

PF 66960/SAV3	
GOUZENKO, IGOR	PF 66960/SAV3

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28.3.46. F.2.c. note re interview with GINSBERT. 169a.

TOP SECRET.

NEW YORK.

No. 445 of March 28th.

A. ADAMS has given testimony for day and a half and nothing of value was obtained although his guilt could be inferred from his evasions.

P.F. 603, 472.

B. In order that neither [ADAMS] nor BENNING, if they are charged and released on bail by end of week, can warn Agatha CHAPMAN, who now appears as no unimportant figure, she is to be brought before Commission on Friday by subpoena.

C. Yesterday Montreal Gazette published facsimiles of CORBY documents referring BERMAN's contact in London. Paper obtained these surreptitiously from Defence Counsel. In view exception made in (CHAPMAN's) case I have strongly urged Commission Counsel that Samuel BURMAN, whom we tentatively believe to be individual in question, should also be subpoenaed immediately before he has time to work out detailed answers to questions which he must now realise will be put to him. If programme were left as (?at present) ?intended (?it would be) at least a fortnight before his testimony could be heard.

My immediately following telegram.

TOP SECRET.

NEW YORK.

No. 446 of March 28th.

My immediately preceding telegram.

D. Counsel have agreed desirability of action I requested and I hope that BURMAN may be brought before Commission in a few days under subpoena and questioned with special view to obtaining all possible information concerning his supposed activities in London.

E. BURMAN is at present in Montreal and this presents some difficulty in serving a subpoena. I will confirm later whether or not this can be carried out.

F. I am aware that this is a shot in the dark but feel it might possibly prove to be of considerable value to M.I.5.

Supp A
Copy [unclear]

TOP SECRET.

[Handwritten initials]

167A

NEW YORK.

No. 444 of March 28th.

Following for Hollis from Cussen.

- A. Consultations between Director of Public Prosecutions and Canadian authorities have been proceeding successfully.
- B. Director has discussed importance of general policy with High Commissioner's office and with Ministry of External Affairs.
- C. Director has had series of discussions with Minister of Justice and Counsel to Royal Commission. Commission Counsel were mainly exercised in mind as to how to obtain proper consideration of MAY case by Commission without arbitrating trial of MAY in London. They attach great importance to MAY case being fully before Commission.
- D. Solution has now been found by Director giving evidence photostat copy of MAY's statement as correct copy of original and produces copy of BURT's deposition which sets out circumstances in which statement was made. Commission Counsel will undertake that publication of MAY's statement will not take place in Canada until his trial in London is completed.
- E. Royal Commission hopes to present its final report to Canadian Government by April 28th but report will not be ready for printing until some ten days later, by which time it is hoped MAY's trial in London will be over. If this is not the case suitable steps will be taken to avoid inclusion of statement in report.
- F. Please repeat to Vincent EVANS, Assistant Director of Public Prosecutions.

[Handwritten initials]

Supp

TOP SECRET.

17
100

NEW YORK.

No. 443 March 28th.

PF-98367

A. To all intents and purposes *(ROSE)* has been committed for trial though there is still one minor formality to be gone through under Quebec law.

B. *PF 603, 469*
(WILLSHER) WOIKIN, LUNAN and MAZERALL appear today for preliminary hearing in Ottawa and at moment it is hoped that documents can be used and that CORBY's evidence will not repeat not be required.

MARCH 18, 1946

be discussed at considerable length, later in the session, and I feel I need not take too much time in discussing any aspect of the measure at this time. I expect the Minister of Finance (Mr. Hsley) will introduce the necessary legislation, and at such time will speak at some length upon it.

My hon. friend touched briefly upon financial and trade matters which, as I have already said, are directly related to the budget. I believe we might well defer consideration of these matters until we are discussing the budget.

Mr. Speaker, I might take considerable time in reviewing other matters discussed by my hon. friend; but, as he has said,—and I believe I have his words before me—the matter which above all others occupies the attention of the people to-day is the deplorable question of espionage and disclosure of secret information to a foreign power which so unfortunately has come to the fore.

Having in mind what my hon. friend has said, namely that it is attracting keen attention throughout the country, I felt I should take it up at the earliest opportunity. With that in mind I announced a day or two ago that I intended to deal with this matter when speaking to the address in reply to the speech from the throne.

As I am about to deal with this new subject, Mr. Speaker, it would I think, meet with the convenience of all hon. members if you would call it six o'clock.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. MACKENZIE KING: Mr. Speaker, on Friday afternoon last I expressed the hope that hon. members of this house would read with care the interim report which had been presented by the two justices of the Supreme Court of Canada who were acting as commissioners to make an investigation into the disclosure of secret information to unauthorized persons for communication to a foreign power. This afternoon my hon. friend, the leader of the opposition, asked me to take the house and the country into my confidence with reference to matters pertaining to this investigation. May I say at the outset that in this I am necessarily confronted with one serious handicap, one to which I have referred in a statement which I have given to the public, namely, that the whole matter is one which is *sub judice* at the present time. For that reason there is very much that I should like to impart to the house and to the country

which unfortunately I will not be able to impart and which cannot be given to the house or the country until those who have been committed for trial have had their trial and evidence has been taken in public upon which verdicts will be based.

I have been asking myself at what point one would necessarily have to draw the line with respect to what is not permissible because of matters being *sub judice* and, up to what point matters might be discussed quite frankly. I am right I believe in assuming that anything that took place of which I had knowledge up to the time of the appointment of the commission and which influenced the government in its action with respect to the course it took in appointing the commission and in acting on the advice of the commission in certain particulars would be a matter that I should be quite free to discuss openly, being careful all the time not to say anything, if that is possible, that would in any way prejudice the trials that may take place.

I do not think I can do better in speaking to the question itself and giving to the house at once some idea of its vast significance and importance than to quote from the first interim report of the royal commission. I am not disclosing anything that should not be disclosed because of *sub judice* reasons if I quote from a published report which is in the hands of all hon. members of parliament. Therefore I would bring immediately to the attention of the house the gravity of this question and its far-reaching significance and importance by reading what the commissioners have said with respect to the inquiry they are holding, what they have found thus far, and what they have felt should be given as soon as possible to the public. On page 11 in the document which was tabled on Friday last relating to the proceedings of the royal commission will be found the following paragraph:

The evidence establishes that a network of undercover agents has been organized and developed for the purpose of obtaining secret and confidential information particularly from employees of departments and agencies of the dominion government and from an employee of the office of the high commissioner for the United Kingdom in Canada. The evidence reveals that these operations were carried on by certain members of the staff of the Soviet embassy at Ottawa under direct instructions from Moscow. The person directly in charge of these operations was Colonel Zabolin, military attache of the embassy, who had as his active assistants in this work Lieutenant-Colonel Motinov, chief assistant military attache, Lieutenant-Colonel Rogov, assistant military attache air, Major Sokolov, of the staff of the commercial counsellor of the embassy, Lieutenant Angelov, one of the secretaries of the military attache as well as other members of the staff of the military attache, all of whom, as well as the agents whom

they employed in the pursuance of their activities, were, in the interests of secrecy, known by under-cover names.

In the next paragraph will be found the following:

We have had before us a former employee of the Russian embassy at Ottawa, Igor Gouzenko, the cipher clerk of the military attache, who has described this organization and its functioning, and who has produced original documents, the authenticity of which we accept.

I need scarcely say that these paragraphs describe as serious a situation as has existed in Canada at any time. If the house has had to wait some little time for the information which I intend to give it this evening, it is because the government have been only too conscious of how serious this situation is and how far-reaching its repercussions may be.

Perhaps I cannot better take the house into my confidence than to begin with an account of how I personally became informed of this situation and how the government became aware of it. Hon. members perhaps recall that when the first session of this house opened on the 6th of September last we met in the morning to choose a Speaker and the proceedings were to begin at eleven o'clock. Hon. members may have noticed that at that time the house was kept waiting, for a few minutes at least, before I found it possible to come in. What had happened was this—I was informed that morning by the under-secretary of state for external affairs that a young man from the Russian embassy had been to the office of the Minister of Justice (Mr. St. Laurent) asking to see the Minister of Justice. He said that he had most important information to impart to the government, that it disclosed a situation which threatened very seriously conditions in Canada, that it was an extremely serious situation and that he wished to warn the Canadian people with respect to it. He said that he had in his possession documents which would make wholly clear what he was saying and he wished these documents to be in the possession of the government. He said that he had taken these documents from the vaults of the Russian embassy and also from among papers which he had collected over a short time with a view of making the disclosure which he now wanted to make.

I was asked what should be done in these circumstances. I replied that I thought this was a case where we could not be too careful or too cautious; that this man represented that he had come from the Russian embassy; that we could not say whether the documents he had in his possession were fabrications or not; that we did not know what his own state of mind might be, or how responsible he was;

[Mr. Mackenzie King.]

that we knew nothing of the circumstances which had caused him to leave the embassy and come to the government and that I thought he should be told to go back to the embassy with the papers he had in his possession.

He had been anxious to see the Minister of Justice. He had not seen the Minister of Justice. He told his story to the secretary of the Minister of Justice, who gave a full account to the under-secretary of state for external affairs, and he gave me the particulars which I have just mentioned.

What I felt was most important was to see that nothing should be done which would cause the Russian embassy to believe that Canada had the least suspicion of anything which was taking place there, or which could be regarded by them as unexpected in the circumstances.

This advice was given to the man who came, whose name has been given in the commission report—Igor Gouzenko. He was a cipher clerk in the Russian embassy. He had been in the embassy in Ottawa here for some two years, associated with the military attache. Prior to those two years he had been for a couple of years in the secret service in the U.S.S.R. He had been trained particularly in ciphering and deciphering messages. That, he claimed, was how he had got possession of the documents to which I have referred.

Perhaps at this point I should indicate what I subsequently learned about Gouzenko's movements. Apparently he left the embassy around six-thirty in the evening of the day prior to the one at which he went to call at the office of the Minister of Justice. He left with the papers in his possession and went from the embassy to one of the newspaper offices in this city. It was to the *Journal* that he went and told his story to one of the persons whom he found in the office. He wanted to see the editor. The editor was not present; but I am told, he gave a fairly full account of what he believed the people of Canada should know, what he wished to impart, and seemed very anxious that full publicity should be given to the statement which he was making. He claimed that his purpose was to let the Canadian people know of a situation about which he felt they should know. I understand that though his story seemed fantastic—as he had documents with him—he was told that he should go and see the mounted police, that if he had information of this kind they were the persons he should see.

He went back to his house that night. Next morning he came to the office of the Minister of Justice. Not seeing the Minister of Justice

Encl to Rep Colin Keese - No 113 of -
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W.G. 6.22/9 .

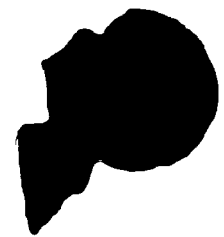
Min. the ~~...~~ of the
Under Secretary of State for ~~...~~
~~...~~

12

1944 it represented 35 per cent.

The result of the Department
Mr. Sean T. O'Keilly, as Minister
taken at Budget-time last May, is
national income and expenditure.

Total income for both years
prices and the Department has est



MARCH 18, 1916

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he then left for other parts. He had his wife and little child with him. During the course of the day—I need not relate all his movements—he visited the office of the crown prosecutor in the city and spoke there about his situation, again wishing to give publicity to the information that he had. During the afternoon he left his little child with a neighbour to be cared for, while he and his wife sought to meet others and discuss the situation with them. Then, at night, he went to his home, and when he was there he asked immediate neighbours, a gentleman and his wife, if they would be kind enough to look after his little child; that he was very fearful that something might happen to him that night, that he felt that by this time it would have been discovered that he had left the embassy and had taken with him certain papers which were of significance, and that he might expect to be killed in the course of the evening unless he got protection. The persons in whom he confided his situation took him into their apartment along with the little child and had them all stay in one of the rooms. Meantime the gentleman whose apartment it was, seeing the fear and the dread which he had, went to the city police and told them of the situation and asked that protection should be given to him. Arrangements were made with the police to be in the near vicinity lest there should be any incidents.

About midnight there was an incident. His apartment was entered by four persons—I believe he maintains that it was broken into. At any rate, the four persons who entered the apartment were from the Russian embassy or connected with it. The city police wanted to know from them just why they were there. They claimed immunity, being members of the embassy. No arrests were made. They were allowed to return to the embassy. In the meantime, Gouzenko had been safe, sequestered as he was in the other apartment. Later in the evening another visit was made to his apartment, but nothing came of it. Gouzenko asked the city police if they could put him in contact with the Royal Canadian Mounted Police. He said that he had information which he thought was of importance to Canada and, indeed, to his own country if it could be disclosed, and that he would like to give this information to the government through the police.

He was promised that he would be taken to the mounted police where he could tell his story. Later in the morning he was taken to the mounted police, and he gave a full statement, producing the documents that he had in his possession, and asked for protection

for his life and the lives of his wife and little child. They were given protection by the police.

The documents were then very carefully studied together with other information he gave.

Let me repeat from the outset I felt that the situation with which we were confronted was one that could not be viewed too circumspectly. I felt we must make sure what type of person Gouzenko was, and what the motive was that prompted his action. I have come to the conclusion, from the statement which he gave to the police, that his motives were just as he himself described them, a desire to expose a condition which he thought was intolerable and which was likely to work injury to our country and to his own country as well. To the police he made a very careful statement in which he said that he had been in Canada for a couple of years, had been immensely surprised when he came here to see the freedom of the people, the way in which democratic institutions worked in this country. He said that he had been very greatly impressed with the way in which general elections were conducted, the different political parties speaking freely in the open, having candidates who opposed one another and the like. It impressed him deeply in contrast with what he had seen in his own country. He said he felt that, having witnessed for two years what this country was doing to assist its ally with munitions, money and food, and in every other way, and at the same time affording to himself and to others every facility that could be extended in the way of freedom, he could not stand it very much longer, and he had made up his mind that, regardless of what the consequences might be, even if it were life itself, he owed it to the people of this country and to his own people to reveal the condition of affairs as he had come to know it at first hand. And having made up his mind in this way, he then began to gather some of the documents which he felt would be absolutely convincing in themselves if made public.

I wish the house to note that his actions corresponded with that profession. He did not come to the government in the first instance. He went to a newspaper office, and he paid a second visit to a newspaper office with a view to having the documents published and having his story made public. He later came to the police to give them the full story, and the documents which were in his possession.

One may take what view one wishes of Gouzenko. I have stated my impressions as gathered from what evidence has come

before me. But what I attach importance to in speaking to the house to-night is not the individual and what he said but the documents which were produced. Some of these documents are in the handwriting of some of the persons who have been examined by the commission, while some are in the nature of transcriptions; many of them are cipher messages that have been sent back and forth; some are messages that have come from Britain to Canada and passed on from Canada to the U.S.S.R., and there is much that relates to plans and records that have to do with the manufacture of munitions, explosives and the like.

It is upon the documents which are in possession of the government now, and which will be made public as the trials proceed, that such subsequent action as was taken by myself and my colleagues are based. We have not acted upon hearsay. We have taken the reports which have been made to us by the police, and which are verified and authenticated by the documents themselves.

These documents disclose among other things that Canada was being made a base to secure information on matters of very great and grave concern to the United States and also to Great Britain; that information was being sought through agents here with respect to many matters that were of the utmost concern to Canada, the United States and the United Kingdom.

I speak for myself personally because I must take the main responsibility. In fact, I am prepared to take the whole responsibility if necessary for the steps that have been taken, though the Minister of Justice and myself were together in considering and dealing with the questions that had to be considered. There come times, however, in a government when, sooner or later, the decisions as to what course is to be taken has to be made by the head of the administration.

I realized at the outset that this was no small matter, not a domestic matter only, by any means. We could not ignore the evidence that there were in our public service a number of trusted employees who were giving information to agents of a foreign power to be of assistance to the foreign power and that it was clearly necessary that there should be an investigation. It was inevitable that an investigation would have repercussions, having regard to what might be revealed, in many parts of the world, and for that reason one had to consider other nations as well as one's own before taking a step that might come to be considered premature.

I should perhaps have mentioned this as a central feature of the Gouzenko statement. He

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claimed that what was being created in Canada was a fifth column; that it was being created through Russian agents in contact with the members of the public service and others in this country and that it had extended very far; that the infiltration of this effort had gone in very wide directions and for that reason there was the necessity for the complete investigation. I felt it was my duty, regardless of what might come, immediately to inform both the United States and the United Kingdom of what had been disclosed here and to let those two countries know of the government's intention to have the matter investigated.

