

Canadian Naval Intelligence

David Stafford

Michael Hadley and Roger Sarty. *Tin-Pots and Pirate Ships: Canadian naval forces and German sea-raiders 1880-1918*. Montreal: McGill-Queen's University Press 1991.

Occasionally a book comes your way that in the normal course of events you would ignore. Not because it was unworthy, but because it was not in your direct field of interest and, after all, there are only so many hours a week you can read. Then, by some chance, you open the cover and glance at a page. Before you know what is happening, you are hooked, and as a bonus it turns out to be not so marginal as you thought.

This happened to me recently with *Tin-Pots and Pirate Ships: Canadian naval forces and German sea-raiders 1880-1918*, by Michael Hadley and Roger Sarty. It contains a chapter on Canadian Intelligence and Patrols, and naturally enough that was what I turned to first. What I learned about was a fascinating episode in the history of Canadian intelligence.

In August 1909, the Imperial Defence Conference in London came up with yet another of its ideas for squaring the circle of Colonial and Imperial naval policy. This, as everyone knows, and as Hadley and Sarty carefully analyse, had for years been a bone of contention in Canadian domestic politics, as well as in relations between Ottawa and London. The proposal was for the creation of full-scale dominion "fleet units," in essence the creation of national navies for the dominions. The Laurier government seized on it, and the

Canadian Navy was born the next year with the Naval Service Act of May 1910. But the decision had gone against the grain of Admiralty thinking. There, the preference had always been for one single imperial Navy. These attitudes did not go away. Indeed, like the German U-Boat raiders whose activities along the Canadian coast Hadley and Sarty so interestingly reveal elsewhere in the book, these attitudes would regularly surface to cause anguish and confusion in Ottawa.

They did so two years later, when a new First Lord of the Admiralty took office in London. His name was Winston Churchill. The 1909 Imperial Conference decision, he declared, had been a "thoroughly vicious" departure from the basic strategic principles of concentration and centralised British control. It was too late to do much about the Canadian navy, such as it was. But when it came to distributing intelligence, he was able to ensure that old principles held sway.

Churchill was instrumental in the setting up of Room 40, the Admiralty's code-breaking centre, and was determined to guard its secrets. The result was that after war broke out in August 1914, London severely curtailed the flow of intelligence to Ottawa and, in particular, gave no hint of Room 40's success in breaking enemy codes. Partly as a result of this,

Lieutenant Richard Stephens, the officer responsible for naval intelligence in Ottawa, possessed little information about enemy ship movements, and had no effective way of evaluating the myriad reports that flooded in from the United States about German plans for seaborne raids on Canadian shipping and coastlines. Realistically, this did not make much of a difference at the beginning of the war. Canada had virtually no local forces to do anything to counter German moves anyway. Stephens' "blindness" in naval matters contrasted strongly with the plentiful intelligence about alleged German plots and raids that flowed from across the U.S. border. For much of this Ottawa depended on Britain, especially when it came to information coming out of naval attache circles in the American capital. But, as Hadley and Sarty stress, "Watching the United States was of course an ancient and essential Canadian position." As during the Fenian era of the 1860s and 1870s, the Dominion Police established a network of agents across the border. Every wild rumour of a German plot came their way, and most of them were fantasy. The clarity of intelligence was not always helped by the contract signed with the Pinkerton agency in New York to supplement the work done by Canadian agents. As the authors tell the tale, at least one Pinkerton man working for Ottawa belonged more properly between the pages of Mickey Spillane. Having identified a seedy boarding house in New York as the possible centre of a German spy ring, Pinkerton Operative No.68, for example, proceeded to develop a passion for its landlady, a Fraulein Seithen. As a result of his indiscretions, by 1915 he had blown his cover. The Dominion Police sensibly decided by this point that most surveillance of this kind was a waste of time. So had Stephens in naval intelligence. There was another source, however, that was useful for the navy. This was German diplomatic traffic being intercepted in the Maritimes. Before the war the Universal Radio Syndicate had built a transatlantic station at Newcastle, New Brunswick. On the Admiralty's advice it was spared the general closing down of radio stations on the outbreak of war and instead was placed under control of the Royal Canadian Navy. It was soon intercepting messages between German officials in the United States and Berlin, and became a

regular source for both Ottawa and London. Under U.S. neutrality laws the Germans were supposed to transmit only en clair. But under the guise of commercial information they frequently sent messages containing naval information that was easily read.

No story of Canadian intelligence for the early part of this century would be complete without the inevitable tug of war between the Dominion and London. The Admiralty kept the secrets of Room 40, and they also fought with Ottawa over the location of the intelligence centre for the North Atlantic. Stephens decided it should be in Halifax, which made operational sense. The Admiralty decided on St. John's, Newfoundland. The reason was to ensure British control and "avoid friction with the Canadian authorities." Predictably, the decision only served to create friction as well as prompt an outburst of imperial pique when Sir Edward Grey protested vehemently to Ottawa that the Canadian naval service had broken proper lines of imperial communication. As Hadley and Sarty demonstrate, convoluted links in intelligence-sharing created by political sensitivities were to get in the way of rapid and efficient decision-making throughout the war. Students of the Second World War will note this with interest, because the story that Hadley and Sarty have to tell makes it clear that many of the factors and responses that shaped Canada's war effort during 1939-1945 were at play between 1914 and 1918. And so far as intelligence went, moves towards sovereignty were always counter-balanced, and often frustrated, by the requirements of the nation's senior partners. History does have a tendency to repeat itself.

David Stafford's books include *Britain and European Resistance 1940-45* and *CampX: Canada's School for Secret Agents*. He was Executive Director of the Canadian Federation of International Affairs until the summer of 1992. He is currently at the University of Edinburgh. Dr. Stafford is a Contributing Editor for *CMH* and will also write a regular book review column.