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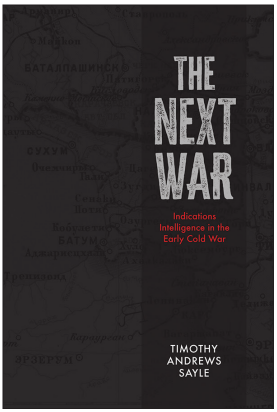

THE NEXT WAR: INDICATIONS INTELLIGENCE IN THE EARLY COLD WAR

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The War of 196?

No one sought a nuclear holocaust, but it came anyway.[1] The origins of the Third World War lay in Finland, on the Soviet Union's border. In a parliamentary election at the end of July 196?, the Finnish Communist Party won the most seats of any party. But a coalition of non-Communist parties insisted that they had enough members to form a non-Communist government. The dispute escalated, leading to a scramble for power in Finland. The Finnish military splintered into factions. Commanders threw their weight behind competing camps. Rioting and street-fighting escalated into civil war.

As the conflict escalated, the Soviet Union supported the Communist factions with arms, advisers, and technicians. A small group of Soviet troops, searching for quicker routes by which they could send arms to their Finnish allies, lost their way and mistakenly entered Norway. Small skirmishes broke out between Soviet and Norwegian units. The Norwegians, who had been so instrumental in the creation of the North Atlantic Treaty Organization (NATO) two decades earlier, called on the alliance for help. The NATO allies issued Moscow an ultimatum, insisting Soviet troops leave Norway without delay. The USSR did not comply.

The president of the United States appeared on national television. He told his fellow Americans and the world that the American nuclear sword — the missiles and bombers of Strategic Air Command (SAC) — was on alert and that the United States was ready for "instant retaliation" in the face of aggression. From Ottawa, the prime minister told Canadians that Canadian troops were also on alert, "ready for whatever might befall."

As in the Second World War, US servicemen streamed into Canada, this time bringing with them fighter squadrons and air defence missiles to better defend North American aerospace. During the build-up, Canada's minister of

National Defence misspoke badly. When he stated that Canadians were ready for war, trying to give the nation a boost, it sounded too much like a warning that bombs would soon strike Canada. The statement unleashed panic. Wealthier families from Toronto who owned cottages on Lake Muskoka or on Lake of Bays stockpiled food in their summer cabins, leaving the grocery store shelves of Ontario's cottage country empty.

The actual exchange of nuclear weapons seems to have begun by accident. But it remains little more than speculation. So few records survived the war that it is difficult, if not impossible, to know for certain. Two United States Air Force enlisted men — the only two survivors of one SAC base destroyed in the war — were interviewed after the war and recalled communicating with a bomber on the night of September 3. The bomber had radioed back to base, warning of a failure of its navigation equipment. It seems likely that the bomber strayed off course and unwittingly entered Polish airspace. Neither the bomber nor its wreckage was ever found. Soviet leaders seem to have believed the bomber was the vanguard of a pre-emptive strike. They decided to retaliate.

The first three hydrogen bombs fell in the dawn of September 4, near Washington, DC. One crashed into Arlington, Virginia, and failed to detonate. One burst in the air over Georgetown, destroying most buildings in the capital's core. A third missed its target by a large margin, falling just off the Atlantic coast. Its detonator malfunctioned and it exploded in the water. Wind carried radioactive fallout across Washington, Baltimore, and beyond. Over half a million people were killed in the burst over Washington, and the severe radiation prevented efforts to rescue those who had survived the first blast.

The attack on Washington was followed in quick succession by attacks on twenty more United States cities and several SAC bases. The initial blasts, combined with the subsequent effects of radiation and starvation, reduced the United States population by ninety million souls. A simultaneous attack on the United Kingdom destroyed London, Manchester, and Liverpool in a split second. Western Europe was showered with weapons.

Canada was targeted with five missiles, but more than twenty missiles aimed at the United States malfunctioned en route to America and landed throughout the country. None of the malfunctioning missiles hit Canadian cities. But of the targeted strikes, the first direct hit destroyed Montreal. Two missiles fired at Toronto landed near the city's edge, severely damaging the city. The single missile sent to destroy Ottawa exploded in southern Quebec,

and senior officials and the senior defence leadership were evacuated successfully from the capital. The next morning, however, a Soviet bomber pilot searching for targets of opportunity dropped a high-yield weapon on Ottawa. The city was levelled.