My hon. friend, the leader of the opposition, asked me to inform the house to-night whether, when I visited the United States and the United Kingdom, I informed the authorities there of what I have told the house this evening. I did. I felt my first duty was to visit our immediate neighbour the United States, to see the President and let him know that there were certain matters being revealed to us here which caused me to feel that Canada might be being used as a base for the disclosure and the imparting of information that was of concern to the United States, and I was most anxious to have the President know that we intended to have the whole matter fully investigated.

Before I say anything further I think I ought to let the house know what was the kind of information that was in my possession at the time that I decided to visit the United States and Great Britain, and here again to state that I shall not be imparting any information that might bear on what is *sub judice*. I think, I think, be safe if I take the statement which appears in the first interim report of the royal commission and quote what is indicated there. I should like to make it clear that it was during pretty much all of the month of September that the investigation was being made by the police. I was being informed of what was being brought to light, and pretty much the whole case as it has since been developed had at that time been worked out at least in outline by the Royal Canadian Mounted Police. The matters of which I had knowledge in this indirect way are pretty much the same as are set forth by the commission in the documents before us. I quote from the first interim report of the royal commission:

As shown by these documents, the specified tasks committed to Colonel Zabolin were the following:

(1) As described in telegrams from "The Director" at Moscow addressed to Colonel Zabolin under his cover name of "Grant," in August, 1945.

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(a) The technological processes and methods employed by Canadians and the English for the production of explosives and chemical materials.

(b) Instructions as to which of the members of the staff of the military attache should contact particular Canadian agents and the suggestion of names of persons in the Department of National Defence for Naval Affairs who might act as agents.

(c) Information as to the transfer of the American troops from Europe to the United States and the Pacific also the army headquarters of the 9th army, the 3rd, 5th, 7th, 13th army corps, the 18th armoured division, the 2nd, 4th, 8th, 28th, 30th, 44th, 45th, 104th infantry divisions and the 13th tank division, together with the dates of their moves, the location of the army headquarters of the 8th and 16th armoured corps, the 29th and 89th infantry divisions, the 10th tank division and the location of the Brazilian infantry division. Whether or not there had been organized a staff for the American troops in Germany and, if so, its location and the name of the officer-in-command.

The location of the 1st parachute troops and the plans for their future use.

(d) Instructions to take measures to obtain particulars as to the materials of which the atomic bomb is composed, its technological processes and drawings.

(e) As described in writings under the hands of Zaboim, Motinov and Rogov, during the period March to August, 1945.

(f) To obtain from the national research council models of developed radar sets, photographs, technical data, periodic reports, characterizing the radar work carried on by the council and future developments planned by the council.

(g) Particulars of the explosives establishment at Valcartier and its work, including the obtaining of formulas of explosives and samples.

(h) A full report on the organization and personnel of the national research council "Give more details of organization of research council. Manipulate so as to get to their leaders and find out what they do."

(i) Particular work of specified employees of the research council.

(j) The obtaining of documents from the library of the national research council so that they might be photographed, with the expressed intention of ultimately obtaining the whole of the library of the national research council.

(k) Particulars as to the plant at Chalk river, Ontario, and the processing of uranium.

(l) The obtaining of a sample of uranium 235, with details as to the plant where it is produced.

(m) Specifications of the electro-projector of the "V" bomb.

(n) Research work being carried on with relation to explosive materials and artillery.

(o) The obtaining of material on the American aeroplane radar locator type, navigation periscope.

(p) A list of the army divisions of the Canadian army which have returned from overseas and the names, or numbers, of the divisions which have been divided, or re-shaped, or undergoing re-shaping.

(q) The number of troops in the Canadian army in the post-war period, together with the system of its organization.

(r) Information from the Department of Munitions and Supply of various kinds relating

to guns, shells, small arms, ammunition for small arms, arsenals, optical and radio appliances, automobiles and tanks, apparatus for chemical warfare and particulars of plants producing same.

(s) Information as to electronic shells used by the American navy.

(t) To endeavour to keep agents in government departments threatened with discharge as a result of shrinkage in size of the departments, in order to maintain their usefulness for the future.

(u) Information with regard to depth bombs and double charge shells for cannon.

(v) Information as to telegrams passing into and out of the Department of External Affairs and the office of the high commissioner for the United Kingdom.

It must not be assumed that the above list is exhaustive, but it illustrates the nature of the objectives of these operations.

The commissioners then make the following statement:

It has been stated to us by commission counsel that the method of presentation of the evidence before us is with the object of ultimately establishing the identity of the greatest number of those persons who have acted as agents, but the question of the relative importance of the above subject matters has not been dealt with to an extent where we are yet able to pronounce upon it. To proceed in any other manner might have been prejudicial to the ultimate attainment of the purposes of the investigation.

I read that now because of another question which the leader of the opposition asked me this afternoon to answer, namely, how far this espionage system extended.

I should like my hon. friend to notice that commission counsel have attached particular importance to ultimately establishing the identity of the greatest number of those persons who have acted as agents. I shall return to that a little later, as one of the reasons why the commission have thought it desirable that certain persons should be kept incommunicado pending their interrogation and the taking of their evidence. It has been with a view to finding out in the most effective manner possible how far-reaching this particular infiltration has been.

I could not very well leave Canada until the end of the debate on the address. It was the first session of the new parliament; there had been no division; I had to make perfectly sure that the government was going to remain in office, so that I felt it advisable to wait until after the first division. However, before leaving I did call into my office the leader of the opposition (Mr. Bracken), the leader of the C.C.F. party (Mr. Coldwell) and the leader of the Social Credit party (Mr. Low) and told them individually one of the reasons why I was leaving at that time. The house will remember that Mr. Attlee had communicated with me somewhat earlier, asking me to

come over for purposes of consultation. I had been obliged to reply that I could not leave at least until the session was under way; but this matter coming up in the first month of the session made it important that I should not delay my departure longer.

There was one other reason why I went at that particular time. Part of the information secured by the police was to the effect that a scientist who was quite high in his profession and very much trusted by the British government; who was a citizen of Britain but was engaged in research work in Canada; who had perhaps as much knowledge as anyone of matters pertaining to the release of atomic energy and researches in that connection, was about to leave Canada; that he had taken passage on a plane and would be arriving at a certain time in London, where he would make contact with the agent of a foreign power. Information of this kind cannot be easily trusted to telegraphic communication. I thought I should give to the British government as full information as I could with regard to what we had ascertained.

I left for Washington about the end of September. I called upon the President at the White House and had a short talk with him before leaving for New York to catch the ship on which I was crossing to Britain. I arrived in London on a Sunday evening and immediately, on Mr. Attlee's invitation, spent the evening with him at Chequers, where I told him of what had been discovered here. Later I had talks with Mr. Bevin, the foreign secretary, to whom I gave such information as I thought the British government might wish to have. As hon. members know, I returned later to Washington, in company with Mr. Attlee, where a conference took place with the President in respect of atomic energy, in connection with which a report has already been made. I then came back to Ottawa accompanied by Mr. Attlee and, after Mr. Attlee returned to England, took up anew the question into which I had been looking so anxiously before I went away.

One question that undoubtedly presents itself to the minds of hon. members is why there should have been such a long delay in disclosing this condition of affairs. Why was the commission not appointed at an earlier date? Well, I think I have indicated enough to show that it would have been a very great and grave mistake to take any premature step in regard to the time at which the investigation should take place. The last thing this country would have wished to be responsible for was that in any way it had affected the relations between any of the united nations in a way that might prove prejudicial to all.

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Hon. members will recall that there was a meeting in London of the council of foreign ministers at which the British, American and U.S.S.R. foreign ministers were present. That particular meeting did not get very far. After it was over, there were recriminations of one kind and another. I think it would have been most unfortunate had these disclosures taken place while that meeting was being held. There were other meetings to consider that would be held in the near future. It was a question of what was the wisest step to take, and the best time at which to take it.

In order to be perfectly sure of an objective view being taken of the whole situation, the government decided to secure special counsel and have him go over with the police the whole record they had, and the documents which were in their possession, and advise the government as to the course which in his opinion it would be best to follow. The first question was what counsel to select. Hon. members are now aware that the government chose Mr. E. K. Williams of Winnipeg to be counsel to advise the government in this matter. Mr. Williams was made the choice of the government because of his eminent reputation in his profession and because at the time he was president of the Canadian Bar Association. We were anxious that whoever was chosen to advise the government and later on, it proved, the commission would be one in whom members of the legal profession and the country would have every confidence. We felt that Mr. Williams, being president of the Canadian Bar Association, and occupying such a prominent position in the legal profession, would be the best person upon whom to call.

A report was made by Mr. Williams, which I hope some time later may be given to the public. It cannot be given now because it contains information that would have a bearing on some of the trials about to take place. In that report Mr. Williams recommended that the best course to pursue would be to appoint a royal commission and to obtain as commissioners the best persons it would be possible to secure. It was on that advice that the government came to request the services of Mr. Justice Taschereau and Mr. Justice Kellock, two members of the Supreme Court of Canada. Here, again the government realized that questions as to the liberty of the subject and of individual freedom were certain to arise in the exploration of the extent and development of this system of espionage, and that it would therefore be most desirable and indeed, absolutely necessary to have as commissioners persons who,

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above all, would be most anxious to protect the liberty of the subject, and to see that justice was done—and justice only.

I have heard hon. members opposite speak about the importance of upholding justice, and of having justice followed in every step in this matter. That is why, to the exclusion of all others, two justices of the Supreme Court of Canada were selected. The government did not know where in Canada it could find two persons who would be more certain to uphold justice in every particular, or who would be more zealous in protecting the freedom and liberty of the subject than would two justices of the Supreme Court of Canada. I hope this will be kept in mind by hon. members if at any stage they are inclined to criticize some of the methods which necessarily have been adopted to fulfil the purpose of the inquiry.

I said a moment ago that there had been other conferences. Hon. members will recall that in December there was a meeting in Moscow at which the Secretary of State for the United States, and Mr. Bevin, the Foreign Minister of the United Kingdom, met with Mr. Molotov in Moscow to discuss matters of mutual interest and concern. That would not have been an appropriate moment at which to have gone into this matter. Had an investigation been started at that time in Canada, it might conceivably have been said, or it might have been thought that it had been planned with a view to making difficulties in connection with that particular meeting.

Then there came the united nations meeting in London, the preparatory commission of the united nations organization, the meeting of the assembly and of the security council. It was most important that these bodies should be organized with as little as possible in the way of mistrust, suspicion or recrimination. Here, again, was another factor which entered into the judgment of my colleague, the Minister of Justice and myself as to the time at which it would be most appropriate to begin proceedings.

And here may I make a statement which I think it is important to make. My hope had been that it might be possible to have an inquiry which would attract very little in the way of public attention, at least until matters were in such shape that only those against whom evidence seemed to be conclusive would be apprehended and committed for trial. I thought that possibly we might have members of the public service whose names unfortunately have been brought into this situation examined by deputies and ministers of the departments, in the presence

of the Minister of Justice, and that the matter might be dealt with in that way. That illustrates only one of several ways in which we hoped the matter could have been dealt with so as to have as little effect as possible on international relations.

A moment's consideration, however, made it clear that anything of that nature was wholly impossible. In the first place it would not have been possible to have made more than a very limited inquiry. And in this situation, because of its vast proportions, it was all important that if there was anything to it at all we should go into it thoroughly and see that nothing was left undone which could possibly be done to clean up a situation of this kind.

I now come to the question of the apprehension of the persons who have been detained. This afternoon my hon. friend asked me to explain when speaking this evening why the order in council passed on October 6, giving authority to the minister to have individuals apprehended and detained, was not made known to the House of Commons at the time the Emergency Powers Transition Act was passed, and a question was asked as to whether there still remained any secret orders in council under the War Measures Act.

The explanation, in a word, is this: I have spoken about a very trusted official who had left Canada to go to England, who was to make contact there with certain persons, who had, as we have reason to believe, very important information in his possession, and who was in a position to give perhaps as much in the way of information as almost any other with regard to certain aspects of research on atomic energy, and matters pertaining thereto.

Contact was to be made in London on October 7. It was understood that if this person should make contact and thereupon be apprehended and brought before the police for examination, a similar step would have to be taken here with respect to the others in Canada who were believed to be in a similar position. October 7 being the date upon which this man was to be apprehended in London, if caught in the act of making the contact it was thought he might make, it was understood that on the same date we should make similar arrests here.

The War Measures Act was then in force, and the order in council was passed in my absence on the recommendation of the Acting Prime Minister and the Minister of Justice. I would have done exactly the same, had I been here, so as to give authority for the apprehension of persons here the moment it was thought desirable that such steps should be taken.

However, the contact in London did not materialize. One of the reasons it may not have was that it had been known in certain quarters for a couple of weeks at that time that a good deal of information was in the hands of the government here, but it was still thought probable that the expected contact might be made. However, as it did not come at that time, the matter here was also held in abeyance. No steps were taken at all under the order until the time came when it was thought necessary and advisable to take the course recommended by counsel and approved by this Government.

Up to that time use had not been made of the order; it simply lay in abeyance until the beginning of the time at which the commission asked that certain individuals should be apprehended and brought before them for interrogation and to give evidence. I doubt very much—the Minister of Justice will speak for himself—whether the matter was in the mind of the minister as to that particular order still being on the list when he was asked in the house whether there were any other orders. I confess that I never thought of it. I was here, I think, when some one asked if there were any other orders. The order had lain dormant; it had not been used at that time. I imagine that that would be the reason why the minister made no mention of it. Even were we to assume that he had knowledge of it, I think it would have been most unwise for the minister to have disclosed to parliament and to the country at that time that there was such an order, and that under it persons would be apprehended for the purpose of the inquiry that has since taken place. What I would have done and what I think the minister would have done if it had entered into his mind would have been to have told my hon. friend and the leaders of the other parties in confidence that the order was there and that it was being kept intact in case use might have to be made of it a little later on. That is the position as I see it.

Let me emphasize this fact. Before any persons were apprehended at all, the commission had examined carefully the man Gouzenko to whom I have referred and all the documents that had been presented to the police. The commission met in camera for a week before any one was apprehended. The two justices of the Supreme Court of Canada were satisfied in their own minds beyond any doubt that the documents that were before them were authentic, and it was on the basis of the documentary evidence they had that caused them, when the commission counsel expressed the view that these persons ought to be apprehended and detained until they

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gave their evidence, to recommend to the minister that he issue the orders for apprehension.

May I ask hon. members this question? All that I have described thus far and much more was known to the minister and myself at the time the commission was appointed. While the commission sat we were further informed of what the commission themselves had found with reference to the documents and to the situation generally throughout the country. If, knowing all that, the Minister of Justice, when the commission recommended that in order to get to the bottom of this thing it was necessary to apprehend the different persons whom they named, had refused to accept that, had refused to act and had said, "Well, we will have a political question; the question of the freedom of the subject and the like will come up and for political reasons we had better not take any steps," I ask, what would have been the responsibility the minister would have had upon his head to-day before this house?

It is an easy thing to criticize others for taking particular steps before all the facts are known. I believe that already many criticisms have been made which would not have been made if the facts were fully known or even partly known as I have explained them to-night.

I gave out to the public, at the time the commission asked that certain individuals should be apprehended, a statement which I think I ought to read at this moment because it helps to make clear the caution with which the government was proceeding from beginning to close. This was issued by myself on February 15:

Information of undoubted authenticity has reached the Canadian government which establishes that there have been disclosures of secret and confidential information to unauthorized persons, including some members of the staff of a foreign mission in Ottawa. In order to make possible the full investigation which the seriousness of this information demands, the government has appointed Mr. Justice Taschereau and Mr. Justice Kellock of the Supreme Court of Canada to act as royal commissioners to hear evidence and to present a report which will be made public. The commissioners have appointed as their counsel Mr. E. K. Williams, K.C., of Winnipeg, Mr. Gerald Fauteux, K.C., of Montreal, and Mr. D. W. Munnell of the Department of Justice; the commission has already commenced its investigation, which is proceeding in camera.

Let me emphasize that the commission had been sitting a week at that time or longer. They had made perfectly certain that the persons whom they were asking should be apprehended were persons whom, upon the

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evidence before them, they felt justified in asking should be detained. My statement continues:

Upon the application of counsel, and having regard to the serious nature of the evidence already adduced before the commission, the commissioners recommended counsel to apply to the Minister of Justice for orders for the interrogation and detention for that purpose of a number of persons known or suspected to be implicated. This action has been taken to-day. The persons involved include some now employed or who have been employed in a number of departments and agencies of the government.

