

## How the Cold War Began ... with British Help The Gouzenko Affair Revisited

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## ARTICLE

# How the Cold War Began ... with British Help: The Gouzenko Affair Revisited

**Dennis Molinaro**

THE IGOR GOUZENKO DEFECTION provided Western states with justification for strengthening espionage laws and engaging in increased surveillance of citizens. While many have discussed Gouzenko's fateful decision to defect and the resulting spy trials and investigations in Canada, the United States, and the United Kingdom, there are still lessons to be drawn from the affair and new discoveries to be made, particularly about what it reveals about both the planning stages of the defection and the level of cooperation among the three countries.<sup>1</sup> Recently declassified documents shed new light on the role

1. J. L. Granatstein & Robert Bothwell, *Gouzenko Transcripts* (Ottawa: Deneau, 1982); J. L. Granatstein & David Stafford, *Spy Wars: Espionage and Canada from Gouzenko to Glasnost* (Toronto: McClelland & Stewart, 1990); Amy Knight, *How the Cold War Began: The Gouzenko Affair and the Hunt for Soviet Spies* (Toronto: McClelland & Stewart, 2005). Mark Kristmanson's work theorizes that the British may have been involved in orchestrating the entire event, but few documents were available at the time of his writing that could decisively demonstrate how and why this was the case. See Kristmanson, *Plateaus of Freedom: Nationality, Culture, and State Security in Canada, 1940–1960* (Don Mills, ON: Oxford University Press, 2003). For more on the affair, see J. L. Black & Martin Rudner, eds., *The Gouzenko Affair: Canada and the Beginnings of Cold War Counter-Espionage* (Manotick, ON: Penumra, 2006); Robert Teigrob, *Warming Up to the Cold War: Canada and the United States' Coalition of the Willing, from Hiroshima to Korea* (Toronto: University of Toronto Press, 2009), Chap. 2; Reg Whitaker, Gregory Kealey & Andrew Parnaby, *Secret Service: Political Policing in Canada from the Fenians to Fortress America* (Toronto: University of Toronto Press, 2012), Chap. 7; Reg Whitaker & Gary Marcuse, *Cold War Canada: The Making of a National Insecurity State, 1945–1957* (Toronto: University of Toronto Press, 1996); Reg Whitaker & Steve Hewitt, *Canada and the Cold War* (Toronto: James Lorimer, 2003); Jessica Wang, *American Science in an Age of Anxiety: Scientists, Anti-Communism and the Cold War* (Chapel Hill: University of North Carolina Press, 1999); Allen Weinstein & Alexander Vassiliev, *The Haunted Wood: Soviet Espionage in America – the Stalin Era* (New York: Random House,

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of Britain in the Gouzenko Affair, particularly that of the Foreign Office and the British High Commissioner to Canada. These new revelations give us greater understanding of the important role the British played in manipulating and controlling the response to the defection. While Gouzenko's defection exposed a need to counter foreign threats, the response to it became a spectacle that would deflect attention away from the British element of the affair: that a British atomic scientist had leaked information to the Soviets. Instead, people focused on the Soviet spying, the evils of communism, and the Soviet interest in the United States. These new sources reveal how the British government and its security services were likely responsible for a press leak to US reporter Drew Pearson and for compelling Canada's prime minister, William Lyon Mackenzie King, not to handle the affair quietly with the Soviet ambassador. These sources reveal how the British went to extraordinary lengths to influence Canadian policymaking at the highest level. Once the affair went public via the British-orchestrated leak, the subsequent Kellock-Taschereau Commission, spy trials, and amendments to Canada's laws produced the kind of public attention the British had hoped for, and Canada officially joined the hunt for communist spies, ramping up its security screening for the duration of the Cold War and beyond.

