement information more overtly collected by the country's small diplomatic service.

As the world approached war in the late 1930s, individual Canadian civil servants, mostly military officers or diplomats, sought to draw attention to the need for access to foreign intelligence collected by Canada to meet national requirements and to provide a sovereign source of information with a uniquely Canadian perspective to augment intelligence traditionally provided by the British services to the Dominions. The determination of those engaged in building the nation's foreign intelligence tools, during the war and in the years thereafter, never wavered although they did not always agree or share a single vision of what the country needed, what it could afford, and where limited resources should be focused.

While they might differ and bicker over the details surrounding the creation of Canada's foreign intelligence community, there was little argument over the broad framework chosen for the nation's foreign intelligence structure. The mandarins at External Affairs, such as Robertson, Pearson, Heeney, Glazebrook, Stone, and Crean, constituted a common thread of experience and vision which, with others at National Defence, such as Foulkes, Murray, Drake, and de Marbois, surmounted any
‘fragmentation’ which arose from the understaffed units which constituted the Canadian intelligence community. While debate existed, and could be dramatic, the broad perspective of Canada’s foreign intelligence requirements remained a unifying theme transcending divergent views.

Canada’s political leadership did not intimately participate in building up the country’s foreign intelligence tools. The political leadership was not ignorant of what was happening but willingly delegated to civil servants a broad mandate for managing things relating to foreign intelligence. During the war years, the involvement of political leaders in intelligence matters surfaced intermittently in the archival records as testimony to their awareness and broad support for action taken in their name. Both the Prime Minister (who was also his own Secretary of State for External Affairs) and the Minister of National Defence are seen at critical junctures to provide guidance or to sanction intelligence-related activities. King, for example, clearly knew and approved of the Examination Unit, located at one point next door to his own residence, and regularly read Canadian and Allied SIGINT material. Similarly, the Minister of National Defence made a critical intervention when the British were seeking authority to establish Camp X in Canada.

While Canada’s politicians may have been kept apprized of the establishment of the nation’s intelligence resources during the war period, they remained distant from the details of the effort. Canada’s political leadership demonstrated no discernible interest in the manner in which intelligence policy was being formulated. This was a regrettable omission. Foreign intelligence collection may, at its simplest, be merely a tool
contributing to the foreign policy-making process. However, intelligence activities are fraught with potential political danger and it was an abrogation of its responsibilities for Canada’s political leadership to divorce itself from the daily involvement of an undertaking with a risk for abuse and adverse political and public attention arising from mistakes. That such things did not occur does not diminish the responsibilities of the politicians but does speak well of the civil servants, largely in External Affairs and National Defence, who assumed daily responsibility for establishing Canada’s modest intelligence effort.

The outcome of a minimalist approach to building a Canadian foreign intelligence capability may have been the same whether the process had significantly engaged the attention of political leaders during the critical war years or, as was the case, it remained in the hands of civil servants. Funding was ultimately the key to the scope of any intelligence effort and defined what was done. Nevertheless, the remoteness of much of the political leadership from foreign intelligence matters during the wartime years contributed to the absence of a foreign intelligence culture in Canada and the public disinterest in the subject matter until recently.

Foreign intelligence units evolved incrementally and in a manner responsive to changing circumstance in Canada throughout the period from about 1940 to 1951, and probably continued in much the same way for some years thereafter. The results were testimony to the work of a very small number of individuals, many of whom were engaged in intelligence activities only as a minor peripheral element to their normal duties. Most of the individuals charged with overseeing Canada’s foreign intelligence
activities often carried out these duties as secondary tasks to broader responsibilities. The officers at External Affairs often had a host of other responsibilities unrelated to intelligence. The same is true of the intelligence staff at National Defence whose primary duties were to support the Chiefs of Staff.

To understand the absence of Canadian political leaders from issues pertaining to intelligence matters, one must recognize Canada’s very limited engagement in foreign intelligence. Little was done before World War II with respect to foreign intelligence, and some of what was done was conducted on behalf of Great Britain. With a very small Department of External Affairs, and limited foreign policy objectives, the need for foreign intelligence before World War II was not significant.

During World War II, intelligence was but one minor element in the broader conduct of a war in which Canada played a moderately significant role. Furthermore, there was no culture of intelligence in Canada. By this is meant that intelligence was largely unknown in the country before the war, something which did not significantly change during the rest of the 1940s. In Britain, and even in the United States, political leaders were more aware of the potential use and benefit of foreign intelligence. The media had provided some coverage of the subject in those countries and intelligence had often been a factor in Britain’s imperial policy. In the United States, Herbert Yardley, who went on to play a role in Canada’s own intelligence history, publicly disclosed the existence of the American “Black Chamber,” the country’s SIGINT organization, drawing the ire of the American intelligence establishment with important repercussions when he was employed by Canada. In Canada, little coverage of, or attention to, intelligence
matters existed beyond the subject of security intelligence, the purview of the R.C.M.P., and often this was viewed simply as a police matter.