It is the intention of the government that, after the report of the royal commissioners has been received, prosecution will be instituted in cases in which the evidence warrants it. It would not be proper at this stage to make a more complete statement or, in particular, to make public the names of those concerned. Some of them appear to have been far more deeply and consciously involved than others. Some will probably be found to be more or less innocent instruments in furthering activities much more serious than they may have imagined. Obviously the whole matter should be treated with caution and reserve, pending the time when it will be possible to issue a fuller statement. Until the investigation by the royal commissioners has been completed the case remains in the public.

In other words, there again the government was taking every step possible, on the one hand, to make the fullest possible investigation and, on the other hand, to protect persons or the liberty of persons, to protect the names of persons until the very last moment at which some disclosure would have to be made with regard to what had been done by way of violation of the Official Secrets Act. This step was in part to protect these persons themselves, some of whom to-day are on trial. Until the last moment everything was done to keep their names out of the press.

The authority granted to the commission was to investigate persons who were or had been in the public service, and that is as far as the commission has been investigating. I must confess that I regret, as every member of the house regrets, very deeply that the work of the commission has taken as long as it has. When the commission was appointed we hoped it might be a matter of only a few days that any of the persons would have to be detained, but perhaps I have told the house enough for hon. members to realize how extensive this inquiry necessarily is. In order that the inquiry might be as thorough as possible the commissioners have gone about the taking of evidence in a way that would leave no stone unturned to establish the facts. We have indeed reason to be grateful to the commissioners for the manner in which they have given unremittingly of their time and thought to their exacting duties.

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Particularly are we indebted to them for the manner in which they have sought to guard against publicity being given to the names or actions of any persons until this became wholly imperative.

Perhaps I should deal for a moment, before concluding, with some of the international aspects of this matter. The house will have noticed, as the public have, that in the statement I gave out I made no mention of any country by name. But before giving out this statement I did ask the charge d'affaires of the Russian embassy to come to my office. I read to him the statement, and I told him that the country to which reference was made was the U.S.S.R. Hon. members will have noticed that it was the Soviet government itself which was the first to state that Russia was the country that was referred to in that statement. There has been no communication from the government of the U.S.S.R. to our government other than a statement which was handed to our representative to the U.S.S.R. at Moscow and to which much publicity was given in the Russian press. That was the statement which made light of many aspects of the statement I had given out, but which did have this significant paragraph in it, that the Russian government admitted that the military attaché had taken a course of action here which was, I think the term used was, "inadmissible", and that he had been recalled. May I say that in the course of this inquiry three or four other persons have since returned to Russia from the Russian embassy; this at the instance of the Russian government itself.

This brings up, of course, a very large question, that of the relations between Russia and Canada. Some persons may feel that we ought to sever relations, as they would say, by having the Russian embassy withdraw from Canada. I hope that no view of that kind will be expressed by anyone in a responsible position. We in Canada want only the best of relations with the U.S.S.R., as we do with every other country, and we must not be too ready to judge until we know all the circumstances connected with the particular situation. I believe it is true that there are agencies working, may I put it, at the side of the Russian embassy which are doing things that possibly are unknown to the ambassador himself and members of his staff. That may be so and it may not be so. At any rate I am not going to be the one to judge as to who has knowledge of this and who has knowledge of that. The time will come when all this can be worked out and, I hope and pray, will be worked out in a manner which will let us get rid of whatever there may be of wrong and evil

in the whole business and establish the friendliest of relations on a true and sound basis, which will be above suspicion in every way.

It has I think been said that perhaps I should have smothered up this business altogether, that it was bound to have serious implications and that it might have very serious consequences. May I say, Mr. Speaker, I have done what I thought was right, and I have yet to find that taking the course which is right is doing other than following the course which will prove the best in the end. I cannot imagine anyone in a responsible position wishing to smother up a condition of this kind. That would only help to spread the evil through the country, and extend it through time, until, perhaps, consequences very serious indeed would arise. The best way in which most social ills can be cured is not by penalty but by publicity. The light of day will cure much in the way of evil that nothing else is able to cure. That is a belief which I have held all my life in regard to all questions that have to do with social evils of different kinds. I am sure that as a result of the present inquiry once the whole situation has been cleared up, we shall all be able to breathe more freely, with greater confidence in each other, and in other countries.

I think in this statement issued by the Russian government it was said that I ought first to have let their government know about these facts. Well, I did think at one time of going to Russia myself and of speaking with Generalissimo Stalin in reference to it. What I know, or have learned of Mr. Stalin from those who have been closely associated with him in the war, causes me to believe that he would not countenance action of this kind on the part of officials of his country. I believe that when these facts are known to him and to others in positions of full responsibility, we shall find that a change will come that will make a vast difference indeed.

However, I did ask myself the question, were I to attempt to convey to the Russian government what I knew, without documents which I could myself explain and prove, might not be met with the statement that after all as it was Canadian government officials who were concerned, we had better clean our own house first? If the time should come when it could be of any service in helping to meet this situation, I am prepared to take any step at all that may be deemed advisable with a view to having this cleared up in a manner which will not only maintain but strengthen friendly relations with that great power.

May I add this word. The Russian statement mentions that Canada's action had been

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taken because of some feeling that Mr. Bevin, the British foreign minister, had as a consequence of discussions which took place at the security council. Let me answer that by drawing the attention of hon. members to the fact that the security council met months after the time at which this information came into the possession of the government. The security council meetings were something else altogether. Our action here had no possible connection with events in the security council.

One other thing which is being said is that the action of the detained persons was due to the secrecy with respect to the atomic bomb. I had a letter only yesterday from the secretary of one of the councils of Soviet-Canadian friendship, stating that all this had grown out of the fact that Russia was being denied information which the United States, Britain and Canada had with respect to the atomic bomb. May I impress this fact upon the house, that the disclosures of which I have been speaking to-night go back to 1943 and 1944. The organization for the purpose of espionage of which I have been speaking has been in existence for three or four years in this country, and the greater part of the information which it obtained was secured before anyone knew anything about the atomic bomb outside of those in the immediate know. The attacks on Hiroshima and Nagasaki were, if I recollect aright, on the 6th of August and at a later date in that month, the 9th of August, I think. Documents in the possession of the government are in large part prior to that time altogether. This espionage business has not arisen out of the atomic bomb in any way or any secrecy in connection with it. Now that the atomic bomb is a known factor, undoubtedly information is being sought in that connection, but the espionage net which has been referred to to-night has been in existence for a much longer time than the past seven months. It was the 8th of September when the documents came into the possession of the government.

I do not think it is necessary for me to say anything about the statements which have been made in reference to myself as being anti-labour and anti-Soviet. My feeling towards the great mass of the people in this and other lands and what should be done to improve their position is well known in this country. In regard to Soviet friendship I recall that a year or two after first coming into office twenty-five years ago or so, the government of which I was then the head was one which promoted an "Aid for Russia" fund, to help the starving children of that country. I did what I could to help further that great movement at that time. I have done what I could

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to further the Soviet-Canadian friendship movement. I have spoken on the platform in Toronto in support of it and on the platform in Montreal in support of it. The government of which I am a member has given aid to Russia in munitions and in food and assistance in other ways. It is the same government that has invited the Russians to come and open a legation here, the same government that has sent an ambassador to Russia. All through, from the beginning to this hour, my attitude and the attitude of those who sit around me and with me on this side has been one of furthering to the utmost the friendliest and best of relations with all countries and may I say that none of us will ever forget the heroism of the Russian people. None of us will ever forget their sacrifices and what we all owe to them, along with those of other countries in saving the freedom of the world. We are not going to let these years of sacrifices and the sacrifice of millions of lives go by in order that allied nations may become separated rather than drawn together into one great family.

I wish to conclude by saying that I hope that members in the course of the further discussion of this question will be very careful not to attempt to judge any country or any one individual until we know all the facts as fully as we can possibly know them.

As far as the Russian people are concerned I am as sure as I am of anything that the Russian people are just as anxious for friendly relations with Canada and with peoples in other parts of the world as our own people are, but in that country as in some others, there are persons who for their own selfish ends will do many things that would not be countenanced by the great majority. We have seen how a few men may get power into their own hands, and, power once secured, they will do with it for selfish and ambitious ends many things that are not approved by their fellow-men. What has happened in this instance may have been the action of a few men which I am certain will not be condoned and would not be countenanced by the Russian people. I intend with whatever little power I have, so far as this matter is concerned, to unearth whatever may be wrong, and for the remainder of my life to devote my time to trying in every way possible to see that the greatest amount of friendship and harmony and good will is promoted between all peoples and between the Russian people and the people of Canada in particular.

~~Mr. M. J. COLDWELL (Rosetown-Biggan):~~ Mr. Speaker, to-night I find myself in a somewhat difficult position. We have heard a story which I think has impressed itself

upon the house and will undoubtedly impress itself further, and it is very difficult now to enter into a discussion of the speech from the throne or even of the remarks of the right hon. the Prime Minister (Mr. Mackenzie King). I realize, however, that we are late in meeting this session, and that there is a desire on the part of the house to proceed with its business. Therefore I shall refrain from doing what I might otherwise have done, ask the house to allow me to call it eleven o'clock, and proceed to say what I have to say to-night.

First I should like to make some comments on the speech which has just been made by the Prime Minister. I think that in view of the very uneasy international situation we should follow his advice and be careful in the phraseology we use in discussing what has been placed before us to-night. If I may say so, the first thing I would remark is that in reality we are discussing events which have led up to charges against Canadians and British nationals in this country in peace time. Espionage is the word that is used in this connection, and I think wrongly used, because espionage can, in my opinion, properly and best be defined as the sending of persons into an enemy's country in order to watch what the enemy is doing. But here we are dealing with persons of our own nationality who, it is alleged, have violated their trust, and who, if found guilty, will invite punishment under our Official Secrets Act. I think this should be kept in mind in discussing this matter, and that is why I try to make that point quite clear.

I say, too, that if the accused are found guilty after a fair and proper trial, they must be dealt with according to the law as laid down by this parliament. It is no excuse, as some cynics in this country are suggesting, to say that all nations employ foreign agents. We are not trying a foreign power; we are charging our own nationals with an offence against their fellow citizens which, if proven, no right-thinking person can possibly condone. That I think should be made abundantly clear, because some sections of the press in our country and in the United States have publicized this matter in a way which I believe has tended to complicate a very difficult international situation.

The Prime Minister's statement of February 15, which he read to the house to-night, was couched in careful and I think unprovocative language, and I regret that some sections of the press did not exhibit that sense of responsibility in discussing the matter which characterized our Canadian newspapers during the war. Such newspapers may

have overlooked the fact that a violent press campaign directed against Russia would be regarded in a country where there is no free press, as the official attitude of this country. Considerable mischief has arisen because of that. It has lent colour, too, to the charge in the communist Labour Progressive papers in this country, widely quoted in the Soviet union, that Canada and its government are engaged in a plot against what they are pleased to call the left wing of the labour movement or in an anti-Soviet campaign, when I am confident that nothing is farther from the truth. Actually the fact is that everyone with any sense of responsibility realizes that the peace and welfare of the whole world depend upon what? Upon the establishment of friendly relations and confidence among all nations, and particularly between Russia and the English-speaking world. Failing to achieve this, lacking this hope, the united nations organization will be shattered. Upon our understandings and good relations the future of mankind depends.

In this atomic age the united nations organization must be made to work so that we may proceed to the establishment of government at the international level. I believe there is no other way of preventing a terrible catastrophe, a third world war, in which, with the new weapons and scientific knowledge we now possess, millions of people may be wiped out in a single night. And when I make that statement I do not make it as my own. Had I been present in December when the matter of the atomic bomb was discussed—unfortunately I was ill—I would have told the house that early in December I heard some of the leading scientists who were responsible for the discovery of atomic energy and the making of the atomic bomb make that very statement; that with the knowledge they now possess it is possible in a country like the United States, by planting atomic bombs in the industrial centres, to destroy as many as forty million souls in a single night.

Now I want to say something about the method pursued by the government in the handling of this situation. I appreciate the difficulties; I appreciate the defence of the government's procedure which the Prime Minister has offered this evening, but I believe there has been too much secrecy, too much mystery in the government's handling of the matter for the public good. The air has been full of rumours, some wild but many which subsequently proved well founded. This has been bad and, may I say to the government, indicates serious leaks from persons who might be expected to show a greater sense of responsibility. A case in point is that of the arrest

[Mr. Coldwell.]

of the representative of a constituency in this house. A week before the action was taken a dispatch to a London newspaper quoted in a Montreal newspaper, I believe the *Montreal Herald*, said that such action was about to be taken, that the Prime Minister would denounce a member of parliament in the house when we met. Well, the hon. member for Cartier (Mr. Rose) was arrested the day we met, and the next day the Prime Minister informed the house that the unknown agent who had received information from an accused for the benefit of Russia was believed to be the representative in parliament of the constituency of Cartier, Montreal. There have been other similar news items.

Mr. MACKENZIE KING: May I say to my hon. friend that I saw the item to which he refers, and if my recollection is aright it stated that I was going to complain about something having been revealed in regard to some secret session of parliament. Nothing of the kind that I know of has entered into the present situation. More than that may I say that I had no knowledge that the report would come that was received from the commissioners on Thursday. It was that report which necessitated the arrest of the hon. member. There have been leaks, I admit, but that was not one of them.

Mr. COLDWELL: Well, I am very glad to get the Prime Minister's assurance; but he states there have been leaks, and indeed it was at least quite a coincidence that a week before the action took place a dispatch containing such a story should go from Ottawa to the London *Daily Mirror*, I think it was.

In view of what the Prime Minister said this evening I wish to say that through the ages our forefathers have fought vigorously to prevent secret trials and actions affecting the liberty of the subject without fair and proper trial. During the war hon. members who were here will recollect there was considerable debate in this house. The defence of Canada regulations were modified, but many hon. members were disturbed by the manner in which those regulations and the War Measures Act were used not only against those who endeavoured to assist the enemy but against members of religious sects and, indeed, Canadians of Japanese origin. Quislings and traitors must be punished, but we dare not allow any government to act except in accordance with the established principles of justice.

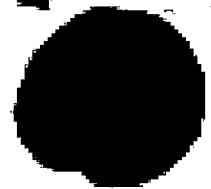
The persons now held are believed to have violated the Official Secrets Act and betrayed their trust. I repeat that if they are guilty, they must be punished. But I have carefully

Encl to:-
Rep Com Westpho 110. 8/19.3.46.

WG 522/9

With the compliments of the

Order Secretary of State for ~~Dominion~~
~~India~~



10/10/46

DOCUMENTS
relating to the proceedings
of the
ROYAL COMMISSION

established by Order in Council
P.C. 411 of February 5, 1946,
including the First and Second
Interim Reports of the Royal
Commission'



OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1946

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1. PRIME MINISTER'S STATEMENT OF FEBRUARY 15, 1946

The Prime Minister, Mr. Mackenzie King, made the following statement this afternoon:

Information of undoubted authenticity has reached the Canadian Government which establishes that there have been disclosures of secret and confidential information to unauthorized persons, including some members of the staff of a foreign mission in Ottawa. In order to make possible the full investigation which the seriousness of this information demands, the Government has appointed Mr. Justice Taschereau and Mr. Justice Kellock of the Supreme Court of Canada to act as Royal Commissioners to hear evidence and to present a report which will be made public. The Commissioners have appointed as their Counsel Mr. E. K. Williams, K.C., of Winnipeg, Mr. Gerald Fauteux, K.C., of Montreal, and Mr. D. W. Mundell of the Department of Justice; the Commission has already commenced its investigation, which is proceeding in camera.

Upon the application of Counsel, and having regard to the serious nature of the evidence already adduced before the Commission, the Commissioners recommended Counsel to apply to the Minister of Justice for orders for the interrogation and detention for that purpose of a number of persons known or suspected to be implicated. This action has been taken to-day. The persons involved include some now employed or who have been employed in a number of Departments and agencies of the Government.

It is the intention of the Government that, after the report of the Royal Commissioners has been received, prosecution will be instituted in cases in which the evidence warrants it. It would not be proper at this stage to make a more complete statement or, in particular, to make public the names of those concerned. Some of them appear to have been far more deeply and consciously involved than others. Some will probably be found to be more or less innocent instruments in furthering activities much more serious than they may have imagined. Obviously, the whole matter should be treated with caution and reserve, pending the time when it will be possible to issue a fuller statement. Until the investigation by the Royal Commissioners has been completed the case remains sub judice.

2. TEXT OF ORDER IN COUNCIL, P.C. 411 OF FEBRUARY 5,
1946, ESTABLISHING THE ROYAL COMMISSION

P.C. 411

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 5th February, 1946.