### **"A Heaven Sent Opportunity"**

THE STORY OF GOUZENKO'S DEFECTION is well known. In 1945, Gouzenko worked as a cipher clerk encoding embassy mail traffic in the Soviet Embassy in Ottawa. After he had made a series of small errors on the job, his superiors wanted him shipped back to the Soviet Union. Gouzenko had no desire to return to the Soviet Union; he feared his fate, but also had become accustomed to living in Canada. He fled the embassy on the night of 5 September 1945 with over 100 Soviet documents in tow and subsequently exposed a Soviet spy ring active in Canada, the United States, and the United Kingdom. Gouzenko's story and the smuggled documents had a tremendous impact on the Royal Canadian Mounted Police (RCMP) and the government. The Liberal government of the day, led by King, had no desire to dive headfirst into a spy scandal involving the Soviets. King worried that these revelations would damage relations with the Soviets and jeopardize upcoming talks concerning international

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1990); Vladislav Zubok & Constantine Pleshakov, *Inside the Kremlin's Cold War: From Stalin to Khrushchev* (Cambridge, MA: Harvard University Press, 1996); Ross Lambertson, *Repression and Resistance: Canadian Human Rights Activists, 1930–1960* (Toronto: University of Toronto Press, 2005), Chap. 4; Dominique Clément, *Canada's Rights Revolution: Social Movements and Social Change, 1937–82* (Vancouver: University of British Columbia Press, 2008), Chap. 3; Dominique Clément, "The Royal Commission on Espionage and the Spy Trials of 1946–9: A Case Study in Parliamentary Supremacy," *Journal of the Canadian Historical Association* 11, 1 (2000): 151–172; Merrily Weisbord, *The Strangest Dream: Canadian Communists, the Spy Trials, and the Cold War* (Toronto: Lester & Orpen Dennys, 1983).

nuclear weapons control. The United States and the United Kingdom were both alerted to the situation; the FBI and MI5 each sent agents to interview Gouzenko. First on the scene was William Stephenson. The Canadian-born Stephenson was renowned in the intelligence world and was working for the British Security Coordination (BSC) out of an office in New York. The BSC was a covert wartime intelligence body run by MI6, designed to prevent sabotage of British interests in the Americas and to strengthen Britain's image during the war. It had the support of both William Donovan in the Office of Strategic Services and President Roosevelt. Stephenson was also in charge of communications with allies regarding Gouzenko and travelled to Ottawa to meet him. Access to Gouzenko was kept to a minimum; besides Stephenson, only MI5's Roger Hollis, a British agent who oversaw the monitoring of communist threats against the British, had access to him.<sup>2</sup>

Gouzenko provided the names of individuals who had been giving information to the Soviets. Some of the more prominent included sitting Canadian member of Parliament Fred Rose and Sam Carr, an influential member of the Canadian Communist Party. The two men were communists and members of the Labour Progressive Party – the legal name of the country's Communist party after Canada had banned the Communist Party in 1940. Many of the others named by Gouzenko were not formally affiliated with any Communist organizations. None of the individuals had taken money; all had passed information during the war believing that it would benefit the Allied cause. Some were in desperate personal straits and vulnerable to manipulation; Emma Woikin, who had lost her baby to illness and her husband to suicide, is an example. She genuinely believed that Stalin's Russia was a place where these things would not have happened and offered her assistance to the person who would become her Soviet handler.<sup>3</sup>

While Gouzenko's revelations exposed the spy ring, everyone, from intelligence to government, acknowledged that the actual leaks posed little threat. What was more damaging was the scale of penetration by the Soviets, which had reached high-level government offices. One exception, particularly in the opinion of the British, was Dr. Alan Nunn May (code-named Primrose), a nuclear scientist. Previous studies have discussed how the British were concerned about May, but new sources reveal that their concerns prompted the British Foreign Office and intelligence services to take a lead role in how the affair would unfold. Early on, Sir Alexander Cadogan, the under-secretary of foreign affairs, and Malcolm MacDonald, High Commissioner

2. Knight, *How the Cold War Began*, Chaps. 2 & 3, 55; Whitaker & Marcuse, *Cold War Canada*, 53. For more on the BSC and Stephenson, see William Stephenson, *British Security Coordination: The Secret History of British Intelligence in the Americas, 1940–45*, Nigel West, ed. (London: St. Ermin's Press, 1998); H. Montgomery Hyde, *The Quiet Canadian: The Secret Service Story of Sir William Stephenson* (London: Hamish Hamilton, 1962).