The bombings unleashed chaos. In Washington, the United States government collapsed, and the United Kingdom was nearly obliterated in the war. But the nuclear capabilities of both states, honed for quick action and delivery, still dealt equal devastation on the Soviet Union. Ballistic missiles rained down on Soviet cities, and while early bomber sorties were met effectively by Soviet interceptors, Soviet air defences were quickly rendered ineffective by missile attacks. Later sorties by American bombers continued until their bases ran out of bombs and fuel. Crushed under this devastating bombardment, early Soviet offensives into Europe collapsed without support, and ultimately Moscow's forces were recalled home to assist in survival operations.

In the days after the bombing, the Government of Canada worked to restore authority and assert control over the country. Early efforts were successful because Ottawa had been evacuated and most Canadian cities were spared incineration.

The real challenge came after the war. An exodus of American refugees, somewhere on the order of twelve to fifteen million people, flooded north across the 49th parallel. Bands of armed Americans and Canadians roamed the provinces. Murder and brigandage became the new way of life. Swarms of refugees descended on the Muskoka region, plundering the supplies hoarded before the war by cottage owners.

Slowly, very slowly, Canadian and American military units were reassembled and reorganized to execute rudimentary policing duties. They established a semblance of order. With the world's missiles expended, North America was once again protected by the vast Atlantic, Pacific, and Arctic Oceans. Insulated from predatory powers in this way, the two North American neighbours co-operated to send relief workers to Europe. They pooled their resources and efforts with recovering states in South America and Europe to establish a new political entity: the Atlantic Federation.

The Soviet Union, however, had no great moat behind which it could shelter as it repaired and rebuilt. Only one year after the end of the Third World War, Chinese forces poured north and west, seizing control of an enormous swath of territory: China dominated from the Pacific Ocean in the east to the Ural Mountains in the west, and north from the Arctic Ocean and the

Himalayan Mountains south down to and including Taiwan and Singapore. China's preponderant position raised the spectre of a future conflict.

Newspapers in the Atlantic Federation started reporting on the new "bamboo curtain" that had descended across the world. "The framework of World War IV is becoming increasingly clearer." General war would continue to beget general war.

The war of 196? did not happen. This scenario was written by a member of Canada's Joint Intelligence Staff (JIS). While this war was not "real," it was conceivable. It was, in fact, the war that Canadian intelligence officials worried might be imminent in the first decades after the Second World War.

Indications of the Third World War

This is a book about intelligence and general war. The war in question — what would have been the third world war in the twentieth century — did not come to pass. Or, to put it more starkly, such a war did not occur in the decades in which it was first expected. It has not come yet.

That general war did not break out for a third time in the twentieth century has been interpreted by some as evidence that the fear of war between the nuclear-armed superpowers was misplaced, or that the possibility of such a war was overestimated. One element of the Cold War era, the unceasing preparation and rehearsal for nuclear war, is easily regarded as a mistake, or a cruel joke.

Newly declassified intelligence records make clear that such simplistic judgments misinterpret the views held by government officials and policymakers during the years of highest Cold War tension. Making extensive use of these documents — which showcase some of the most deeply held secrets of Canada and its allies — what follows is an examination of how Canadians tried to understand the likelihood of war in the first two decades of the postwar world and, if the Cold War was to turn hot, whether they could recognize such a change in time to act. It is a history of Canada's Cold War thermometer.

In retrospect, Canadian conclusions about the imminence of war were judicious. Canadian officials understood that general war was a real possibility, that it might be brought on by a host of different conditions, from superpower miscalculation to the escalation of a regional conflict into full-blown war. But they concluded in their final estimation that general war remained unlikely. The records from the 1940s through the 1960s reveal an impressively

clear-headed appreciation in an era when mistaken judgments might have had enormous financial, political, societal, and even existential costs.