The Committee of the Privy Council have had before them a report dated 5th February, 1946, from the Right Honourable W. L. Mackenzie King, the Prime Minister, representing:—

That it has been ascertained that secret and confidential information has been communicated directly or indirectly by public officials and other persons in positions of trust to the agents of a Foreign Power to the prejudice of the safety and interests of Canada;

That by Order in Council P.C. 6444 dated the 6th day of October, 1945, the Acting Prime Minister and the Minister of Justice were authorized to make an Order that any such person be interrogated and/or detained in such place and under such conditions as the Minister might from time to time determine if the Minister were satisfied that it was necessary so to do;

That it now seems expedient in the public interest that a full and complete inquiry be made into all the facts relating to and the circumstances surrounding the communication by such public officials and other persons in positions of trust of such secret and confidential information to the agents of a Foreign Power.

The Committee, therefore, on the recommendation of the Prime Minister, advise that the Honourable Robert Taschereau, a Judge of the Supreme Court of Canada, and the Honourable R. L. Kellock, a Judge of the Supreme Court of Canada, be appointed Commissioners under Part I of the Inquiries Act, Chapter 99, Revised Statutes of Canada, 1927, and any other law thereto enabling, to inquire into and report upon which public officials and other persons in positions of trust or otherwise have communicated, directly or indirectly, secret and confidential information, the disclosure of which might be inimical to the safety and interests of Canada, to the agents of a Foreign Power and the facts relating to and the circumstances surrounding such communication.

The Committee further advise,—

1. That for all such purposes and all purposes properly incidental thereto the said Commissioners shall without limiting the powers conferred upon them by the said Part I of the said the Inquiries Act, have and possess the power of summoning and that they be empowered to summon before them any person or witness and of requiring them to give evidence on oath or affirmation, orally or in writing, and of requiring them to produce such documents and things as the Commissioners deem requisite to the full investigation of matters into which they are appointed to examine;

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2. That the said Commissioners be directed that a record shall be made of all the evidence which shall be given or produced before them as to the matters of the said inquiry and that the oral evidence of witnesses before the said Commissioners shall be taken in shorthand by a shorthand writer, approved and sworn by the said Commissioners or one of them and shall be taken down question and answer and it shall not be necessary for the evidence or deposition of any witness to be read over to or signed by the person examined and said evidence shall be certified by the person or persons taking the same as correct;

3. That the said Commissioners may adopt such procedure and method as they may deem expedient for the conduct of such inquiry and may alter or change the same from time to time;

4. That the said Commissioners be empowered in their discretion from time to time to make interim reports to the Governor in Council on any matter which in their judgment is the proper subject of such a report together with the evidence then before them and their findings thereon;

5. That the said Commissioners be authorized to engage the services of such counsel and of such technical officers, and experts, and other experienced clerks, reporters and assistants as they may deem necessary and advisable; and

6. That all the privileges, immunities and powers given by Order in Council, P.C. 1639, passed on the 2nd March, 1942, shall apply.

(Sgd.) A. D. P. HEENEY,
Clerk of the Privy Council.

3. LETTER OF COMMISSION COUNSEL TO THE MINISTER
OF JUSTICE, FEBRUARY 23, 1946

OTTAWA, 23rd February, 1946.

The Right Honourable L. S. ST. LAURENT, K.C.,
Minister of Justice,
Ottawa.

DEAR SIR,—1. Since the Commissioners on our advice recommended that you should be requested to issue orders for the interrogation, and for that purpose detention, of certain persons a considerable amount of additional evidence oral and documentary has been placed before the Commissioners which confirms the serious nature of the disclosures on which the orders for interrogation were based.

2. Orders have been made to date under Order in Council P.C. 6444, dated the 6th day of October, 1945, and passed under the provisions of the War Measures Act and continued under the provisions of the National Emergency Transitional Powers Act, 1945, for the interrogation of eleven men and two women and it is apparent that it may be necessary to request that additional persons may be interrogated under similar orders.

3. A great deal of evidence is still to be placed before the Commissioners and the reasons for proceeding in camera become more apparent every day.

4. The Inquiry is proceeding as rapidly as possible especially considering the difficult circumstances under which the work is being done (it obviously must be done with the greatest discretion) and the Commissioners desire to make a report which will contain at least some of their findings within as short a time as possible which, however, as appears at present cannot be less than two or three weeks from now.

5. The Commissioners feel, however, and have authorized us to advise you that in their opinion the evidence has not advanced to the stage where an Interim Report should now be made. They do think, however, that it should be possible to report upon the completion of the evidence now in contemplation as above as soon thereafter as that is physically possible leaving such further matters as may later have to be dealt with for subsequent report. This is as the matters appear to the Commissioners at the moment. It may be that as the result of the evidence not yet heard the above proposed procedure might prove to be inappropriate.

6. The Commissioners have authorized us to state further that notwithstanding their order that their proceedings be conducted in camera, the information communicated to you in this letter may be made public at once if you see fit to do so.

(Sgd.) E. K. WILLIAMS,
(Sgd.) GERALD FAUTEUX,
(Sgd.) D. W. MUNDELL,
Counsel to the Royal Commission.

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4. TEXT OF ORDER IN COUNCIL P.C. 6444 OF OCTOBER 6, 1945

P.C. 6444

PRIVY COUNCIL
CANADA

AT THE GOVERNMENT HOUSE AT OTTAWA

SATURDAY, the 6th day of OCTOBER, 1945.

PRESENT

HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

WHEREAS it has been ascertained that agents of a Foreign Power have been engaged in a concerted effort to obtain from public officials and other persons in positions of trust secret and confidential information the disclosure of which might be inimical to the safety and interests of Canada and friendly Powers and that secret and confidential information has been communicated, directly or indirectly, by certain persons to the agents of the aforesaid Foreign Power to the prejudice of the public safety or interests of Canada and of friendly Powers;

AND WHEREAS it is deemed necessary for the security, defence, peace, order and welfare of Canada that the Acting Prime Minister or the Minister of Justice should be authorized to order the detention of such persons in such places and under such conditions as the Acting Prime Minister or the Minister of Justice may from time to time determine;

THEREFORE His Excellency the Governor General in Council, on the recommendation of the Honourable J. L. Ilsley, Acting Prime Minister, and pursuant to the powers conferred by The War Measures Act, being Chapter 206 of the Revised Statutes of Canada, 1927, is pleased to order and doth hereby order as follows:

1. The Acting Prime Minister or the Minister of Justice, if satisfied that with a view to preventing any particular person from communicating secret and confidential information to an agent of a Foreign Power or otherwise acting in any manner prejudicial to the public safety or the safety of the state it is necessary so to do, may make an Order that any such person be interrogated and/or detained in such place and under such conditions as he may from time to time determine.
2. Any person shall, while detained by virtue of an order made under this Order, be deemed to be in legal custody.
3. The Minister of Justice if satisfied that the detention of any person so detained is no longer necessary for the public safety or the safety of the State may make an order releasing him.

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4. The Acting Prime Minister or the Minister of Justice may authorize any member of the Royal Canadian Mounted Police to enter any premises occupied or used by a person whose detention is ordered at any time or times and to search the premises and every person found thereon and to seize any article found on the premises or any such person which the said member of the Royal Canadian Mounted Police has reasonable grounds for believing to be evidence that secret and confidential information has been communicated to agents of a Foreign Power.

(Sgd.) A. M. HILL,
Asst. Clerk of the Privy Council.

5. FIRST INTERIM REPORT OF THE ROYAL COMMISSION
TO THE GOVERNOR GENERAL IN COUNCIL,
MARCH 2, 1946

OTTAWA, Ontario,
2nd March, 1946.

YOUR EXCELLENCY:—

Pursuant to Order in Council P.C. 411, dated the 5th day of February, 1946, we have been conducting the investigation thereby provided for, having commenced our sittings on Wednesday, the 13th day of February, 1946. We have now reached a stage in the hearing of evidence which permits us and renders it advisable for us to make an Interim Report.

The evidence establishes that a network of under-cover agents has been organized and developed for the purpose of obtaining secret and confidential information particularly from employees of departments and agencies of the Dominion Government and from an employee of the office of the High Commissioner for the United Kingdom in Canada. The evidence reveals that these operations were carried on by certain members of the staff of the Soviet Embassy at Ottawa under direct instructions from Moscow. The person directly in charge of these operations was Colonel Zabotin, Military Attaché of the Embassy, who had as his active assistants in this work Lieutenant-Colonel Motinov, Chief Assistant Military Attaché, Lieutenant-Colonel Rogov, Assistant Military Attaché Air, Major Sokolov, of the staff of the Commercial Counsellor of the Embassy, Lieutenant Angelov, one of the Secretaries of the Military Attaché as well as other members of the staff of the Military Attaché, all of whom, as well as the agents whom they employed in the pursuance of their activities, were, in the interests of secrecy, known by under-cover names. We have noticed that each of the dossiers compiled by the staff of the Military Attaché with respect to the Canadian agents contains this significant question: "Length of time in net." We think that the word "net" well describes the organization set up and under development by Colonel Zabotin and his predecessor.

We have had before us a former employee of the Russian Embassy at Ottawa, Igor Gouzenko, the cipher clerk of the Military Attaché, who has described this organization and its functioning, and who has produced original documents, the authenticity of which we accept.

As shown by these documents, the specified tasks committed to Colonel Zabotin were the following:—

- (1) As described in telegrams from "The Director" at Moscow addressed to Colonel Zabotin under his cover name of "Grant", in August, 1945.
 - (a) The technological processes and methods employed by Canadians and the English for the production of explosives and chemical materials.
 - (b) Instructions as to which of the Members of the Staff of the Military Attaché should contact particular Canadian agents and the suggestion of names of persons in the Department of National Defence for Naval Affairs who might act as agents.

(c) Information as to the transfer of the American troops from Europe to the United States and the Pacific also the Army Headquarters of the 9th Army, the 3rd, 5th, 7th, 13th Army Corps, the 18th Armoured Division, the 2nd, 4th, 8th, 28th, 30th, 44th, 45th, 104th Infantry Divisions and the 13th Tank Division, together with the dates of their moves, the location of the Army Headquarters of the 8th and 16th Armoured Corps, the 29th and 89th Infantry Divisions, the 10th Tank Division and the location of the Brazilian Infantry Division. Whether or not there had been organized a staff for the American Troops in Germany and, if so, its location and the name of the Officer-in-Command.

The location of the 1st Parachute Troops and the plans for their future use.

- (d) Instructions to take measures to obtain particulars as to the materials of which the atomic bomb is composed, its technological process and drawings.
- (2) As described in writings under the hands of Zabotin, Motinov and Rogov, during the period March to August, 1945.
- (a) To obtain from the National Research Council models of developed radar sets, photographs, technical data, periodic reports characterizing the radar work carried on by the Council and future developments planned by the Council.
- (b) Particulars of the explosives establishment at Valcartier and its work, including the obtaining of formulas of explosives and samples.
- (c) A full report on the organization and personnel of the National Research Council "Give more details of organization of Research Council. Manipulate so as to get to their leaders and find out what they do."
- (d) Particular work of specified employees of the Research Council.
- (e) The obtaining of documents from the library of the National Research Council so that they might be photographed, with the expressed intention of ultimately obtaining the whole of the library of the National Research Council.
- (f) Particulars as to the plant at Chalk River, Ontario, and the processing of uranium.
- (g) The obtaining of a sample of uranium 235, with details as to the plant where it is produced.
- (h) Specifications of the electro-projector of the "V" bomb.
- (i) Research work being carried on with relation to explosive materials and artillery.
- (j) The obtaining of material on the American aeroplane radar locator type, navigation periscope.
- (k) A list of the Army Divisions of the Canadian Army which have returned from overseas and the names, or numbers, of the Divisions which have been divided, or re-shaped, or undergoing re-shaping.
- (l) The number of troops in the Canadian Army in the post-war period, together with the system of its organization.
- (m) Information from the Department of Munitions and Supply of various kinds relating to guns, shells, small arms, ammunition for small arms, arsenals, optical and radio appliances, automobiles and tanks, apparatus for chemical warfare and particulars of plants producing same.
- (n) Information as to electronic shells used by the American Navy.

- (o) To endeavour to keep agents in Government Departments threatened with discharge as a result of shrinkage in size of the Departments, in order to maintain their usefulness for the future.
- (p) Information with regard to depth bombs and double charge shells for cannon.
- (q) Information as to telegrams passing into and out of the Department of External Affairs and the office of the High Commissioner for the United Kingdom.

It must not be assumed that the above list is exhaustive, but it illustrates the nature of the objectives of these operations.

It has been stated to us by Commission Counsel that the method of presentation of the evidence before us is with the object of ultimately establishing the identity of the greatest number of those persons who have acted as agents, but the question of the relative importance of the above subject matters has not been dealt with to an extent where we are yet able to pronounce upon it. To proceed in any other manner might have been prejudicial to the ultimate attainment of the purposes of the investigation.

It has taken considerable time to hear the evidence relating to the general scheme of the operations being carried on, which evidence it was necessary to hear before dealing with the activities of particular agents. The evidence heard so far, however, establishes that four persons, namely,

Mrs. Emma Woikin
 Captain Gordon Lunan
 Edward Wilfred Mazerall
 Miss Kathleen Mary Willsher

all employees of the Dominion Government, except Kathleen Mary Willsher, who is an employee of the Government of the United Kingdom, have communicated directly or indirectly secret and confidential information to representatives of the U.S.S.R. in violation of the provisions of the Official Secrets Act, 1939, 3 Geo. VI, Cap. 49.

Emma Woikin

This person was employed as a cipher clerk in the Department of External Affairs, having taken the usual oath of secrecy required in such cases. Taking advantage of the position she occupied, she communicated to Major Sokolov the contents of secret telegrams to which she had access in the course of her duties.

Captain Gordon Lunan

This man, a Captain in the Canadian Army, on loan to the Wartime Information Board, now the Canadian Information Service, was the head of a group of agents acting under the personal direction of Lieutenant-Colonel Rogov. In the course of his own particular duties with the Information Board, no secret information came to him, but he was the intermediary through whom the information furnished by the group reached Rogov, which information was, in our opinion, furnished and transmitted in violation of the statutory provisions already referred to. The members of the group headed by Lunan were scientists employed by the National Research Council and the Department of National Defence, Research Division, and their concern under Lunan, was to obtain for Rogov information on technical matters in connection with the work of those agencies. Some of the information obtained and transmitted to Rogov related to the latest developments in radar. Through this group also secret documents in the library of the National Research Council were handed over.

Edward Wilfred Mazerall.

He is an electrical engineer in the National Research Council working in the field of radar, who also had taken an oath of secrecy. He was one of the group headed by Lunan and he furnished to the latter on one occasion, for transmission by the latter, two reports of the National Research Council on certain developments, actual and projected, in the field of radar, at a time when the disclosure of these documents was still unauthorized. The fact that these reports were shortly thereafter presented to the Third Commonwealth and Empire Conference on Radio for Civil Aviation should be considered as an extenuating circumstance in Mazerall's favour.

Kathleen Mary Willsher.

She was employed in the office of the High Commissioner for the United Kingdom as Deputy Registrar, having subscribed to a document in which she acknowledged having read the Official Secrets Act of the United Kingdom. She had access to practically all secret documents in that office and made disclosure of the contents of some secret documents from that office.

In our final report we shall deal more fully with the evidence and our findings with regard to the above named persons. Each of these persons has given evidence before us and has admitted the substance of the above. To each, in accordance with the provisions of Sections 12 and 13 of The Inquiries Act, R.S.C., cap. 99, an opportunity was given to have counsel, but none desired to be represented by counsel or to adduce any evidence in addition to his or her own testimony.

We propose from time to time, as circumstances permit, to make further interim reports before reporting finally. We are reporting now with regard to the above named persons as we have concluded our investigation as to their part in the activities mentioned, and we have been assured by Commission Counsel that they have no further evidence to offer which can affect the opinion we have formed on the evidence regarding these persons.

As already pointed out, we have been able to review the complete activities of four only of the agents used by the officers of the Soviet Embassy. The evidence indicates that, in addition, many other agents were active and that information more intrinsically important has been disclosed. We are not, however, as yet in a position to report with regard thereto, as the evidence has not been fully developed.

Respectfully submitted,

(Sgd.) ROBERT TASCHEREAU,
Royal Commissioner.

(Sgd.) R. L. KELLOCK,
Royal Commissioner.

His Excellency
The Governor General in Council,
Parliament Buildings,
OTTAWA.

6. SECOND INTERIM REPORT OF THE ROYAL COMMISSION
TO THE GOVERNOR GENERAL IN COUNCIL
MARCH 14, 1946

(Made Public March 15, 1946)

OTTAWA, Ontario,
14th March, 1946.

YOUR EXCELLENCY:—

Re: *Order in Council P.C. 411*

Since the date of our interim report of the 28th of February last, we have heard a great deal of evidence without as yet having been able to hear all the witnesses whom it will be necessary to hear to complete the investigation with which we have been charged. Forty-eight witnesses have been heard in some forty-four different sittings of evidence which affects an additional number of persons concerning whom we now report.