3. Clément, "Royal Commission," 155–157; Whitaker & Marcuse, *Cold War Canada*; Bothwell & Granatstein, *Gouzenko Transcripts*, 13.

to Canada (whose office had also been leaking information to the Soviets), became involved in trying to find a public relations solution to the Soviet spy ring problem. Prominent Canadian diplomat Norman Robertson informed MacDonald that the optics of the affair were troublesome because it was the British who were responsible for the security vetting of UK scientists sent to Canada to work on nuclear weapons research during the war. Given the United States' new scientific and intelligence partnership with the British, the problem was how the Americans might react to the Gouzenko revelation after it was revealed that the most important Soviet mole was a British atomic researcher. MacDonald notified Cadogan in early September 1945 that "if these leakages prove as serious as they appear at moment [*sic*] then H.M.G. [Her Majesty's Government] will be liable to certain criticism by United States government."<sup>4</sup>

May was slated to return to the United Kingdom, and the British were keen on apprehending him lest he manage to escape to the Soviet Union. However, the Americans, Canadians, and British were all in agreement that the operation required joint action and cooperation.<sup>5</sup> The question was how to proceed against this spy ring. MI5's Captain Guy Liddell told the RCMP that the real value of May to the Soviets was not in intelligence but in his potential to be "a general consultant and adviser [rather] than a betrayer of top secret information."<sup>6</sup> In further communication with the RCMP, Liddell noted that "PRIMROSE can probably do more damage than anyone else particularly if he should ultimately decide to go to Russia." The problem facing MI5 and the Home Office was that there was insufficient evidence to imprison May. Espionage cases were notoriously difficult to prove in court. May's code name did appear in documents that Gouzenko provided, but the British felt a criminal case against May would be difficult. They wanted proof, beyond Gouzenko's word, that May was passing information to the Soviets – either from a witness or from a confession. MI5 thought "great importance" should be placed on any opportunity that might give the British more evidence to convict May, the only atomic scientist in the affair and the only British one at that. MI5 notified the RCMP that the only possible charge would be one under the Official Secrets Act.<sup>7</sup>

The big concern for the Canadian government was how to stop the spy ring with as little publicity as possible. King did not want the affair to become a media sensation. He wanted to handle it behind closed doors, particularly because the Soviets were scheduled to engage in UN talks with the Allies

4. Malcolm MacDonald to Alexander Cadogan, 9 September 1945, KV 2 1425, National Archives of the United Kingdom, London (hereafter *NAUK*).

5. William Stephenson to CSS [pseud.], 17 September 1945, KV 2 1425, *NAUK*. Both Knight and Whitaker recount that the British were eager to arrest May and joint action should occur. Knight, *How the Cold War Began*, 75–76; Whitaker & Marcuse, *Cold War Canada*, 42–46.

6. Guy Liddell to RCMP, 19 September 1945, KV 2 1425, *NAUK*.

7. Liddell to RCMP, 23 September 1945, KV 2 1425, *NAUK*.

about nuclear arms control. King wanted to keep the relationship with the Soviets as cordial as possible. Cadogan wrote to Robertson in late September, informing him that the British could soon arrest May, but that action had to be taken jointly lest some suspects escape. Cadogan advised Robertson that the arrests would cause publicity and might even hurt relations with the Russians, but that the British were willing to “accept this consequence” and wanted to know if Canada would do the same. The British were also mulling over various scenarios that could play out from the affair. Stephenson suggested to M16 chief Stewart Menzies that the American and British heads of government could jointly confront Stalin with the revelations and claim that while they could publish the facts of the case, they would not if the Russians ceased all activity and established “real confidence” among all three parties.<sup>8</sup>

Gouzenko’s revelations went from being a potential embarrassment for the British to being a potential opportunity to take a firmer stance with the Soviets. Just one day later, Stephenson had other ideas and ran them past M16. MacDonald wrote to Cadogan arguing that because people had to be arrested and interrogated, it was hardly an ideal course of action to keep the entire affair secret.<sup>9</sup> Stephenson mused to “C” (Menzies) that “the story of what has been discovered in Canada can be published to the world. This should enlighten the public of Western Democracies as to the situation vis-a-vis the Russians that we are all facing. It would lead to discrediting of Communist parties in these three countries and would considerably weaken Russia’s diplomatic position in the world.” Gouzenko could not only be used as a moral message to the public about the dangers of communism, but also to embarrass the Soviets on the diplomatic stage.