This book draws on recently declassified records from Canada's Joint Intelligence Committee (JIC), the body that wrote Canada's intelligence estimates and liaised with Canada's intelligence partners in the early Cold War. The early Cold War period saw Canada develop an extensive intelligence-sharing network, principally via its Anglo-American allies, and, to a lesser extent, with Australia and New Zealand. This network was developed during an era in which Canada expanded its involvement in world affairs, especially through its peacetime alliances with the United States and NATO. What political scientist James Eayrs wrote about Canadian foreign and defence policy, that Canada "grew up allied," is entirely applicable to Canadian intelligence history, too.[2]

The historical record reveals that officials in Ottawa made their judgments about the prospect of war both in co-operation and, occasionally, in disagreement with their key allies in Washington and London. Recently declassified records in the United States and United Kingdom National Archives help provide a more complete picture of both the co-operative and competing efforts to assess whether war was imminent, and how the three closely allied capitals would warn each other if they detected indications that this move to belligerence was the case.

A study of Canadian intelligence records from the first two postwar decades reveals much about this era. It helps explain what leaders in Ottawa feared, and what they judged to be the mistaken fears of others. It was not, as is often caricaturized, a period in which mandarins expected that Moscow was dead set on conquering the world with the bayonets of the Red Army. Rather, Canadian views showed a nuanced appreciation of the international situation — and of the threat emanating from the Soviet Union.

And yet the Canadians still feared a return to general war. They understood that such a conflict might come as a result of decisions and mistakes made by both foes and friends alike. By examining the first decades of the Cold War from this perspective, we can dispense with the pernicious cartoons of Canada's Cold War strategic policy as the fever dreams of rabid anti-Communists; erase the idea that allied strategic thinking was the work of a deranged Dr. Strangelove; and do away with the notion that Ottawa was little more than Washington's powder monkey.[3]

The Canadians agreed with their American and British counterparts on many things and got much of their intelligence information from these two other states. But the Canadians, at times, disagreed with the conclusions reached by even their closest allies. They sought to air their differences, and to change the thinking in other allied capitals. They did so by representing their own views in secret conferences. They encouraged and helped build a trilateral intelligence communications network that would insert Canadian and British views into any American decisions to use nuclear weapons. This system would allow Ottawa, London, and Washington's top intelligence bodies to send specially coded messages to each other with the highest precedence.

What follows is not a history of the entire Canadian postwar intelligence structure, although questions in Ottawa about the prospect of general war did contribute to the evolution of the intelligence bureaucracy in Ottawa.[4] Nor is this a history of Canadian strategic thinking or defence planning, although these issues are closely related to the question of whether and how war might return to the world, and how Canada should be armed. It is, instead, a history of Canadian efforts to grapple with the most important, even existential question of the postwar era: is war imminent?

The six chapters below describe how Canadian officials assessed the prospects of war in the aftermath of the Second World War. In the first section of the book, "Imminence of War, 1944–1954," Canadian officials, spurred to the question by joint conferences with their American partners, and to a lesser degree, British colleagues, sought to assess the imminence of war.

The road to posing this clear question — is war imminent? — was anything but straight. As explained in the first chapter, Canadian and American planners began making defensive plans for war long before they asked whether this war was likely, let alone imminent. The implications of these joint defensive plans for Canadian finances and sovereignty led to calls in Ottawa to rethink the assumptions underlying the plans. And when it became obvious that American war planners were thinking of offence as the best defence (which, in the age of atomic strategy might mean pre-emptive war), the Canadians became even more concerned with the question of whether the Soviet Union was seeking a conflict that the United States might try to preempt. This change in thinking, and the inclusion of Canada in both bilateral and trilateral intelligence conferences with the United States and the United Kingdom is the subject of Chapter 2.

In 1950 the imminence question was complicated by the outbreak of war on the Korean peninsula. Did the North Korean invasion of South Korea in 1950 suggest that general war was imminent? Chapter 3 traces the arc of concern during the conflict, and the Canadian preoccupation with how the war itself, rather than the goals of either Moscow or Washington, could bring war to the world. By the end of the war, however, the Canadians had answered the question: war was not imminent, nor was it likely.