Dr. Raymond Boyer, Assistant Professor of Chemistry at McGill University, was, since 1940, under an oath of secrecy, engaged in secret research on explosives under the National Research Council, the most important part of which concerned the making, by a process different from that previously employed anywhere else, of the explosive known as R.D.X. While so engaged, Dr. Boyer was secretary of a sub-committee of the Associate Committee on Explosives of the National Research Council, which was directly charged with the project. This sub-committee was at first called the Research sub-committee and later the Research and Development sub-committee.

This project, carried on between the years 1940 and 1945, was successful and resulted in the building of a substantial plant in Canada where the product was manufactured in substantial quantities. Large quantities were also manufactured in the United States.

All the reports on the progress of this project were secret reports prepared for the National Research Council and they are still secret, their distribution being limited to a comparatively few persons. Most of these reports were written by Dr. Boyer himself.

His name, and the fact that he had disclosed information with regard to this secret project, appear in documents in the Russian Embassy produced before us by the witness Gouzenko. We have now heard Dr. Boyer and he has told us that commencing early in 1943, and continuing into 1944, he gave, for transmission to the Soviet Union, full information with regard to his work which he himself admits was secret. He said that with this information competent persons would be in a position to design a plant to produce the material in quantity.

Harold Samuel Gerson was employed from January, 1941, to July, 1944, by Allied War Supplies, Limited, a Crown Company incorporated to supervise the construction of facilities for the production of chemicals and explosives, and later the production of these materials. Gerson was assistant to the head of the production control department. Following this Gerson was employed by the Department of Munitions and Supply until in or about November, 1945, when he became an employee of the War Assets Corporation, also a Crown Company. In the Department of Munitions and Supply he was Secretary and Chief of the Records Division of the Ammunition Production Branch. While still with Allied War Supplies, Limited, he was on loan to the Department of Munitions

and Supply on occasion and, after going to War Assets Corporation, had still some duties to perform in the Department. In connection with all of these positions he was under an oath of secrecy.

In the notebook of Colonel Zabolin there is a page which reads in part:—

"GRAY . . . chief of the branch of the Directorate for procuring war material for the allies. Taken to work on 1.9.42. Works well. Gives material on shells and cannon on photos."

"GRAY" is the cover name used by the Embassy for Gerson. The material Gerson supplied was not, however, later on limited to photos.

Gouzenko also produced a document from the Embassy in the handwriting of Gerson, as he admits to be a fact, which is a copy of part of a report dealing with the testing of certain projectiles in England by the United Kingdom authorities. These reports were sent regularly to the Canadian authorities from England and were secret documents.

In a telegram of August 25, 1945, from Colonel Zabolin to "The Director" in Moscow it is stated:—

"GRAY was earlier given the task of taking all necessary measures for staying on his old job. At the last contact the latter stated that in the near future great reductions will begin. In the event that it will be impossible to remain on the old job GRAY proposes to form a geological-engineering consultative office in Ottawa. GRAY is a geological engineer by profession and therefore can head this office. The expenses for organizing the office are as follows: rent of premises 600 dollars a year; wages for one clerk, \$1,200 a year; office equipment, \$1,000; payment of GRAY as director—\$4,200 a year; altogether it needs \$7,000 dollars a year. GRAY said that Canada is entering a 'boom' period in the mining industry and it is therefore very likely that within two years the office will be in a position to support itself. The initial expenditure of its operation will be returned in the future.

GRAY thinks that it is necessary to begin establishing the office gradually, that is, prior to his completion of the work at the old place. I beg to get your decision."

In August, 1945, reductions in the staff of the Department of Munitions and Supply were being made on an increasing scale and Gerson did discuss with his superior staying on in the Government service. He is an M.Sc. in geology of McGill University and contemplated going into private practice if he could not remain in the Civil Service. The figures mentioned in the telegram, he admits, constitute expenses he would incur in setting up private practice, \$4,200 being his then salary in the Department. Gerson's continuance in the public service was evidently desirable to the U.S.S.R. so as to ensure the continuance of the flow of information from him.

In a further telegram from Moscow, "The Director" telegraphed Colonel Zabolin as follows:—

"In the mail of 23.8.1944 were received from you GRAY's two materials, the monthly reports on the research of technological questions in the field of production of war materials. On the basis of short and unrelated data it is impossible to judge the method and work of the Canadian and English production of explosives, powders and chemical materials. It is therefore desirable to obtain the following information:

1. The method and technological process of the production of munitions, explosives. 2. The formula for plastic explosives, the production of T.H. and H.S. (their composition, purpose and specific qualities). 3. The application of pierite and nitro-guanidine. 4. The technic of producing the capsules of detonators and igniting capsules. Wire to whom do you consider it possible to give the said task.

If BACON still keeps on working in the Artillery Committee, this task should be handed over to him."

Colonel Zabolin replied to this telegram as follows:—

- "(1) The tasks will be detailed to GRAY, BACON and the PROFESSOR through DEBOUZ. The PROFESSOR is still on duty away from home. DEBOUZ will meet at the end of the month.
- (2) MARTIN received reply from DEKANOZOV with permission to return home. As a result of MARTIN's work at the San Francisco Conference and his sickness about a month, the latter was unable to write all his reports on your task. The question of the current situation in Canada after the elections and the interruption of the class forces in the country, he will write at our place and we will send them to you by courier, while the remaining questions of the task he will write at the centre."

The "PROFESSOR" was the cover name for Dr. Boyer. "BACON" was the cover name for one of the persons detained whom we have not as yet been able to hear, while "DEBOUZ" is the cover name for the intermediary who obtained the information, already referred to, given by Dr. Boyer. "MARTIN" was the cover name of Zheivinov, the head of the Tass agency in Ottawa.

Another telegram from Zabolin to "The Director", bearing date 28.4.44, reads in part as follows:—

"GRAY's wife has relatives in Bukovina and Bucharest. Apart from the relatives she has many acquaintances among doctors and other specialists. Recently GRAY handed DAVIE a reply of the Canadian Red Cross of March, 1942, wherein it is announced that the relatives of GRAY's wife are in their own places, that is in Roumania. GRAY's wife, through GRAY, asks advice as to whether it is possible to send them money or other things.

DAVIE replied that this was a complicated and difficult question, and that he could not promise anything. He suggested he be furnished with addresses and letters from GRAY's wife for these acquaintances. In the letters it could be proposed (that is through GRAY's wife—he will agree to that) that they contact the man who delivers the letter. If you agree to such an idea we shall receive the addresses and letters from the wife of GRAY. Roofs of the doctor and other specialists."

"DAVIE" is the cover name of Major Sokolov. "Roofs" is a cover expression indicating secret activities. Gerson's wife, or her family, he has told us, did receive a letter from the Canadian Red Cross in reply to inquiries made regarding relatives in Europe. The telegram indicates that Mrs. Gerson's acquaintances among professional people in Bukovina and Bucharest might be employed to receive and transmit letters in secret.

Another document produced before us by Gouzenko shows that correspondence on one single subject handed over by Gerson amounted to one hundred and fifty pages.

On all the evidence, including certain admissions made by Gerson himself, it is clearly established that the latter has communicated, over a considerable period, secret information to the representatives of the Soviet Union in violation of the Official Secrets Act and we so report.

Squadron Leader Matt Simons Nightingale attended Military School in Mobile, Alabama, and graduated from McGill University in 1928 with the degree of B.Sc. in engineering. He also attended a private course at the same institution on transmission and engineering telephone work, and later was months of 1945 when he returned to the Bell Telephone Co. of Canada on his facturing telephone equipment.

In 1928 he joined the Bell Telephone Co. of Canada as telephone transmission engineer, where he remained until 1942, when he enlisted in the R.C.A.F. and was posted to the Branch Land Lines, Technical Section, until the early months of 1945 when he returned to the Bell Telephone Co. of Canada on his discharge.

While in this special branch of the R.C.A.F. he was mainly concerned with land lines communication on both the east and west coasts and also worked on the Gander project, which embodies one of the main systems of communication on the east coast. He acknowledged the secret nature of the duties entrusted to him throughout.

The original telegrams from the Russian Embassy to Moscow give, as to Squadron Leader Nightingale, known in these telegrams under the cover name of "LEADER", items which he admitted having supplied, to wit, his photograph and information as to the nature of his experience with the Bell Telephone Co. and the R.C.A.F. One document from the Embassy reads in part as follows:—

"Squadron Leader

Mat Nantingale, 155 O'Connor St., Apt. 1, Telephone 2-4545. SAM is known to him as WALTER. The first meeting took place 19.12.44 at 21 o'clock at the house.

Possibilities: 1. Network of Aerodromes in the country (both coasts).
2. Map of the coast.

Prior to the war he worked with the Bell Telephone Co. On 21.1.45 he advised BRENT about his demobilization. He is going to the Bell Company. Next contact on 24.2.45 at 20.30 at the corner of Elgin-Macleod Sts. At the contact on 24.2.45 he gave the address Montreal, 1671 Sherbrooke 57 (51). Telephone 1.1684. Next contact 24.3.45 at 20.30 Metcalfe-Somerset. He will give the coast (RAF) and listening-in on the telephone.

Task—1. Recruiting (call-up).
2. Materials of the company.
3. DUBOX—GINI—how."

"BRENT" is the cover name for Lieutenant-Colonel Rogov. "DUBOX" means a hiding place. "GINI" is a cover name for an individual.

Heard as a witness, Nightingale said that after meeting Lieutenant-Colonel Rogov by accident on a train between Ottawa and Montreal, he had several meetings with Rogov at his own apartment and on the street in Ottawa and Montreal and in Rogov's room in Montreal on one occasion. In these conversations he says various subjects were referred to in a general way amongst which were the following, namely, listening-in telephonic devices, linking up of airports, land lines communications, network and location of aerodromes, maps of the R.C.A.F. and, possibly, the Gander project, some of which matters were of a secret nature.

His interview with Rogov, his explanation of those interviews which we are unable to accept, his association with other persons involved in the matter which is the subject of the present investigation, the references to him in the documents found in the Russian Embassy, as well as the fact that documents of a secret nature belonging to the R.C.A.F. which he should not have retained were found in his possession after his discharge, suggest to us that, if he did not in fact give to the U.S.S.R. secret and confidential information, he may very well have conspired to furnish such information. Furthermore, his unauthorized retention of the above mentioned documents would appear to have been in violation of the provisions of the Official Secrets Act.

Dr. David Shugar is a Ph.D. in physics, McGill University, having been born in Poland in 1915. From January, 1941, until February, 1944, he was employed at Research Enterprises, Limited, Toronto, when he entered the Navy, becoming a Lieutenant in the Directorate of Electrical Supply. He remained in the Navy until his discharge January 31, 1946. Subsequently he was employed in the Department of Health and Welfare. While in the Navy, Shugar was engaged on research with respect to certain equipment used in anti-submarine detection. In the course of his duties he had to visit various naval establishments, including laboratories, in Canada, the United States and the United Kingdom.

Although Gouzenko had never seen him, he knew who Shugar was and the work in which he was employed. In a document produced by Gouzenko headed "Assignment No. 1, SAM to SHUGAR" outlining information desired from Shugar, seven subjects of inquiry relating to anti-submarine detection are laid down, all of which information, Shugar has told us, was either in his possession in connection with his work, or accessible to him at Naval Headquarters.

In a later document headed "Task No. 2", assigned to the same agent, the following item appears:—

"Communicate how the matter stands of the former assignment for Lieutenant Shugar."

The answer made by the agent to Rogov is indicated by what Rogov wrote on the document against the above item, namely,

"At the present time he is working maritime staff. He has consented to work for us but with special caution. He has been under observation."

SHUGAR admitted having met the agent to whom we have referred above on at least three occasions, and that the agent was inquisitive.

A telegram from Colonel Zabotin to Moscow No. 232 reads in part as follows:—

"We have agreed with SAM about the transfer of connections to us with PROMETHEUS. The latter is at present in Florida. The transfer will take place in the town of SAM. I consider it expedient to give BRENT the connection with PROMETHEUS. SAM promised to give us several officers from central headquarters of the active forces. At the present time it is fairly difficult to do this, as changes in the staffs are taking place by officers returning from overseas."

"PROMETHEUS" is the cover name used to denote Shugar and "BRENT" was Rogov.

In reply the "Director" telegraphed to Zabotin:—

"To Grant.

Your telegram No. 232

(1) In my telegram of 19.7, I have advised that until the information is received from PROMETHEUS and until his possibilities in the Navy Department are established, contact with him should be maintained through FRANK. Should it prove that PROMETHEUS is a truly valuable man to us, direct contact may then be established with him. However, it is not desirable to entrust BRENT with making the contact. If you should find no objection, it is better to let CHESTER make this contact. Have in mind that we have here almost no other information on PROMETHEUS except his family name and his place of employment.

Wire in full his name and family name, his position in the Navy Department and the address of this residence. Collect the remaining data and send by mail.

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(2) As for obtaining persons from the said departmental services, we are interested. Let FRANK, after the staffs have been set up, recommend one or two candidates for our consideration."

"CHESTER" was the cover name for Captain Gorshkov who acted as chauffeur for the Soviet Military Attaché in Ottawa.

Shugar denies having given, or having agreed to give any secret information, but has no explanation for the existence, in the documents above referred to, of the references to himself. We were not impressed by the demeanour of Shugar, or by his denials, which we do not accept. In our view we think he knows more than he was prepared to disclose. Therefore, there would seem to be no answer on the evidence before us, to a charge of conspiring to communicate secret information to an agent of the U.S.S.R.

These four persons are or were all government officials, or persons holding positions of trust. All have been heard before us as witnesses and, in accordance with Sections 12 and 13 of the Inquiries Act, Cap. 99, R.S.C. 1927, have been offered the opportunity of having counsel. Two of them declined and two others, after consultation with counsel, stated that they did not wish to call evidence or to have representations made to the Commission by counsel on their behalf. Accordingly we have been free to report with regard to them as above.

We may also point out that under P.C. 411, which is our authority for the present inquiry, we are required to report not only "upon which public officials and other persons in trust or otherwise have communicated, directly or indirectly, secret and confidential information", but also upon "the facts relating to and the circumstances surrounding such communications".

The evidence discloses that one of these circumstances is that other Canadians, who are not government officials, have been the intermediaries through whom secret and confidential information has reached the Russian Embassy, as in the case of Dr. Raymond Boyer. As the evidence develops, we shall be in a better position to deal with these intermediaries at a later stage.

In conclusion, we may add that we regret not having been able to complete as yet the hearing of evidence with regard to the five other persons who are detained under the provisions of P.C. 6444, passed on October 6, 1945, but we hope that we will be able to do so shortly. On February 14 last we concurred in the advice given by counsel for the Commission to the Honourable the Minister of Justice that certain named persons should be detained, and we did so because of the serious nature of the disclosures then indicated by the evidence we had heard, and the fact that cover names of persons who had not been identified appeared in the evidence which indicated that the ramifications of the disloyal practices and the persons engaged therein might be even greater than then appeared and might well be continuing. In effect the matters with which the inquiry was concerned appeared to us to be of so serious a nature from the national standpoint that we believed the course advised by counsel should be pursued in the exceptional circumstances existing. The further evidence which we have heard has not caused us to change this view but, on the contrary, has confirmed it.

In a case of this nature where the evidence has revealed the existence of an organization constituting at least a threat to the safety and interests of the state, as evidenced by the fact that some witnesses holding strategic positions have made the significant statement under oath that they had a loyalty which took priority over the loyalty owed by them to their own country, and for that reason they acted as they did, and would unquestionably have continued so to act had they not been detected, we are of opinion that should

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these persons be allowed communication with outsiders or between themselves until their activities have been fully investigated, some of the basic purposes of this inquiry would be entirely defeated.

Respectfully submitted,

(Sgd.) ROBERT TASCHEREAU,
Royal Commissioner

(Sgd.) R. L. KELLOCK,
Royal Commissioner.

His Excellency
The Governor General in Council,
OTTAWA.

7. PRIME MINISTER'S STATEMENT ON TABLING THE
SECOND INTERIM REPORT OF THE ROYAL COMMISSION,
HOUSE OF COMMONS, MARCH 15, 1946

In the statement which I made public on February 15th I said that it was the intention of the Government that prosecution would be instituted in cases in which the evidence warranted it. I have been advised by the Attorney General of Canada that charges have been laid against the four men named in the Second Interim Report of the Royal Commission, namely Dr. Raymond Boyer, Harold Samuel Gerson, Squadron Leader Matt Simons Nightingale, and Dr. David Shugar.