To be sure, the spectacle was not without risks, which Stephenson also acknowledged: “Publicly the story would probably destroy all prospects of better relations with the Russians and would therefore gravely prejudice the chances of establishing world security organization and peace.”<sup>10</sup> Despite these risks, the British seemed willing to take the story public, given its ability to damage the Soviets and save face for the British. MacDonald and Cadogan agreed with Stephenson that this security embarrassment could be turned into a strategic propaganda victory. The suspects had to be arrested, and the publicity could not be avoided, but, in their eyes, this did not necessarily mean relations with Russia would deteriorate. It is not clear whether this was wishful thinking on their part or a strategy meant to placate the concerns of the Canadian and British PMs, who needed convincing that publicity was not

8. Cadogan to Norman Robertson, 26 September 1945, KV 2 1425, NAUK; Stephenson to CSS, 25 September 1945, KV 2 1425, NAUK.

9. MacDonald to Cadogan, 27 September 1945, KV 2 1425, NAUK.

10. Stephenson to CSS, 27 September 1945, KV 2 1425, NAUK.

a bad thing.<sup>11</sup> MacDonald and Canadian diplomat Hume Wrong were happy that no arrests would be made before 7 October, because the Canadians involved in the plan were not ready. Prime Minister King, although he had accepted the British stance on the matter, was left wondering if “forcefully” handling the incident could improve Canadian-Soviet relations: he could confront the Soviets and call for the withdrawal of their staff.<sup>12</sup> On 1 October 1945, King met with President Harry S. Truman in the United States; King and Robertson then met with Stephenson in New York. Stephenson later briefed Menzies about the results of the meeting. Truman did not commit to any course of action, aside from agreeing that all three countries should act in unison. Stephenson noted that both King and Robertson now agreed the Gouzenko defection was a “Heaven sent opportunity to put the whole world on warning.” Stephenson stated that he had “pointed out to them that in [his] view it was of great importance to ‘play up’ the American aspect of the case if and when it reaches public [*sic*]” by pointing to the Soviet interests in American military information; “otherwise the American press or some sections of it might turn their venom on Britain for allowing tube alloy leakages to take place. They [King and Robertson] fully agree.”<sup>13</sup>

For the British, the Gouzenko revelations could be used to deflect the counterintelligence failure that had occurred on their end – that is, allowing the Soviets to receive leaked information about Canadian and British plutonium research (tube alloys) through May. The research was part of the joint Canadian, British, and American effort on nuclear research during the war.<sup>14</sup> If, or when, the story broke, the importance of the Soviet interest in American military matters could increase while the British could quietly escape the potential scorn of the American public for being a “leaky” partner when it came to guarding top-secret information. The Canadians were willing to do what they could to help “the motherland” in this endeavor.

The security services in all three countries tried to fix a date on which to arrest the individuals named by Gouzenko. It was an agonizing months-long wait for the British, who wanted not only May in custody but the whole affair over and done. In October, the FBI advised the RCMP that they (the FBI) were considering 18 October as the date to arrest the suspects in the United States, though they too suffered from a lack of evidence for a successful trial. The

11. Cadogan to MacDonald, 28 September 1945, KV 2 1425, NAUK.

12. Hume Wrong and MacDonald to Cadogan, 1 October 1945, KV 2 1425, NAUK.

13. Stephenson to CSS, 1 October 1945, KV 2 1425, NAUK.

14. For more on the joint nuclear research, see Whitaker & Marcuse, *Cold War Canada*, 44–46; Gregg Herken, *The Winning Weapon* (Princeton: Princeton University Press, 1988); Robert Bothwell, *Nucleus: The History of Atomic Energy of Canada Limited* (Toronto: University of Toronto Press, 1988).

RCMP informed British officials, including MacDonald, that it might be necessary to interrogate the suspects for a period to acquire more evidence.<sup>15</sup>

To conduct these interrogations the Canadians would have to proceed by way of a government order-in-council. A meeting between members of M15, the Foreign Office, and Canadian diplomat Norman Robertson reveals that the British thought the detention and interrogation of suspects in Canada was both necessary and the best way forward. King had met with UK prime minister Clement Attlee, and both leaders decided that while arrests should take place, they should happen with as little publicity as possible. However, detention by order would cause publicity; everyone except King and Attlee agreed that it was necessary, to gain evidence for prosecuting May. M15 believed carrying out this mission as the prime ministers wanted – without publicity – was impossible.<sup>16</sup> The British foreign secretary, Ernest Bevin, did what he could to persuade Attlee of the wisdom of the approach suggested by the Foreign Office and security services: that it was not possible to interrogate and avoid publicity. Bevin offered the following assessment: “I feel myself that we are dealing too tenderly with these people and I would prefer that a term should be put to their activities as soon as possible.”<sup>17</sup> Yet action was postponed again because of the PMS.