By 1945, the attitude in Canada towards intelligence had evolved. The world was no longer at war. There was uncertainty about whether Canada should continue to collect foreign intelligence. A dramatic shift in attitude towards foreign intelligence occurred at the Department of External Affairs. Long a champion of foreign intelligence collection, the constituency within the department for such activities suddenly, and temporarily, evaporated. National Defence, an ardent supporter of foreign intelligence and a key participant in its collection, was, for a period, the lone but determined voice calling for the continuance of a Canadian foreign intelligence program.

By the end of 1945, External Affairs, after a dark period of uncertainty, again favoured a foreign intelligence capability for Canada. In the structures which were debated during the closing period of World War II, and put in place in the years which followed, External Affairs played a pivotal role by often assuming the chairmanship of the institutions which were created.

The government of Mackenzie King did not spend money idly and Canada’s foreign intelligence activities were governed by the credo of doing just enough to ensure engagement with Canada’s partners. One can argue that such an approach was shortsighted. Conversely, one can view the approach as the responsible actions of a small nation which has been provided a singularly unique opportunity and must scrounge sufficient resources to harvest the rewards. Those engaged in building a Canadian intelligence community in the early postwar period must have known that they were
constructing something which had to be durable and had to remain in place for a long time, if not forever. However, a minimalist approach which made use of several small units, inadequately staffed, did not easily accommodate an expansion of responsibilities.

Canada committed just enough resources to gain broad access to pooled Allied intelligence. The Canadian contribution to the Allied pool of information was important, but Canada did not independently collect enough intelligence consistently to ensure a Canadian perspective on important international questions. Notwithstanding the shortfall in Canadian-produced intelligence, Canada’s choice of acquiring access to some Canadian-collected intelligence, and a great deal of Allied intelligence, was a preferable option to an alternative of little or no intelligence. Canadian intelligence analysis might be skewed by insufficient sovereign intelligence, although the risk was similar in conventional diplomatic relations. The prime defence against being unduly influenced by others was always access to sufficient knowledge to gain an understanding of an issue.

In the space of a decade, Canada created a foreign intelligence capability which laid the foundation for Canada’s postwar involvement in intelligence matters. There was much which was not right with the intelligence structures which were put in place in the postwar period. Foreign intelligence was inadequately funded and seemed hampered by too many small functional units and an abundance of managing committees. The continued engagement in foreign intelligence collection in the postwar period reflected a maturing of the nation.

The achievements of the Canadian intelligence community during the 1940s pale in comparison with those of its senior allies. Canada did not conduct any intelligence
activity which altered or significantly influenced the outcome of the war. Nor was the
Canadian intelligence contribution ever more than that of a junior partner provided with
specific tasks which fed into broader objectives. That should not detract from the real
accomplishments, however. During the war, Canada carried out extensive, although not
very technically complex, decryption of French (Vichy and Free French) diplomatic
traffic, as well as some German, Japanese, and Spanish language decryption. The
archival documents are ambivalent about how much was original Canadian decryption
and what employed code books developed by the Allies. Certainly, during the early years
of the Examination Unit, there was considerable overlap in what was carried out by the
partners. It is very evident, however, that Canada did not possess the ability to decrypt
machine-enciphered communications. The French material, however, appears largely to
have been based on Canadian decryption and Canada played a significant role in this area.

Canada also made an important contribution to the intelligence war in the north
Atlantic through its direction-finding skills and the beginnings of scientific intercepts
which interpreted ionospheric conditions to pinpoint locations of signals. Canada’s
involvement in the MOUSETRAP operation in the United States was entirely a support
role carried out on behalf of Britain, for its broader objectives. More important were the
activities of the First Special Wireless Group which made a contribution in its own right
against the Japanese from its location in Australia. Debriefing of Canadian repatriates
and analysis of POW correspondence provided a large quantity of information which was
important but probably not unique.

Canada’s strength was evident in its analysis of information, even when much of
that information was not derived from Canadian sources. The few available wartime
evaluations prepared by Herbert Norman’s Special Intelligence Section, were solid
analysis of their subjects. The postwar Canadian contributions to the Canada-U.S.
assessments of the Soviet threat to North America show dependable analysis of
information which avoided the trap of ascribing to the Russians more power and abilities
than they possessed. The Canadians consistently questioned American conclusions, not
always successfully, about Soviet resources, particularly in the number of bombers which,
at the time, posed the greatest potential threat.

Canada’s achievement in foreign intelligence matters during the war and in the
years which followed were significant less for the immediate results than for the
foundation it laid for providing a resource which could task, collect, collate, evaluate, and
disseminate foreign intelligence in sufficient quantity and quality to meet the national
requirements. Much of the raw intelligence may not have been Canadian in origin but the
interpretation placed upon it was entirely Canadian and provided an autonomous source
of information vital to the foreign policy-making process.

The achievements of Canada’s foreign intelligence community by the early 1950s
was significant for providing Canada its own voice in this area. The achievements were
attributable to the vision and conceptualization of a handful of exceptional individuals.
What they accomplished was done quietly, with little public attribution or recognition.
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