The charge against Dr. Boyer alleges conspiracy with an intermediary who was not named in the Commission's Report because he had not been examined by the Commission. The intermediary, referred to in the Report by the cover name Debouz, is believed to be the Honourable Member for Cartier.

I am further informed by the Attorney General of Canada, who has taken the advice of Counsel whose opinions I wish to lay on the table of the House, that effective prosecution of the charge against Dr. Boyer requires similar action in respect of the Member for Cartier, against whom an appropriate information has been laid and a warrant for his arrest executed.

8. LETTERS OF COUNSEL TABLED BY THE PRIME MINISTER
IN THE HOUSE OF COMMONS, MARCH 15, 1946

(A)

OTTAWA, 14th March, 1946.

The Honourable L. S. ST. LAURENT, K.C.,
Minister of Justice,
Ottawa.

Dear Mr. Minister,—

When we reported to you the gist of the evidence developed against Dr. Raymond Boyer and the fact that it seemed to implicate a Member of Parliament you asked us to consider the two following questions:—

- (a) Whether a Federal Member of Parliament who would have committed a crime under the Official Secrets Act can be arrested either during the coming session of Parliament or within the few days which remain before its opening on the 14th instant?
- (b) Whether taking into account the whole of the circumstances surrounding this investigation it would be advisable or inadvisable to obtain the issue of a warrant of arrest against this Member at the same time as that to be issued against the individual who divulged to this Member certain important war secrets for the benefit of a foreign power?

Our answers to these questions are:—

- (a) Yes.
- (b) It would not only be advisable but the interest of justice would not be served and the other trial would be prejudiced if a warrant were not issued against the Member at the same time as that issued against the individual.

Our duties before the Royal Commission made it impossible to consider this question as thoroughly as we should have liked to do and we requested Hon. F. P. Brais, K.C., counsel appointed by you to prosecute the other individual, to assist us with his opinion.

We have now received it and it confirms the views we held in this matter and sets out the authorities upon which the opinion is based. We are enclosing it with this letter as we entirely concur in it.

Each of us will be available for further discussion if deemed necessary.

Yours very truly,

(Sgd.) E. K. WILLIAMS

(Sgd.) GERALD FAUTEUX

(Sgd.) D. W. MUNDELL
Counsel for the Commission.

(B)

BRAIS & CAMPBELL

Royal Bank Building
360 St. James Street West,
Montreal, March 12, 1946

E. K. WILLIAMS, Esq., K.C.,
G. H. FAUTEUX, Esq., K.C.,
Justice Building,
Ottawa, Ontario.

Secret and Confidential

DEAR SIRs:

You have asked my opinion whether:

- (a) A Federal Member of Parliament who would have committed a crime under the Official Secrets Act can be arrested either during the coming session of Parliament or within the few days which remain before its opening on the 14th instant?
- (b) if question (a) is answered in the affirmative, whether it would be advisable or inadvisable to obtain the issue of a warrant of arrest against this Member at the same time as that to be issued against the individual who divulged to this Member certain important war secrets for the benefit of a foreign power?

(a) I have not been informed of any of the activities of the Member in question save what appears from the deposition of the individual whose arrest we discussed over the week-end.

That statement does clearly show that the Member obtained important information and declared that it was for the use of a foreign power.

It would appear clearly, therefore, that a charge could be laid against the Member under Section 3C and probably 4(1)A and B, 4(2), 4(3), of the Official Secrets Act.

No specific penalty is provided in the Act for the commission of the above offences and the offender would therefore be subject to Section 14 which declares them to be indictable.

Chapter 147, R.S.C., "An Act Respecting the Senate and House of Commons," Sections 4 and 5 provide:

"4. The Senate and the House of Commons respectively, and the members thereof respectively, shall hold, enjoy and exercise,

- (a) such and the like privileges, immunities and powers as, at the time of the passing of the British North America Act 1867, were held, enjoyed and exercised by the Commons House of Parliament of the United Kingdom, and by the members thereof, so far as the same are consistent with and not repugnant to the said Act; and
- (b) such privileges, immunities and powers as are from time to time defined by Act of the Parliament of Canada, not exceeding those at the time of the passing of such Act held, enjoyed and exercised by the Commons House of Parliament of the United Kingdom and by the members thereof respectively, R.S., c. 10, s. 4.

5. Such privileges, immunities and powers shall be part of the general and public law of Canada and it shall not be necessary to plead the same, but the same shall, in all courts of Canada, and by and before all judges, be taken notice of judicially. R.S., c. 10, s. 5."

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Bourinot's Parliamentary Procedure, Third Edition, Page 143, Chapter 2, under the heading "Privileges and Powers of Parliament," discusses "the privileges, immunities and powers" to be enjoyed by Members. After discussing the origin of privileges, he declares that it is a general principle of English Parliamentary law that... "the privilege has been always held to protect Members from arrest and imprisonment under civil processes, whether the suit be at the action of an individual or of the public, but it is not claimable for treason, felony, breach of peace or 'any indictable offence'."

Bourinot further states that a Member may be committed for Contempt of Court when it is of a quasi criminal nature, "and the English House has not of recent years deemed it expedient to interfere in cases of an open or gross character."

The right of Courts to enquire into the question of privilege is discussed by Bourinot at Page 147 as follows:

"As Parliamentary privileges rest on statutory as well as customary law it follows that they can be inquired into and determined by courts of law like any other rights. In the words of an authority: 'It seems now to be clearly settled that the courts will not be deterred from upholding private rights by the fact that questions of Parliamentary privilege are involved in their maintenance; and that, except as regards the internal regulation of its proceedings by the House, courts of law will not hesitate to inquire into alleged privilege, as they would into local custom, and determine its extent and application' (c)."

It would appear clear that a Member who has committed an indictable offence is therefore liable to arrest at any time and any place except on the floor of the House when it is sitting.

(b) Would it be advisable or inadvisable to charge the Member at the same time as the individual from whom the information was obtained.

The failure to charge the Member at the same time would appear highly inadvisable. The origin of the trouble, the cause of the temptation and downfall of the individual in question arises entirely and exclusively from the actions of the Member. The failure to charge the latter at the same time and bring him before the Courts if possible would inevitably give rise to a reaction which in my opinion would be entirely prejudicial to the proper disposal of the complaint.

Obviously at the present time and insofar as my information goes, the only evidence against the Member would be the testimony of the individual who gave him information. The Member might see fit to offer his own testimony and deny the whole story. The court might then have to decide between the credibility of a witness and an accused. The fact, however, that the witness has incriminated himself by the story and is himself separately charged should, in my opinion, lead any judge to conclude that the version cannot be untrue, the more so in that there is nothing to indicate any unfriendliness whatsoever between the two persons.

Obviously they would have to be separately charged. There should be in my opinion, added a count of conspiracy referring to the substantive offences themselves.

I have not before me all the information arising out of the cases and it is quite possible that certain facts may lead one to another conclusion, but relying for the moment solely on the deposition which I now have, I feel quite definitely that the non-arrest of the Member would not only be prejudicial to the other case but to the interest of justice in general.

Yours very truly,

(Sgd.) F. P. BRAIS.

Support A

16-2-44

~~B.G.~~

You may be interested to see the attached copy of the Canadian Hansard and the printed copies of documents relating to the proceedings of the Royal Commission.

After you have read these, I should be grateful if they could be marked to F.2.c. for attention and record.

A.D.F.
27.3.46.

R.H. Hollis
R.H. Hollis.

F.2.C. I have read with great interest & mark it as directed by A.D.F. D. Pittman 27.3.46

~~TOP SECRET.~~

NEW YORK.

No. 438 of March 26th.

Following for Hollis from Cussen.

- A. Director and Cussen arrived here early Monday morning.
- B. Director has made contact with High Commission, External Affairs, RCMP, Ministry of Justice and Commission Council.

TOP SECRET.

Handwritten: 7/16/54

NEW YORK.

No. 436 of 26th March.

Handwritten: 160A

My telegram 432.

Handwritten: Com.

- A. FBI inform me POPOV left train in New York and proceeded immediately to Consulate.
- B. He is under surveillance and FBI still hope for occasion to approach him.

Handwritten scribble

*2749
16217*

TOP SECRET.

NEW YORK.

No. 433 of March 26th.

Situation here at present appears to be as follows:-

A. Montreal:

CORBY has completed his evidence. You may have seen from press reports that suggestion in my telegram 413 that such material would be used has been confirmed as fact. You should know that once ^{CP-58247} ROSE is committed for trial, prosecution will fall under jurisdiction of Quebec Provincial Government.

See
For your personal information only repeat only DUPLESSIS, Premier of Quebec, is no repeat no friend of St. LAURENT. You will appreciate that case against ROSE cannot now suffer from any lack of zeal later.

B. **CORBY's half hour statement on ideological reasons for his action made profound impression which is reflected in press and it is generally felt his testimony and its sincerity will cripple C.P. Canada for considerable time at least in Quebec.**

My immediately following telegram.

Note: Mr. Hollis: Will you please treat second paragraph of "A" as "personal only".

TOP SECRET.

NEW YORK.

No. 434 of March 26th.

My immediately preceding telegram.

C. ^{P.F. 67182}
WILLSHER ^{P.F. 003,109} usefully turned King's evidence. LUNAN began to do so but took fright at leading questions. It is most regrettable that his Counsel does not appear to have explained clearly to him that he enjoyed protection of the Court and he was obviously afraid of incriminating himself. As a result he was committed for contempt and is in jail without bail.

D. Ottawa: Testimony of remaining detainees should be concluded this week and third interim report may be expected at week-end or beginning of next week. I believe Prime Minister will at earliest opportunity rescind order in council which will mean that all further hearings by Commission will be under subpoena. I understand Commission is then likely to adjourn for a fortnight to write their major report.

My immediately following telegram.

TOP SECRET.

NEW YORK.

No. 435 of March 26th.

My immediately preceding telegram.

E. Commission will then be likely to hear under subpoena persons involved but not in Government service. I believe these may include: CARR (if he can be found), Doctor SOBOLEFF, Doctor HARRIS, the real WITCZAK, personnel of Passport Office, BER?(MAN) (for which I am pressing), CHAPMAN, ROGERS, VEALL, RABINOVITCH (subject agreement?(of you) and External Affairs), GINSBERG, LINTON and other less important characters of some interest. Above programme and names are purely tentative and subject to revision.

F. You will no doubt wish to know that in statement to Press last night Dorise NEILSON, former M.P. and leading Communist, maintained that CORBY is S.I.S. plant.

TOP SECRET.

2736

Addressed NEW YORK.

25.3.46.

No. 593.

- A. Right Wing French paper Epoque of 22nd February quoting alleged remarks by ^{Deu} DUPLESSIS (not repeat not available) commented that it seemed certain that Communist Party of France was in touch with Soviet network in Canada.
- B. For your information only BJs informs us that French Government have recently been making enquiries about this.
- C. Same source shows that report appears to have been based on United Press message published only in Quebec Catholic Action and Montreal Daily Star of 19th February.
- D. Please pass paragraph A. to RCMP as from Hollis.
- At your discretion you may also pass paragraph C.

Supp A

TOP SECRET.

272a
160A

NEW YORK.

No. 432 of March 25th.

54A Vol: 2.
155 (Vol: 3).

My telegram 88 February 2nd.



- A. Gregory POPOV left here last night travelling on transit visa through United States en route Russia. His immediate destination is supposedly Washington.
- B. I drew FBI's attention to fact that he is almost certainly being recalled in disgrace and they propose to attempt to approach him if occasion offers with view to persuading him to follow in CORBY's footsteps.
- C. I believe they may have some reasonable chance of success since his wife and child are travelling with him and he must be well aware of what awaits him if he returns.

~~TOP SECRET~~
154

TOP SECRET.

NEW YORK.

No. 426 of March 23rd.

Following for Sargent from Macdonald repeated Halifax.

Your telegram 502. ~~Suba~~

Please inform Machtig, Dominions Office, that Commission may still press for evidence by Munro in connection allegations of which he will be aware regarding certain financial documents. I am hopeful that if so his appearance before them can be postponed until his return to North America as his evidence may not be necessary until final report is under consideration. But I felt that the Dominions Office and he might wish to have this warning.

~~TOP SECRET.~~

NEW YORK.

No. 425 of March 23rd.

- 24th. 157th.
My telegram 419.

- A. Press and radio reaction this morning both here and in United States is far more moderate than might have been expected and fortunately almost without exception stresses part played by Communist Party in operations.
- B. Main damage would therefore seem to be mention names not yet released by Commission and difficulties caused by this can no doubt be met.
- C. I understand Crown Prosecutor in Montreal has been warned to proceed with more caution today.
- D. ^{P.F. 49959.} [POLAND's] Counsel has issued writ of habeas corpus which we expect to be allowed. This will enable it to be argued to establish clearly before public legality order in Counsel.

TOP SECRET.

NEW YORK.

No. 419 of 22nd March.

My telegram 413 para. C.

A. As you will probably have seen from New York reports Crown Counsel in Montreal allowed Corby to go much further than was intended or expected. Mention of five names of detainees not yet released by Commission would seem to me most undesirable and possibly prejudicial.

B. Press have also quoted names of and VEALL as agents P.F.66951 and this may prove particularly damaging to whole case since almost certainly ~~neither~~ were actual agents. This could therefore throw doubt on reliability of rest of Corby's evidence in hands of good defence lawyer.

C. Mention of Arthur STEINBERG and WIPCZAK without prior warning to FBI or USA government would again seem most injudicious.

D. General opinion at the moment seems to be that desirability of establishing strong case against ROSE in Quebec Courts would not justify irrelevant lengths to which Counsel has gone.

E. I understand External Affairs are seriously concerned at head-lining of Corby's unexpected statement that in his opinion Russia is preparing for third World War.

F. Above are my immediate impressions subject to revision.

I will telegraph further reactions tomorrow.

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. JAN 2003

~~TOP SECRET~~
TOP SECRET.

NEW YORK.

No. 414 of March 22nd.

A. Examination of ADAMS office calendar pad shows 2 entries of interest: one dated July 6th reads "re WILGRESS memorandum" and second dated September 11th reads "KEYNES summary".

B. While this proves nothing, it does nevertheless show definitely that ^{pp. 603, 472.} [ADAMS] could have had access to 3 documents attributed to ELLI in GRANT's mail list.

C. This would lead us to suppose that these entries might therefore have been wrongly attributed to ELLI or could equally support theory in paragraph A. of my telegram 228.

172a
(vol: 4)

TOP SECRET.

NEW YORK.

No. 413 of March 22nd.

A. It is most likely that at preliminary hearing of ROSE in Montreal today Crown will put in evidence everything they possibly can which connects ROSE with Corby case, reserving little or nothing to final trial.

B. WILLSHER ^{P F 603, 69} has been subpoenaed as witness to testify concerning ROSE's ⁹⁻²⁸⁻⁶⁹ part in her recruitment.

C. You may possibly be surprised at amount of material which will be used but reason for this is that Montreal Courts are unpredictable and Crown is anxious to ensure that strongest possible case is made against ROSE immediately while going is good.

D. Whether or not use of all this material may possibly prejudice cases still to be heard later in Junario courts remains to be seen.

~~9/16/68~~
154A

TOP SECRET.

NEW YORK

No. 411 of March 21st.

^{ISSA}
My telegram 406 paragraph B.

As a result RCMP pressure it has now been decided that public will not repeat not be allowed in Court while CORBY is giving evidence (gr. mut.) only reliable newsmen will be present.

~~24~~
153A

TOP SECRET.

NEW YORK.

No. 407 of March 21st.

~~2370~~
Your telegram 532 paragraph B.

DECORDED
A. JENKS ^{23 NOV 1954} who must be consulted in this matter (see my telegram 305) is in United Kingdom and will not return to Canada for about 10 days.

B. It would not be necessary to publish Swiss story in detail but you will understand that main object of enquiry into RABINOWITCH's activities is to uncover link from United States to Switzerland and ?now Swiss angle could not be omitted. There would be no repeat no need for Paris and Egypt adventure to be mentioned.

C. If, as you say, large part of Swiss story has become public it is not entirely clear to us how further reference to it here need affect Swiss Soviet relations.

D. There is plenty of time for consideration of this matter as first stage of Commission is likely to continue for another week. Commissioners will then require at least a further week, making a fortnight in all, to complete their final report. They are then likely tackle second stage of their investigation which will deal with suspects not repeat not in Canadian Government service. This second stage will begin with investigation of WITCZAK passport matter and you will therefore see that it will be a minimum of

three weeks before RABINOWITCH matter could be dealt with.

E. We will revert to this matter later.

~~TOP SECRET.~~

NEW YORK

No. 406 of March 21st.