British and Canadian diplomats and their respective security services were growing frustrated with the delay by their governments. M15 wrote to Hollis that they believed interrogating May in the United Kingdom would not reveal much and that “general interrogation” in Canada would likely be more productive. May was considered, at least by M15, to be the “worst traitor” in the network.<sup>18</sup> MacDonald and Cadogan also expressed their frustration with deferring the operation. They feared not only that more information would be leaked in the interest of keeping things quiet, but also that the Soviet network had likely been tipped off by now about Gouzenko. In fact, it certainly had been from the start, thanks to the Soviets’ most well placed agent, Kim Philby of M16, who was responsible for counterespionage and specifically the Soviet file.<sup>19</sup>

In a memo intended to bring the Americans up to speed, M15 and the Foreign Office expressed their views on how the British and Canadian diplomats and authorities had decided they would like to proceed. They all decided to pursue the “straightforward” course: to arrest and interrogate suspects to

15. FBI to RCMP, 10 October 1945, KV 2 1425, NAUK; MacDonald to Stephenson, 15 October 1945, KV 2 1425, NAUK.

16. M15 to Roger Hollis, 27 October 1945, KV 2 1425, NAUK; memo on course of action, 23 October 1945, KV 2 1425, NAUK.

17. Ernest Bevin to Prime Minister Attlee, 27 October 1945, KV 2 1425, NAUK.

18. M15 to Hollis, 31 October 1945, KV 2 1425, NAUK; Hollis to M15, 2 November 1945, KV 2 1425, NAUK.

19. MacDonald to Cadogan, 31 October 1945, KV 2 1425, NAUK.



gather the evidence needed against May and possibly others in America, where evidence to convict was presently insufficient. The memo produced by M15 and the Foreign Office put it bluntly: "The action we want is the destruction of this network at the earliest possible moment and the discovery of all its ramifications." Cadogan and MacDonald agreed with the memo, even though it contradicted the quiet approach favoured by Attlee and King.<sup>20</sup> Joint action was set to take place in November, but it never happened because the FBI had to deal with another defection. Elizabeth Bentley, a US government employee, had been running a large-scale spying network for the Soviets inside the United States; J. Edgar Hoover's FBI was tied up chasing leads based on information she provided. The RCMP and Canadian officials had been preparing the order of operations for King, should he agree, which included an announcement of the spy ring and the ordering of arrests and interrogations under an order-in-council.<sup>21</sup> On 28 November the British received the green light from the Americans, with the FBI informing them that the Canadians could now move on the arrests whenever they wished.<sup>22</sup>

King was prepared to try things his way, which turned out to be a problem. The prime minister wanted to confront Russian ambassador Georgy Zarubin, who was about to depart Canada for home, to tell him that he knew what the Russians were up to. MacDonald notified Cadogan of King's plan, stating that King was acting on legal advice that prosecution of the suspects might not be possible and that this was the prime minister's way of taking diplomatic action to break up the ring and keep publicity low. The problem was that the previously agreed-upon action could not happen if King were to do this. The spy ring members would surely be alerted, and prosecutions and publicity would never occur because suspects would flee and defect.<sup>23</sup> When Stephenson learned of King's plan, he was firmly opposed. He concluded that King's "present attitude [was] reached without due regard for intelligence and security aspects of case" and that the guilty would go unpunished – in particular, Carr and Rose. Stephenson noted that the RCMP would "strongly resist [this] proposed course."<sup>24</sup> Scholars such as Whitaker and Knight have noted that to stop King, the RCMP commissioner Stuart Wood informed him that Hoover and the FBI preferred no action at that time because it would jeopardize their investigations in the United States, forcing King to let the ambassador leave. Blame for the RCMP's actions was attributed to Hoover, since Wood had told King that Hoover wanted to wait, but no evidence exists that links Hoover

20. Foreign Office, "The Corby Case" (memorandum), November 1945, KV 2 1425, NAUK; Cadogan to MacDonald, 9 November 1945, KV 2 1425, NAUK.