What came next, the subject of Section 2, "Indications of War, 1954–1966," is one of the cruel ironies of history. Despite the assessment in 1953–54 that general war was not likely, the potential implications of a such a conflict had changed dramatically. The introduction of the hydrogen bomb into the arsenals of both the United States and then the Soviet Union, along with the coming massive deployment of nuclear weapons to NATO formations in Europe, seemed to finally confirm that any third world war would look nothing like the sprawling Second World War. Rather, it would be a short and utterly destructive nuclear holocaust not unlike that sketched out in the draft history of the War of 196?.

With this change came the paradox: just as the weapons of war had convinced leaders that no one could benefit from a third world war, the risks and consequences of such a war had metastasized. The only sure way to deter such a general war, according to the American, British, and Canadian planners who crafted NATO's strategy in the 1950s, was to be prepared to launch a massive nuclear response to any major Soviet challenge to the status quo in Europe.

This strategy lay with delicate balance upon a knife's edge: the United States, whose president controlled the decision to wage nuclear war, believed it had to convince the Soviet leadership that it would use these weapons if necessary. The corollary was the need, in Ottawa and London, to be assured that the president would only use these weapons if absolutely necessary.

The trigger for the use of nuclear weapons was an indication that the Soviet Union was preparing to wage general war. Intelligence assessment came to focus on identifying and evaluating these "indicators." It is a quirk of history that after years spent studying the "imminence of war," and the repeated conclusion that war was not imminent, the allies began searching for "indications of war."

Chapter 4 traces the origins of postwar "indications intelligence," meant to provide rapid definitive proof of an imminent attack. A special point of emphasis here is on how American and British thinking about such indications

led the Canadians to consider developing a national system for managing this intelligence. It quickly became clear, however, that any Canadian system had to be integrated into American and British evaluations of indications intelligence. For their own reasons, the British came to agree with the Canadians that it was crucial to try and insert themselves into the American intelligence apparatus for evaluating indications. This move was just as much about influencing American decisions as it was accessing American intelligence information, but both were important to London and Ottawa. Ultimately, the Americans agreed to their allies' plans.

Chapter 5 examines the creation of the Tripartite Intelligence Alerts Agreement (TIAA) and explains why the allies believed such an agreement was necessary. The chapter investigates the Canadian role in reaching a trilateral agreement among Ottawa, London, and Washington. Once an agreement had been reached in 1957, however, the three states had to decide how such an alerts network would work—and when it would be put into action. Chapter 6 traces the early operation of the system that resulted from the tripartite agreement, the development of procedures and the communications network that supported the Agreement, and finally the fall of the system into a semi-dormant state in the 1960s. The Tripartite Intelligence Alerts Agreement itself, however, outlived the Cold War.

A history of how Canadians judged the imminence of war, and how they engaged in these judgments with their allies, helps reconfigure the history of the Anglo-American "Special Relationship." That relationship was not bilateral with an occasional Canadian addition, but in many ways it was fully triangular. In the case of the TIAA in particular, Ottawa was the bridge between London and Washington; it really was how the North Atlantic Triangle was joined.

The point of this history is not to cheer on Canadians of the past from the present, or to insist that the world needs more Canada. It is instead to convince the reader that the organization of postwar intelligence sharing and diplomacy, even between the United State and the United Kingdom, cannot be understood without the Canadian dimension. The conclusions, estimates, and appreciations reached by these three states, independently and jointly, when placed alongside the diplomatic and bureaucratic wrangling that allowed for co-operation in intelligence analysis and warning intelligence, explain the origins of the intelligence relationship among these powers.

More fundamentally, the history of tripartite intelligence co-operation reveals the three respective governments' views of the nature of the international system and the risk of war, and the unending challenge of assessing such a risk. The habits, practices, and systems built to assess whether or not the Cold War would turn hot forced officials to consider the possible sources of such an escalation. And as a result, it provides one of the explanations for why the twentieth century contained two — and not three — world wars.