My telegram 399. ~~317~~

A. SMITH continued testimony yesterday which is still uncompleted. He still answers direct and dangerous questions by saying that he is unable to recall incidents and has suggested that Corby documents are clever forgeries obtained by inducement. He has given no information of value.

B. ^{PI-98347} ROSE and BOYER appear for preliminary hearing in Montreal court tomorrow. It is obviously desirable from a political standpoint that ROSE should be heard in public and Crown Prosecutor is in favour of this. However Corby will be called as witness and RCMP are bringing considerable pressure to have his evidence taken in camera since Corby himself is alarmed at possibility of appearing in public. This has not yet been resolved but at moment it appears likely that Corby's evidence will not be taken in camera though newspapers will be warned that no photographs are allowed.

TOP SECRET.

~~156a~~
SIA

Addressed:

NEW YORK.

20.3.46.

No. 576.

Following for RCMP from Hollis.

A. Following information has been received from a confidential source.

B. At some date unknown a party was given in Ottawa to about

C. At the party in question there were present Kathleen WILLSHIRE, Mrs. MAZERALL and a party of Russian men. All the people at the party were keenly interested in C.C.F. and impression given was that the Russian contact with and interest in C.C.F. was very close.

D. Party was held in a flat owned by a Jew whose only available particulars are that he possesses what is described as a remarkable aquarium.

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CONFIDENTIAL

~~2-17a~~
150A

20th March, 1946.

FFY.66960(Supp.A)/F.2.c./JEM

Dear Philby,

142a
~~243c~~

I refer to your Cl. of 13.3.46. We have no record of ^{see} R.5.B. DUPLISSIS nor have we any information about remarks made by him or for that matter by anybody else upon which the "Kooque" report could reasonably have been based. I must confess that I think it extremely unlikely that any such remark was ever made, but I suggest that the matter could be cleared up by despatching a signal to the R.C.M.P. If you agree perhaps you would kindly send a signal as from Hollis in the terms of your letter under reply.

Yours sincerely,

J. H. Marriott.

H.A.R. Philby Esq., O.B.E.,
S.I.S.

JEM/MVR.

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~~2-30a~~
16/17

Addressed:
NEW YORK.

20.3.46.

No. 565.

Following for RCMP from Hollis.

Reference Sargent's telegram 556 para. F.

- A. Mr. T. Mathew, Director of Public Prosecutions, accompanied by Lt. Colonel Cussen, Legal Adviser to M.I.5., is leaving on Sunday 24th by T.C.A. plane for Dorval.
- B. Passage has been arranged by Office of Canadian High Commissioner here.
- C. They hope to return by March 31st.
- D. Please make all necessary arrangements.

147a

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~~247a~~

TOP SECRET.

146A

Addressed to:

NEW YORK.

18.3.46.

No. 562

Following from Hollis for RCMP.

Our 528 para. B.

~~248a~~ 123a .

Experts confirm preliminary view that documents in question had no special security value in 1942 other than obviously attached to such documents in time of war.

TOP SECRET.

~~J.T.~~
14

NEW YORK.

No. 391 of March 18th.

Following for Sargent from MacDonald repeated Halifax.

Your telegram 555. - ~~226~~ 134 A.

Canadian authorities concerned have been informed in accordance with paragraphs A. to E. I understand that as soon as result of our proceedings on March 19th are known they are likely to make foreshadowed formal request for Primrose's evidence to be made available in some form to Commission.

2. Your paragraph F. Canadian authorities would greatly welcome visit by Director of Public Prosecutions accompanied by any advisers he may wish bring and time suggested would be quite convenient. You will no doubt advise me of developments.



OFFICE OF THE

TOP SECRET AND PERSONAL

HIGH COMMISSIONER FOR CANADA,

CANADA HOUSE,

LONDON, S.W.1.

18th March, 1946.

Handwritten notes and scribbles, including the number 144.

F2C. Mr. Mansfield.

Dear Hollis,

I am enclosing, for your information, copies of two telegrams we have received from External Affairs concerning the second interim report of the Royal Commission. There is nothing new in these telegrams but you may find of interest the explanation given for some of the comments in the report.

Yours sincerely,

J. W. Adams

R. Hollis, Esq.,
58, St. James's Street,
S.W.1.

COPY.

PUBLEX

From: SECRETARY OF STATE FOR EXTERNAL AFFAIRS OTTAWA

TO: HIGH COMMISSIONER FOR CANADA, LONDON

No. 636.

DATED: 15th March, 1946.

REC'D: 15th March, 1946.

Paris No. 105.

Second Interim Report of the Royal Commission is being tabled in Parliament to-day. It is about 3,500 words in length and mainly devoted to fairly detailed account of the evidence involving four further persons, including several quotations from telegrams sent and received by DD ABOTIN.^(?Zabotin) The persons named are Raymon Boyer, Assistant Professor of Chemistry at McGill, who was engaged in secret Government work on explosives during the war, H.S. Gersok,^(?Gerson) employed by Crown Companies and also by Munitions and Supply, an expert on ordnance, former Squadron Leader Nightingale, a communications expert concerned with RCAF communications in Canada and Newfoundland, and David Shugar, a physicist, who served with the Navy on Research on submarine detection devices. The prosecution of all four is recommended by the Commission.

2. The report concludes with some general paragraphs stating

(a) That the evidence discloses that other Canadians not Government officials have been intermediaries for transmission of information to the Soviet Embassy,

(b) That the exceptional course followed in detaining Canadians under Special War Powers has been justified by the evidence given, and

(c) That since so

- 2 -

they had a loyalty which took priority over that to their own country and hence acted as they did some of the basic purposes of the enquiry would be defeated if those to be examined were permitted contact with outsiders or between themselves before the full investigation of their activities.

3. Points (b) and (c) above relate to the public concern which has been displayed over the use of the procedure authorised in the War Measures Act so as to permit the interrogation and temporary detention of the thirteen Canadians who have appeared or will appear before the Commission. The Commission has still to complete the hearings in five cases of those detained when a further interim report is expected.

SECRETARY OF STATE FOR EXTERNAL AFFAIRS.

COPY

PUBLEX

From: SECRETARY OF STATE FOR EXTERNAL AFFAIRS, O

To: HIGH COMMISSIONER FOR CANADA, LONDON

Dated: 15th March, 1946.

Rec'd: 15th March, 1946.

No. 645.

Paris No. 106

My preceding telegram concerning Royal Commission's investigation.

P598207
 (Fred Rose) Labour Progressive M.P. for Montreal-Cartier, was arrested last night on charges arising out of the Royal Commission's investigation. Evidence and documents before the Commission indicate that Rose was intermediary between Foyer among others and the Soviet Military Attache. He was not examined by the Commission whose terms of reference are limited to present and former officials.

SECRETARY OF STATE FOR EXTERNAL AFFAIRS.

Copied to PR-845,748-

TOP SECRET.

7/1/44

14-

NEW YORK.

No. 381 of March 16th.

*128A
-2318.*

My telegram 342 of March 11th.

A. Cockroft informs me WALLACE leaves here for United Kingdom on Queen Mary sailing from New York about March 20th for a few months visit.

B. Commission Counsel have decided they do not repeat not wish call him and therefore no steps have been taken to interfere with his trip.

C. You may wish interview him concerning Primrose on arrival.

*Copied P.F. 06949
Wallace is cancelled on it.*

✓

Secret.

In reply, state NUMBER and DATE.

JHC
142H

CX dated 13th March 1946.
R.5.B.

Dear Hollis,

We have a report stating that the right wing French paper "Epoque" of 22nd February quoting "Maurice DUPLESSIS", Governor of Quebec State, remarked "it seems certain to-day that the French Communist Party was in contact with the Soviet spy network in Canada".

See lv.

Have you any information about remarks by DUPLESSIS on which "Epoque" could reasonably have based such accusations?

We have, unfortunately, no complete copy of the paper in question.

Yours sincerely

For H.A.R. Philby.

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R. Hollis Esq.

M.I.5.

MES
ENCL *none*
15 MAR 1946
ADE ✓
F2C.
R.H. ✓

TOP SECRET.

~~TOP SECRET~~
14/1/17

Telegram from:
NEW YORK.

No. 380 of March 15th.

Pr-9834

- A. Fact ROSE like other four, has now been released on bail gives rise to most delicate situation as to whether or no he will take his seat in House.
- B. If he does this (and he has said he will) he would presumably be in a position to comment on statement which Prime Minister is to make on Corby case on Monday in debate on speech from Throne.
- C. It would seem most likely that unless the House is prepared to take some action to suspend him pending the trial that this would cause considerable embarrassment and would certainly be best platform he could find for preparation of his defence.

TOP SECRET.

~~242a~~

14 CH

NEW YORK.

No. 371 of 15th March.

My telegram 370.- 240a .

? 1-28 347

A. As you will probably have seen from press reports [ROSE] was arrested shortly before midnight last night. He will be charged this morning in Montreal.

B. Four mentioned second interim report will also be charged this morning. Report itself is to table in due course in House this afternoon and has just been released to press.

C. WOIKIN, WILLSHER ^{PF 603,469 L?} MAZERAIL and DUNAN are all out on bail.

INWARD TELEGRAM

~~SECRET~~

CODE

PROL: CANADA (H.C.)

TO: L.O.

1304

C.D.

D. 11th Mar., 1946. 9.15 p.m.
R. 12th " " 6.15 a.m.

No. 496

By telegram No. 413 of 4th March.

Four persons named appeared in Court again this morning when the Crown Prosecution stated that additional charges under Section 4 of the Official Secrets Act would be laid in the next two days.

Miss Willsher ^{PT 603 400 noted} was represented by Counsel and did not elect trial or submit a plea. She was remanded until 13th March. Counsel asked for bail but the Court took no action on this request.

Copy to:-

Box 500,
Parlt. St.

Mr. R. Hollis

[Handwritten notes]

INWARD TELEGRAM

CODE

O.D.

FROM: CANADA (ACTING H.C.)**TO:** D.O.D. 4th Mar., 1946. 8.13 p.m.
R. 5th " " 6.38 a.m.

No. 413

My despatch 1st March No. 80. Interim report on the Royal Commission appointed to investigate the disclosure of secrets and confidential information to unauthorised persons was published at 12 noon E.S.T. today. Report states that evidence so far heard establishes that 4 of the persons who had previously been detailed for interrogation in connection with the investigation have communicated directly or indirectly secret and confidential information to representatives of the U.S.S.R. in violation of the Official Secrets Act of Canada, 1939.

Much regret have to report that Miss K.M. Willsher, Assistant Registrar in this office is mentioned in the report as one of the four persons in question. She was arrested soon after the publication of the report and charged on count of conspiracy to provide secret information intended to be useful to the Soviet Union and of having provided information.

She has been remanded in custody until March 11th and has reserved her plea. Further report will follow.

Copy to:-Box 500,
Parlt. St.

Mr. R. Hollis

Office of the High Commissioner
for the British Mandate,
Amman, Jordan.

No. 90

Amman, 1944.

My dear Sir,

I have the honor to acknowledge the receipt of your letter of the 17th inst. in relation to the proposed transfer of the British Mandate for Palestine to the United Arab States. I am sorry to hear that you are unable to attend the meeting of the High Commission on the 22nd inst. I am sure that the High Commission will be able to deal with the matter in your absence. I am sure that the High Commission will be able to deal with the matter in your absence.

I have the honor to be, Sir, your obedient servant,

Yours faithfully,

Herbert Morrison, Secretary of State for the Colonies.

Herbert Morrison,

in absence of the High Commissioner.

The Right Honorable Vincent Gordon, Secretary of State for the Colonies, London, W. 1, U. K.

33.

1st March 1942

Dear Sir

I have the pleasure to acknowledge the receipt of your letter of the 27th inst. in regard to the matter mentioned therein.

The matter is being dealt with as a matter of course and you will be kept advised of any developments.

Yours faithfully,
[Signature]

Enclosed for you are two copies of the report referred to in your letter of the 27th inst.

I am sure that you will find the information contained therein of interest.

I am, Sir, very truly yours,
[Signature]

For the Director
[Signature]

The Director
[Signature]

cc - [Name]
cc - [Name]

- 2 -

Council which has been issued on the 6th October, 1941, and the 6th February, 1942. Copies of these are in the enclosure. The first order was provided for the collection of names of persons with a view to preventing their communication, secret and confidential information on the part of a foreign power. The second order, issued on the 6th February of the Royal Commission.

On the 11th February, the Canadian press published the text of a statement said to have been communicated to the Canadian Charge d'Affaires at Moscow by the Soviet Government. The text of this is in doubt already available to you. The terms in which the news are subsequent articles in the Soviet press referred to in the enclosure may have not unreasonably caused misunderstanding.

On the 11th February, the Canadian Council of Canadian Soviet Friends, addressed a telegram to the Prime Minister expressing regret that newspapers and radio commentators had failed to follow his advice to treat the whole situation with reserve and caution, and adding that they proposed to continue their activities in a normal way. The Prime Minister's reply which has been made public said that he cordially approved of the position taken by the Council.

It is perhaps of interest to add that the Labour Progressive (i.e. Communist) Party in Canada, has issued reports that officials of the party are being held.

There are two sharply defined aspects of the case, one is the question of discipline within the Government service. The Royal Commission are investigating this and it is clear that the Canadian Government are prepared to take prompt and effective action with an eye to discipline of order there can be evidence. The other is the question of relations with a Communist neighbour. The Canadian Government have so far refrained from any public reference to the fact that the Soviet Government are involved.

I shall keep your Honours informed of developments.

I am sending a copy of this despatch, without the enclosures, to His Majesty's Consul in the Ambassador at Washington and to United Kingdom representatives at other Dominion posts.

I have the honour to be,

Your Lord,

Your Honours' most obedient
and devoted servant,

(Signed) STEPHEN L. HOLMES

TOP SECRET.

~~SECRET~~
137A

NEW YORK.

No. 370 of 14th March.

129A
136A
229a

My telegrams 355 and 365 (23) para. A.

PF 98 547

- A. Five minutes before House reconvened ROSE took his seat on floor.
- B. For this reason at very last moment Prime Minister decided not repeat not to table second interim report and it has therefore not been released to Press.
- C. ROSE cannot be arrested on floor of House but he will be arrested as soon as he leaves tonight. The other four will not be charged until ROSE is apprehended.
- D. Prime Minister stated in house that he would probably table report tomorrow. Situation is still fluid and I can give you no definite time for release though you may expect it shortly.

CB/R 34
12/9/48

TOP SECRET.

~~SECRET~~
1364

NEW YORK.

No. 368 of 14th March.

A. St. Laurent has this afternoon issued fiat for arrest of Fred ROSE. He will be arrested if he can be found.

B. GERSON, SHUGAR, NIGHTINGALE and BOYER will be charged this afternoon.

P-603605

PI-98347

SECRET

TOP SECRET.

~~TOP SECRET~~
135A

NEW YORK.

No. 363 of March 14th.

- A. Second interim report apparently gives considerable details concerning four agents named and quotes at some length from Corby documents in each case.
- B. I am informed main point made is that evidence shows agents to have loyalty which takes precedence over loyalty to their country and hence action taken with regard to detainees was essential.
- C. Report indicates there is some doubt as to extent of implication of NIGHTINGALE.
- D. Release is likely to be in time to make B.B.C. late news tonight.
- E. Holmes has seen this and requests it be shown to Sargent.

Corby, Supp. A

eb/134
19/3/46

Handwritten initials and scribbles, possibly including 'WJ' and 'Pa'.

EP/T/66945/ATF

13th March, 1946

Dear Sir,

Herewith the suggested answer to Malcolm MacDonald's telegram of 5th March. This has been drafted by the Director of Public Prosecutions and has been seen by the Attorney General. I suggest, therefore, that the telegram might be prefaced by: "the following are the views of the Director of Public Prosecutions in which the Attorney General concurs".

If the draft is approved, will you send it to Hilby?

Yours faithfully,

R.H. Collins

T. E. Bronley Esq.,
Foreign Office.

RHC/VH
Enc.

Handwritten notes and scribbles at the bottom right of the page.

~~2-10-46~~

TOP SECRET.

1324

Telegram from:

NEW YORK.

13.3.46.

No. 44.

Following for RCMP from Hollis.

Please let us have a formal statement from Corby explaining in detail how he learnt that Alec was May. Please cable text of statement.

}
}

Extracted
of 65949
MAY.

TOP SECRET.

~~231~~
132A

NEW YORK.

No. 357 of 13th March.

Following for Sargent from Holmes repeated Halifax.

Please see my telegrams 355 and 356.