21. Butler to Bromley, 14 November 1945, KV 2 1425, NAUK.

22. Lord Halifax to Cadogan, 28 November 1945, KV 2 1425, NAUK.

23. MacDonald to Cadogan, 2 December 1945, KV 2 1425, NAUK.

24. Stephenson to CSS, 2 December 1945, KV 2 1425, NAUK.

to this incident.<sup>25</sup> In fact, in November the FBI told the British they had finished chasing leads. While it is possible Hoover had a role, it is more likely that it was MI5 and the Foreign Office along with Stephenson – not the FBI and Hoover – that wanted King to avoid this move. MI5 sent a telegram directly to the RCMP commissioner instructing him to stop King, noting that the action would yield few results: “We suggest that ambassadors [*sic*] departure should not be allowed to precipitate action.... We strongly urge in the interests of Canadian and British security [the] adoption of procedure of memorandum drawn up in Washington.... PRIMROSE cannot be interrogated without risk of publicity.”<sup>26</sup> It is likely that Commissioner Wood said whatever he needed to say to get King to comply. Whether Wood had relayed this message to King directly or through Robinson is not known, but the urgent telegram reveals that the British took a lead role in having the RCMP stop King. They wanted action taken along the lines previously agreed upon with the Americans – to establish a commission and make public arrests – and further, they were getting impatient. Telling King that MI5 wanted no action would not have likely worked on the Canadian prime minister, given that he knew the original plan, and what the British wanted, but did not want to follow it. MacDonald informed London that the RCMP was forced to advocate that King take no action and that King had agreed; in reply, the British expressed relief that King had abandoned the idea.<sup>27</sup>

These new revelations reveal that the British were willing to use every power available to them to see the event unfold in a manner acceptable to them; Canadian interests were not the priority. The actions of the British – who were willing to work directly with Canada’s security service to influence the Canadian government – demonstrate a high level of mistrust in Canada’s elected officials and contempt for its democratic process.

## The Press Leak Revisited

AS MANY HISTORIANS HAVE ACKNOWLEDGED, what eventually forced King to act in February of 1946 – that is, to publicly announce the detention of suspects and the establishment of a Royal Commission to investigate Soviet espionage – was the leak of the Gouzenko story to American media, in particular, reporter Drew Pearson. Blame for this leak has generally been attributed to Hoover. Scholars have argued that the FBI had the most to gain; the leak helped re-invigorate the House Un-American Activities Committee and the communist witch hunt underway at that time. In Stephenson’s biography, he names himself and Hoover as being responsible for the leak. Stephenson had a

25. See Whitaker’s and Knight’s accounts of this event: Whitaker & Marcuse, *Cold War Canada*, 51–53; Knight, *How the Cold War Began*, 94–96.

26. MI5 to RCMP Commissioner Wood, 2 December 1945, KV 2 1425, NAUK.

27. Cadogan to MacDonald, 5 December 1945, KV 2 1425, NAUK.

reputation for embellishment, though, and scholars have previously assumed that he would have benefitted from the leak only in that it may have helped keep the BSC office alive (it was slated to be scuttled after the conclusion of the war). Yet Stephenson's rocky relationship with Hoover made a joint leak unlikely. To these scholars, then, Hoover made more sense as the source. An MI6 agent—either Stephenson or Peter Dwyer, the MI6 representative in Washington—wrote to London, stating that one of the agency's "representatives" had met with Pearson (without American knowledge) and believed the reporter knew about Gouzenko as early as 10 January 1946. The contact had surmised from Pearson that Hoover was the source and that Hoover hoped to benefit from the recent discussions on intelligence reorganization in the United States. Hoover was against the formation of a central intelligence agency and wanted the FBI to deal with domestic intelligence matters.<sup>28</sup> Curiously, the British were the first to discover both the leak and Hoover's connection, before Pearson's story ever hit the public. Certainly the Gouzenko revelations could have helped Hoover, but the idea that he leaked the story on his own may not be completely accurate. Even if Stephenson was not the British source of the leak, new sources reveal that the British likely had a hand in it.