The Last War

There is one important piece of pre-history that readers should understand before reading this history of early Cold War Canadian intelligence. Readers should keep in mind that the Canadian officials who assessed the likelihood of a third world war did so with constant reference to their experience during the Second World War. As they prepared Canadian intelligence appreciations, negotiated and debated joint assessments with their American and British allies, and built an intelligence alert network, they were on guard against certain tendencies their allies had exhibited in the fight against Germany and Japan.

There was one important difference, however, in thinking about the last war and preparing for the next. When Canadian officials harkened back to the Second World War, they were thinking about what it was like to fight alongside allies in a war that had already begun. The war started for the allies at different times — the United States, of course did not join until 1941 — and so there had been no "allied" intelligence appreciations of how and when the Second World War might start.

Instead, the experiences of the Second World War that would inform Canada's postwar intelligence diplomacy were not strictly related to intelligence. They were issues of command, of planning, of sovereignty — of the fundamental relationship between states or what officials in the Department of External Affairs (DEA) at the time called "Canada's national development."[5] This is relatively easy to reconcile when one recalls the belief of officials at the time that the national and joint intelligence appreciations and apparatus of the early Cold War era would, and did, shape Canada's place among its allies in peacetime, and would dictate Canada's place in a war if war came.

The Second World War marked a transition from close, if guarded, co-operation between Ottawa and London to deep co-operation between Ottawa and Washington on defence issues. This occurred while Anglo-American co-operation, with the Canadians largely excluded, set the direction of war.

In the earliest days of the war, when Canada fought alongside Britain but the United States remained neutral, Canadian diplomats complained that, in regard to the broader direction of the war set by the British, Canada had "practically no influence on decisions and little prior information concerning them." Lester Pearson, who wrote these words from the High Commission in London, noted that "we do not seem to have been concerned at our exclusion from the Councils of our Allies in a war in which our whole future is at stake."[6] Canadian troops were one of the means of British strategy, but Canadians had little role in deciding its ends. "I dislike," wrote Pearson, "this role of unpaid Hessians." Canada, he thought, should have a seat at the table — to attend the crucial meetings and have staff participate in committees. The machinery by which governments stayed in contact in times of peace were "dangerously inadequate in wartime," and Pearson called for their re-examination once war was joined.[7]

It was during Pearson's tenure as secretary of state for External Affairs, a decade and a half later, that Canada would make major contributions to the development of one of the most important pieces of intergovernmental machinery — the Tripartite Intelligence Alerts Agreement — that would allow for communication among London, Ottawa, and Washington in the murky moments between peace and nuclear war.[8]

In North America, during the war, the sheer number of interactions between Canadians and US civilians and military and naval officers ballooned. These interactions left the Canadians confused and exasperated. Dealing with the US military services revealed an American "obliviousness to the prides and prejudices of others." This was not a Canadian appreciation of the good qualities of individual Americans. Canadians noted that American officers showed a remarkable generosity of spirit: Canadian officers "hardly ever make an appeal for help to Senior American Army and Navy Commanders without the latter leaning over backwards to meet them."[9] The source of the exasperation, ultimately, was the friction inherent in a great power, on the cusp of becoming a superpower, dealing with a significantly less powerful neighbour.

In 1940, Prime Minister Mackenzie King and President Franklin D. Roosevelt agreed to create the PJBD (Permanent Joint Board of Defence, or for the Americans, "Defense"). The board, co-chaired by an American and a Canadian, seated high-ranking civilian and military officials from both countries and allowed for consultation on defence matters. In the spring of 1941, the PJBD set to work drafting plans for the defence of North America in the

event the United States joined the war on Germany. The discussions ultimately produced a "Joint Canadian-United States Basic Defence Plan," ABC-22. But there were bruising battles along the way, especially over matters of command and "strategical direction."[10]

ABC-22 was developed in relation to ABC-1, a plan developed by American and British officers earlier in 1941. (The purpose of ABC-1 was to create a plan for co-operation between the United Kingdom and United States if and when the latter joined the war.) The Canadians were not invited.[11] This irritated the Canadians deeply.