I have confirmed from Robertson that programme regarding second interim report is still on lines described but position is a little fluid. I understand report is not likely to include material on which United Kingdom authorities would wish to comment beforehand. I shall however hope to arrange for full text to be sent in advance though I fear that this may precede publication by a few hours only.

Only Halifax A

20/12/39
18/1/40

131a

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TOP SECRET.

1507

NEW YORK.

No. 347 of 12th March.

Following for Sargent from MacDonal repeated Halifax.

My telegram 341.

I am informed adjournment Commission from March 14th
until March 19th has been cancelled owing to pressure of work.

TOP SECRET.

~~TOP SECRET~~
12/17

NEW YORK.

No. 355 of 12th March.

PF603605

A. Second interim report is due to be completed tonight. It will name NIGHTINGALE and BOYER. Inclusion of GERSON and SHUGAR will depend whether or not they request to be represented by Counsel before Commission - which would have to be done if they so request before any adverse report can be made. Also, as you will have seen, evidence against SHUGAR is unfortunately not concrete.

B. Report may possible be cabled by Prime Minister tomorrow afternoon when house reconvenes. This would assist in counter-acting probable opposition criticism on civil liberties aspect which it is felt might be raised on motion of adjournment before debate on speech from throne.

C. Prime Minister has statement prepared outlining course of events to date and explaining clear necessity for kind of action taken.

mb, 5/10/57

10/1/57
12/1/57

Copied to P1-845, 748

TOP SECRET.

NEW YORK.

~~TOP SECRET~~
125H

No. 342 of March 11th.

Your telegram 498 March 2nd.
Philip Russell WALLACE

- A. ~~Philip Russell WALLACE~~ born Toronto April 19th 1915. Educated at University of Toronto where he was Fellow in Applied Mathematics from 1937 to 1940. Worked as instructor in mathematics at University of Cincinnati 1940 to 1942 and at Mass. Institute of Technology from summer of 1942 to December 1942 when he applied for post and was accepted by Montreal laboratory of National Research Council.
- B. He became secretary of Montreal branch of Canadian Association of Scientific Workers and attended as delegate to first convention of this organisation in May 1945 in Ottawa.
- C. Nothing appears on his file which would bear out Primrose's evaluation of him though BOYER who knows him stated he believed him to have "left wing" views.

*Copy in P.F. 66 949 May
Wallace is coded in this.
174
237.*

TOP SECRET.

NEW YORK.

~~210~~
127A

No. 341 of 11th March.

Following for Sargent from MacDonald repeated Halifax.

My telegram 331 paragraph two.

Progress of Commission in examination of detainees has proved slower than expected and it is now likely that they will be able by March 14th only produce second interim report covering four or five more out of original 13 leaving five or four to be dealt with later. Report will probably advise prosecution in each of cases specifically mentioned.

Commission will be adjourning on March 14th until following Tuesday March 19th.

126A
TOP SECRET.
~~2340~~

NEW YORK.

No. 338 of March 11th.

My telegram 335.

A. SHUGAR's testimony continued. He is still sullen and answers have to be dragged out of him but he did talk to some extent under skilful questioning.

B. Like NIGHTINGALE he has followed line of half admission. That is, he admits to meeting Sam CARR and agrees that some of conversation may have touched on questions posed by Russians in document headed by "Assignment No. 1 - Sam to SHUGAR". He will not however admit to giving any confidential information though his reluctance to answer indicates his guilt.

C. He will continue today. Meanwhile the second interim report is being prepared and is now likely to be released on Thursday or Friday of this week and will include BOYER, NIGHTINGALE, SHUGAR and very likely GERSON. BOYER's admission has implicated (Fred ROSE deeply) This again raises question mentioned in paragraph C. of my telegram 299. Method of dealing with ROSE is still under discussion and it is likely that BOYER's testimony together with the recent leak to London "Daily Mirror" will make some action concerning him necessary in near future.

D. However ROSE has gone underground and cannot be located at present by RCMP and it is not impossible that he has already left country.

Copy in PF 603,605

TOP SECRET.

23/A
125H

NEW YORK.

No. 335 of 9th March.

My telegram 323.

A. **BOYER completed testimony. Nothing further of interest.**

SHUGAR was taken next, largely because activities of his wife and his own hunger strike are sources of embarrassment.

B. **SHUGAR, who is clearly schooled in party tactics, answered "safe" questions concerning his work on ASDIC with reluctant**

caution but finally refused to reply to question concerning members of Communist study group to which he belonged while

NOTED
10/10

at McGill. He persisted when warned that such refusal must

be taken as contempt by Commissioners. He was given until

tomorrow to reconsider his attitude. It is on the whole unlikely

that he will be committed for contempt since this would

eliminate any possibility of extracting even partial admission

from him which would seem essential to substantiate Corby

documents which do not in themselves constitute legal case.

TOP SECRET.

Telegram from NEW YORK.

No. 331 of 8th March.

Following for Sargent from MacDonald repeated Halifax.

1. Your telegram 489[?] para. E. and F. **It has now been decided here that all trials consequent upon the issue of first interim or subsequent reports of Royal Commission should be held in open court except that court would probably be closed during hearing of Corby's evidence in interests of his protection.** His evidence would however be available on record. It follows that Canadian Authorities would not wish to offer any objection to similar hearing of Primrose case in open court except for taking of certain technical evidence in camera. Considerable importance is attached to general equivalence of proceedings; it is assumed for instance that bail will be refused Primrose if he applies for it and it is hoped that, mutatis mutandis, final results will be in relation to each other.

My immediately following telegram.

~~2205~~
124

TOP SECRET.

Telegram from NEW YORK.

No. 332 of March 8th.

My immediately preceding telegram.

Paragraph 2. Trials here will not begin until Commission have completed their examination all detainees but this is thought likely to be the case by 14th March.

3. It emerges however from our discussions with Commission Counsel that there is a large area of over-lap between Primrose's admissions ^(USA in v. A) (telegram 451) and some of Corby's evidence which ought, if possible, to be exploited. No doubt much thought has been given this aspect already, e.g. paragraph F. telegram 501, ^(189a) _{Sl.A.} but with a view to conforming up cases if and when it is proper to do so, it is suggested there may be some method introducing a limited statement on Corby's part such as (?might be) subject of a special deposition by him.

My immediately following telegram.

TOP SECRET.

Telegram from NEW YORK.

No. 333 of March 8th.

My immediately preceding telegram.

4. We also note from same passage that you are considering possibility of Primrose's appearance before Commission. I understand that I shall now shortly receive a formal request from Commissioners through minister of Justice that Primrose be made available for a personal appearance before Commission after his case has been completed. Specific method by which this could be done is admittedly doubtful here, e.g. Counsel are not themselves yet clear whether you would be able to arrange that Primrose should be subpoenaed. There is still the possible alternative (see my telegram ^(178a, vol. 4) 248 paragraph 4) of some method of taking Primrose's evidence (grp. mut.) Commission but this is not now regarded as very satisfactory.

5. Foregoing considerations obviously affect (from Canadian point of view, date of Primrose's trial. Provided there is reasonable certainty of conviction then it would help Canadian authorities if trial could be started and completed as soon as possible.

My immediately following telegram.

TOP SECRET.

Telegram from NEW YORK.

No. 334 of 8th March.

My immediately preceding telegram.

6. Our discussions with Counsel on all matters dealt with above have suggested to me very strongly that it would be of greatest help if a representative of Director of Public Prosecutions could come here for formal or informal consultation with Commission Counsel with least possible delay. If there were any technical difficulty about such a visit for specific purpose of liaison with Canadian authorities in connection with Primrose case it would I imagine be quite easy to find some other ostensible object for visit, e.g. advising me as regards member of my staff who has been arrested and charged, in which case any consultation with Canadians connected with Commission could be entirely private and "off the record". Commission Counsel are strongly in favour of an immediate visit as there are in fact a number of points in this complex business in which direct contact would be invaluable.

TOP SECRET.

Telegram addressed:
NEW YORK.

8.3.46. ~~230~~
12

No. 528.

Following for RCMP from Hollis.

Your telegram 289. - ~~289~~ 104A .

- A. Your para. A. Expert opinion states that these manuals set out process of manufacture which was never adopted in practice and that all material contained therein has since 1939 been of no higher grade than restricted.
- B. Preliminary view of experts of remainder of material is that same conditions apply.

TOP SECRET.

~~229~~
122H

Telegram addressed:

NEW YORK.

3.3.46.

No. 529.

Following for RCMP from Hollis.

Your telegram 305. - ~~229~~ 112A .

We have no adverse trace of JENKS.
23

TOP SECRET. 12/11
~~227A~~

NEW YORK.

No. 321 of March 8th.

- A. In spite of Commission's first interim report, press on question of rights of detainees and civil liberties has not materially decreased, largely as result of agitation of wives and lawyers who have been retained but who are not allowed see clients who have not been charged. Lawyers clearly see in advance excellent line of defence here and are attempting rally public opinion by press statements of doubtful accuracy based on distorted facts given in detainees' letters.
- B. Situation is further aggravated by another problem which now faces Canadian authorities. Counsel to Commission have recommended that trials four so far charged should be held in camera as some evidence will inevitably touch on aspects with which Commission have not yet dealt and which therefore cannot be made public. On the other hand such procedure will inevitably raise storm of protest from lawyers and also from press who will see themselves done out of some first-class copy particularly if Corby's testimony were required.

By immediately following telegram.

12/11
227A

TOP SECRET.

NEW YORK.

~~22 FA~~
121A

No. 322 of March 8th.

by immediately preceding telegram.

C. This is at present under consideration.

1 solution might be continued remands but this will clearly not meet demands of situation entirely.

D. Further interim report was planned for Saturday by which time it was hoped BOYER, GERSON and NIGHTINGALE would have been dealt with. However, time wasted on trying to extract truth from last named may well delay second report until early next week.

TOP SECRET.

NEW YORK.

No. 323 of March 8th.

A. BOYER gave testimony today. He first joined Communist study group in Montreal in 1938 and subsequently contributed quite substantial sums to labour progressive party election funds.

He was member of several committees with Communist affiliations and was on Dominion Executive of Canadian association of scientific workers. [His friends and acquaintances include ^{P.F. 49959.} POLAND, LUNAN,

BENNING, GERSON, SHUGAR, PRIMPOSE, SMITH and of course Fred ROSE.] PF 603,605

B. ROSE approached him early in 1943 and asked for information on R.D.X., making it clear that information was required for Russia. In series of widely spaced interviews BOYER gave him details of new Canadian method of making R.D.X., proportions, ingredients and uses. ROSE made notes on each occasion. He also gave some very general information on R.D.X. pilot-plant near Grand' Mere, but beyond this he states he was neither asked for nor gave any other information.

My immediately following telegram.

CB/234
12/3/46

TOP SECRET.

NEW YORK.

No. 324 of 8th March.226
1204

My immediately preceding telegram.

- C. He makes no attempt to evade issue but explains that it seemed logical that ally should not have details of explosive. He also pointed out that Canadians would have been prepared to give details if they had not been prevented by United States. His motivation is similar to that of MAZERALL - dissatisfaction at lack of scientific exchange with Russia and ideological hopes that this might be achieved even by clandestine methods.
- D. BOYER is a highly intelligent man, makes no effort whatever to cover his own (gp. mat.) nor communist activities of his friends. We are inclined to believe he is telling whole truth.
- E. If we are right, it makes it even clearer that Corby documents have to be interpreted with greatest care and reservation in some parts. For instance phrase of particular interest Hollis - "FREDA to Professor through [GRIERSON]" - apparently means nothing whatever to BOYER and it would appear that this was not an established channel but merely exploratory note for future reference.
- F. Similarly, since Grandmere plant has nothing to do with atomic energy, item 29 in volume 5 of Corby documents is either result of confusion or else deliberate attempt on part of ROSE to impress his masters even at expense of accuracy - habit with

which we are already familiar from Abwher agents.

G. BOYER's testimony continues tomorrow.

TOP SECRET.

~~225~~
119A

NEW YORK.

No. 330 of March 8th.

My telegram 321 paragraph B.

A. I am informed ST. LAURENT has categorically refused to agree to trials being held in camera.

B. Cases will be remanded as long as is reasonably possible by which time it is hoped that bulk of first stage of Commission's work will be completed.

C. The second stage of Commission which will follow will deal with ⁷⁻⁶⁰WITCZAK passport case and probably with arrest of other suspected agents not so far apprehended. This stage may also include new suspects whose names have come to light who may possibly be dealt with by subpoena.

CB/R3 y
6/5/46

118A 224A

A.D.F. Mr. Hollis.

2406 & 2446

I yesterday saw Wing Commander Arnold at M.P. and also his successor, Sq/Lrd. Birkbeck, in connection with the attached two telegrams. I gave them the facts and they will obtain from their production sections an expert opinion with regard to the secrecy at the material time of the documents relating to Hadfield's. I was then taken to Wing Commander Harding of R.D. Arm 4 (a design specialist) in order to obtain an opinion on para. A of telegram 289, of March 4th. Harding brought in his chief clerk, Mr. Venner, who has been concerned with matters of design for many years and the latter immediately recognised the documents referred to. These documents set out in great detail a method of manufacturing the 250 lb. S.A.F. bomb. The method, however, was never used in practice, and I was told that the documents could not possibly be regarded as any higher grade than 'Restricted' and that this was so as soon as war broke out. The design for this particular bomb was sealed in 1934 and has for some considerable time been obsolete. The 500 lb. mark 5 bomb is merely a larger version of the 250 lb. bomb and Harding stated that in his opinion, what he had said about the latter equally applied to the former and that the same went for any documents giving production details. He did not think that the details of either bomb had actually been given to the Russians but he questioned whether, in the case of such a standard type, the Russians would ever have been particularly interested.

I suggest we send the following telegram to Canada :-

"Your telegram 289.

Transmitted to
Mr. Wright.
8.3.46.
R.H.

A. Your para A. Expert opinion states that these manuals set out a process of manufacture which was never adopted in practice and that all material contained therein has, since 1939, been of no higher grade than Restricted.

B. Preliminary view of experts on remainder of material is that same considerations apply".

F.2.c.
3.3.46.

J.H. Marriott.

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23/234
3/3/46

TOP SECRET.
_____Telegram addressed:
NEW YORK.7.3.46. *223*No. 522.Your ^{214a} 300 of March 5th.

- A. Our preliminary reactions are as follows.
- B. Much of our information on RADO network is now fairly public property and we see no repeat no objection in principle to laying bulk of it before Commission.
- C. Such a course might enable them to extract interesting information from [RABINOWITCH] ^{PP. 603, 47)} on means used for passing money and correspondence between Switzerland and Canada.
- D. On the other hand the RADO problem has extremely wide and complicated ramifications and we do not repeat not think it advisable for Commission to plunge into what might be an interminable investigation.
- E. Provided scope of Commission's investigation can be limited we are inclined to accede to request in your para. E.
- Further telegram will follow.

116a

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ACT 1958. JAN 2003

TOP SECRET.

NEW YORK.

No. 314 of March 7th.

A. You may know that in his press statement of February 15th Drew Pearson stated, inside swipe at State Department, that Russian agent named Shimishenko had been employed for some time in USA, was known to FBI who had been forced to allow him to leave country in spite of information against him.

B. I have made enquiries of FBI who tell me they presume Pearson was referring to Andrei Nanovich SCHAVCHENKO repeat

SCHAVCHENKO, for some time official of Soviet Purchasing Commission and of Amtorg in USA.

C. They state SCHAVCHENKO was active agent and made several efforts to secure restricted information from Bell Aircraft Company concerning jet propulsion and other technical matters. He finally left United States January 3rd 1946, on board s.s. Stalingrad bound for Murmansk.

D. FBI are giving me report. Meanwhile have you any trace.

NOTED
8 26
esm.

TOP SECRET.

114A
~~228a~~

NEW YORK.

No. 315 of March 7th.

My telegram 306. - ^{110A} ~~217~~

- A. Greater part of entire day has been spent by Commission with NIGHTINGALE to no purpose.
- B. On whole I see no reason to modify opinion given in para.
- C. of my telegram 187. (~~187~~) 71A .
- C. I understand that it is probable that some charge will be laid against him but I am personally of opinion good defence counsel might possibly get him acquitted.

• John Seaman
v. Mr. [unclear] 16/3

Do you think

• you & perhaps
Quilley should see
this person?

1. 3. 46. Reed.

Please speak to [unclear]
before taking any
action.

ADE

I think we might first of
all to ascertain the identity
of the informant, and then
subject to anything and security
disclose, I should like with
you to see him. Perhaps
therefore you could
make a date next week.
We won't trouble Philby
at this stage

P2c

Seaman
6/3

11/3/41

Dear Major Allery.

Is the attached on your line? Will you give

me a copy before taking over,

as the please

Yours,

Harwood