In a memo from October 1945, early in the affair, MI5 pondered the possibilities for dealing with the Gouzenko scandal. The memo, presumably written by Hollis while in Canada, discussed the British options. One was to keep the affair as strictly an intelligence matter, but that would mean allowing the ring to continue; given that some of the moles were well placed in government, this was ruled out. The most attractive option was to dismiss the spies, which would act as a deterrent and hurt the Soviets diplomatically, as the countries involved would ask for the removal of Soviet military attachés. Another attractive option was to prosecute the spies and withdraw the attachés. This was deemed better as a deterrent; if the prosecutions were successful, intelligence could be extracted and the publicity would be "considerable." Add to this another option MI5 considered: "An alternative version of c) [prosecution option] might be brought about by an inspired but unofficial leakage to the press, which would probably be followed by a protest from the Soviet Embassy. The resulting inquiry would be likely to bring the story to light and reveal material on which prosecutions would be brought."<sup>29</sup> This would turn out to be exactly how the affair unfolded.

At the same time that King decided not to act, in December 1945, MacDonald told the Foreign Office about a series of leaks in the US press about attempts by the Soviets to obtain intelligence on US jet propulsion and that such spies were

28. See Whitaker & Marcuse, *Cold War Canada*, 59–62; Knight, *How the Cold War Began*, 105–106; No. 984 New York to MI6, 10 January 1946, KV 2 1426, NAWK. See also Knight's chapter, "The Allies and the Gouzenko Affair," in Black & Rudner, *Gouzenko Affair*.

29. Roger Hollis, "[illegible] in the Corby Case Prepared by R.H.H. in Canada" (memorandum), October 1945, KV 2 1421 NAWK.

under watch by the FBI. He noted that the FBI was worried that the leak had come from within the bureau.<sup>30</sup> These revelations gave MacDonald an idea. He confirmed in a letter to the Foreign Office that MI5, the RCMP, and External Affairs all agreed that further delay was not good for security, as the suspects could soon slip away and avoid apprehension. With everyone else in agreement, the sole holdout was King, who did not want a “diplomatic collision with [the] Russians without similar supporting action being taken by the Americans.” King did not want to be left acting alone on the arrests. MacDonald admitted that there appeared to be no way to sway King – “except perhaps a press leak in Canada of the kind at present going on in U.S.A. or possibly further alarming revelations of Soviet espionage in the Dominion.”<sup>31</sup>

The British had ample reason to leak the Gouzenko story. They had experience using the media to sway American public opinion in favour of war, and in this instance, they were eager to end the spy ring’s existence because it had caused severe embarrassment.<sup>32</sup> The most important Soviet mole was a British atomic scientist, and the leak came as the Canadians and Americans were sharing research with the British. From the beginning the British worried the revelation would be a blow to UK-US relations, and they wanted the affair to focus instead on the American angle, how the Soviets wanted US secrets, as well as on the dangers of communism and Communist parties in all three countries. The British wanted to turn an embarrassment into an edifying spectacle for the public but were hampered by King’s insistence that a diplomatic row with the Russians be avoided. MI5 used its influence to have the RCMP dissuade King from acting rashly; the British wanted the network broken up and the Canadian interrogations to take place so that they could have evidence against May. The American press leaks in December 1945 gave the British the idea that they needed to force King’s hand and have the events unfold as they had hoped, with interrogations and a public spectacle against communism and the Soviets. After the leak, events unfolded precisely as MI5’s earlier memo had predicted. What is still uncertain is who, specifically, leaked the information, though new sources reveal that the British were most likely the orchestrators.

On 10 January 1946, the British believed that the Canadians should be given warning of Pearson’s story. On 24 January, diplomat Wrong telegraphed Robertson, informing him that the Canadians had been given the green light to make the arrests. On 4 February, King agreed to put in place the Royal Commission to detain the suspects and interrogate them. The draft of his speech was sent to the Foreign Office; in turn, MI5 stated that they were fine with the leak in the press and ready to act on May. MacDonald noted

30. Cadogan to MacDonald, 4 December 1945, KV 2 1425, NAUK; MacDonald to Cadogan, 5 December 1945, KV 2 1425, NAUK.

31. Macdonald to Cadogan, 7 December 1945, KV 2 1945, NAUK.

32. Nicholas J. Cull, *Selling War: The British Propaganda Campaign against American “Neutrality” in World War II* (Oxford: Oxford University Press, 1996).

that publicity would be inevitable as the Royal Commission moved forward and that the “form in which publicity [was] to be guided [had] not yet been decided.”<sup>33</sup>