Chief of the General Staff Harry Crerar warned of "an increasing danger that the U.S.A. and U.K. will decide 'grand strategy and major tactics' between them" — and this before the United States had even entered the war.[12] The minster of National Defence was advised by the Chiefs of Staff Committee that the Anglo-British bilateral talks were facing Canada with "various defence arrangements importantly affecting her own and contiguous territory concerning which she has not been consulted."[13] Pearson, who at the beginning of the war in London had written about Canada's exclusion from supreme bodies there, had returned to Ottawa and worried that Canadians could only observe Anglo-American planning.[14]

In the negotiations over ABC-22 in the PJBD, the American chair, Fiorella La Guardia, implored the Canadians to accept the plans and arrangements the Americans saw fit. He told his Canadian counterparts that it "is far better to trust to the honor of the United States than the mercy of the enemy." La Guardia said there was "no protocol" for how to operate, and so the plans should be "guided by the law of necessity."[15] This high-handed approach sat uneasily with the Canadians. It echoed previous struggles with the imperial centre in London. The Canadians listening to La Guardia's request heard him seemingly suggest "that Canada should surrender to the United States what she has consistently asserted vis-à-vis Great Britain."[16]

The Canadian-American plan, ABC-22, was ultimately agreed. The Canadians had held their ground and gained the concession that the plan would be coordinated by "mutual co-operation" rather than exclusive American direction.[17] But the process left its mark on the Canadian officials.

Allied — that is, Anglo-American — grand strategy for the war against the Axis powers was set by the Combined Chiefs of Staff (a combination of American and British Chiefs of Staff). Canadian officials learned about the establishment of this staff from newspaper reports, despite the British and

American expectation that the staff would have, at its disposal, Canadian troops.[18] Major-General Maurice Pope was sent to Washington to try and liaise with the Combined Chiefs, and he would ultimately lead the Canadian Joint Staff (CJS) in Washington whose officers did their best to keep in touch with various subsidiary bodies of the CCS.[19] As C. P. Stacey, the historian of Canada's war effort, put it, "the Canadian government had no effective share in the higher direction of the war."[20]

Following the Japanese attack on Pearl Harbor, ABC-22 was put into effect.[21] But the organs that had been established to manage US-Canadian defence relations, such as the PJBD, were initially forgotten or bypassed by the Americans. The US minister in Ottawa made a direct request for permission to install airplane detector equipment in British Columbia on the Pacific Coast. The request frustrated the Canadians, who saw such a direct and ad hoc request from the US legation to the Government of Canada as avoiding the whole system of co-operative discussion and planning that the PJBD was meant to provide.[22]

American entry into the war had paradoxical effects: Canada would, for the most part and as expected, be left out of the broader direction of the war. But Canadian territory would become extremely important to the United States. There was a frantic effort by Americans to ensure that Canadian territory could be used to support and defend Alaska from the Japanese. Yet, at the same time, there was no effort to include Canada in the broader direction of the war, and the Canadians noticed a tendency for the Americans to continue their 1941-style brusqueness and domineering attitude toward Canada as a lesser power.

The effort to defend Alaska led to the development of airfields and other logistical bases in Canada. One was the building of the Alaska Highway: a route that would allow reinforcements from the continental United States to travel by land to Alaska, via British Columbia. Another was the development of a series of airfields, the "Northwest Staging Route" that allowed for the rapid movement of aircraft to Alaska. The Americans later expanded the air routes to allow for the delivery of bombers to the United Kingdom and to the Soviet Union. Another was the development of Canol (from "Canada Oil"), a pipeline that transported crude oil from Canada's Northwest Territories to a refinery in the Yukon, from which the refined product could be transported to Alaska.

In 1942, there were 15,000 Americans in Canada building logistical facilities. Six months later, by June 1943, the number had risen to 33,000.[23] Legends arose that US Army telephone operators working in Canada were answering their telephones with the greeting: "United States Army of Occupation."[24]

The massive projects on Canadian territory, and the tens of thousands of Americans defending North America from Canadian soil, caused Canadian officials to fear that Canada might find itself "committed to the consequences of future United States policy."[25]

Canadian officials, despite their frustrations, had a clear-eyed sense of how power dictated roles in wartime. It is critical to keep in one's mind the role of this history and memory to understand the wariness with which Canadians approached the matter of assessments of the imminence of war and indications intelligence during the last war as they considered the next war.