The publicity that emerged from the scandal is well known. When King launched the Kellock-Taschereau Commission to investigate and interrogate those named by Gouzenko, media in the United Kingdom, the United States, and Canada covered the story with great interest. Initially, the media appealed for calm; the *New York Times*, for instance, pointed out after the commission’s first interim report that much of what the moles had released during the war could have been obtained by a military attaché request. But the commission and the subsequent spy trials were never about the quality of the intelligence given to the Soviets. From the beginning, the scandal was designed to draw attention away from the British role in the leak by fanning the flames with the Soviets and hardening existing opinions about them. In the United States, public opinion had already started to shift toward seeing the Soviets as the new enemy, with Republicans like John Foster Dulles and Truman Democrats leading the way. The Gouzenko revelations served to ramp up the good-versus-evil dichotomy that was emerging; historians have categorized the affair as the spark that began the Cold War. In fact, Winston Churchill’s famous “Iron Curtain” speech came right in the middle of the scandal, in March 1946. The Kellock-Taschereau Commission interrogated the spy suspects in camera yet also gave regular and very public reports about its work. The commission’s final report published in June 1946 – its “blue book,” as it was called – claimed that the spying occurred because of people’s misguided sympathies for communism and Communist parties. Ideology featured prominently in the final report, which became a bestseller. In the United Kingdom, the report was distributed widely in government offices and sent to British foreign offices around the globe, while the demand in Canada was so high the Canadian government could not keep it in stock.<sup>34</sup>

In Canada, elements of the public and media still favoured international control of the bomb and a world government. Many also sympathized with Soviet grievances. But these attitudes were untenable, even among the most progressive media outlets, such as the *Toronto Star*. Some Canadians had been critical of viewing the Soviets as the “Bolshevik bogey,” but they were at a loss when it came to the spy ring reports; the *Star* even avoided writing about it when the story broke in February 1946. Other Toronto papers, including the *Globe* and the *Telegram*, were already at work condemning the Soviets.

33. MacDonald to Cadogan, 4 February 1946; MacDonald to Cadogan, 24 January 1946; MacDonald to Cadogan, 7 February 1946; Foreign Office to MacDonald, 14 February 1946; MacDonald to Cadogan, 15 February 1946, all in file KV 2 1426, NAUK.

34. Teigrob, *Warming Up to the Cold War*, 76–79; Knight, *How the Cold War Began*, 140; Reg Whitaker, “Cold War Alchemy: How America, Britain and Canada Transformed Espionage into Subversion,” *Intelligence & National Security* 15, 2 (2000): 192; Weisbord, *Strangest Dream*. On the widespread British distribution of the commission’s report, see file KV 2 1419, NAUK.

According to the Canadian press, US papers were “having a field day” in launching attacks against the Russians. While the *Star* tried to appeal to the public’s calm and reason as the affair went on, the paper finally succumbed and ceased defending the Russians or calls for the sharing of nuclear secrets.<sup>35</sup> The affair effectively silenced the political left in all countries. The Gouzenko Affair succeeded in its moral message to Western governments and the public and in deflecting attention away from the British role in leaking information through May. All the attention was now focused on where Soviet spies could be found, how communism should be shunned, and the new cold war emerging between the United States and the Soviet Union. The Foreign Office and British intelligence had hoped that the spectacle of the spy trials and the Royal Commission would leave British-American relations unscathed, and they were correct. The public spectacle had saved the British from embarrassment and led to May’s prosecution and conviction. If the Cold War began with this event, then it began with the help of the British government and intelligence services.

## Conclusion

THE CONCLUSION OF WORLD WAR II ended hostilities with the Axis powers, but it ushered in a new conflict with the Soviet Union. The Gouzenko Affair served as a moral message and was deliberately designed as such by the British. New sources reveal the role of the British in influencing Canada’s elected officials by working directly with Canadian security services and by orchestrating the infamous press leak to a US reporter. These new discoveries complicate the story of the Gouzenko Affair by adding an important element to the often discussed role of the United States, and particularly the FBI. They demonstrate that the British government and intelligence services had a much greater role in the affair than previously assumed, and they detail why that involvement occurred. By creating the spectacle of the Royal Commission and spy trials, Canada helped the United Kingdom preserve relations with the United States while also putting the West on notice that the threat of the Soviet Union lurked everywhere. With the help of the British government and intelligence services, the Cold War began.

35. Teigrob, *Warming Up to the Cold War*, 84–86.