

June 3, 1946.

Following for Hollis from RCMP:

1. Edward MAZERALL appeared before Chief Justice McRUER this morning and sentenced to four years at Kingston penitentiary. Imposing sentence Chief Justice remarked in effect:-

"I have a very painful duty to perform. You have been convicted of the offence of conspiring to supply information to a foreign power. The evidence shows that there was a wide-spread plan to form a group of Government employees who would be used to supply, through unauthorised channels, information to a foreign power. How far this plan had gone I do not know and possibly you were not fully aware of the import of it. You were on the outer perimeter of the circle but notwithstanding you agreed to furnish information, you accepted a cover name and therefore became an agent. I cannot ignore the seriousness of the matter and I cannot ignore the possibility that had this conspiracy been allowed to continue it would have undermined the whole of our Government apparatus. The public may have lost sight of the gravity of the plot but I cannot help but think that had it continued it would have brought disaster to thousands and hundreds of thousands of our people. You are a professional man and I cannot see how you have allowed yourself to be brought into the position in which you now find yourself. You have every reason to feel grateful to your native land which has been kind to you and has given you every opportunity and it is extremely unfortunate that you should have allowed yourself to be brought to the point where you would consider betraying your own country."

2. <sup>PF 67188</sup> [Gordon LUNAN] appeared before Judge A. G. McDOUGALL, County Court, and his speedy trial was postponed with the new date set tentatively for June 17th.

3. Trial of Fred ROSE continues. For over an hour yesterday defence raised objection after objection claiming that documents had not originated within the jurisdiction of the Court. Defence also cited jurisprudence to the effect that an outsider was not himself a co-conspirator - could not bring in evidence as a co-conspirator. All objections overruled by presiding judge.

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A. Introduction.

Early in September 1945, Igor GOUZINOV, a Soviet national employed as a cypher clerk in the office of the Soviet Military Attache in Ottawa, called at the Headquarters of the Royal Canadian Mounted Police and offered to give information about an espionage network operated by the Russians in Canada. In support of his story, GOUZINOV produced a considerable number of documents which he had abstracted from the Military Attache's safe. These were not, of course, all the documents available, but were merely representative samples selected by GOUZINOV as illustrations of the accuracy of his story. They included the following:-

- a) Passiers referring to certain of the agents operated by the Military Attache
- b) Copies of telegrams exchanged between the Military Attache and the Director of Red Army Intelligence in Moscow.
- c) An itemised list of documents sent in the embassy bag by the Military Attache to Moscow, in one single consignment on 2.1.45. (This list gives a most revealing picture of the scale of the Military Attache's activities, a copy is attached as an appendix hereto).
- d) Miscellaneous papers including draft telegrams to Moscow dealing with secret work.

The subsequent intensive, and in the circumstances necessarily protracted, interrogation of GOUZINOV by the C.I.B., during the course of which nothing emerged to cast doubts upon the accuracy of his story, was followed by the appointment on 5.2.45 by the Canadian Government of a Royal Commission to enquire into and report upon the whole matter. The proceedings of the Royal Commission, which took place in camera, included not only an examination of GOUZINOV himself, and the documents he produced, but also the examination of all persons directly or indirectly implicated by his evidence. Of those persons, thirteen were, simultaneously with the public announcement on 15.2.45 of the setting up of the Commission, detained by virtue of orders made under the Defence of Canada Rules. The remainder were summoned to give evidence under sub-poenas.

The Royal Commission, from time to time, made interim reports on its progress, and following upon each such report, formal charges were preferred against such of the persons as had been examined, and against whom it was considered that a prima facie case of an offence against the Official Secrets Acts had been established. In the event, charges under the Official Secrets Acts have now been preferred against all thirteen detainees, of whom three have already been tried and convicted, and one acquitted owing to lack of evidence, while in addition one man, namely Mr. Alan Turing, has already been convicted in this country, and another, who was not originally detained, has been arrested and charged. The latter is Fred IGAN, a Communist. It is to be observed, however, that only those persons were detained under the Defence of Canada Rules and brought before the Royal Commission who were, or had been, in Government employment.

B. Direction of Network.

The organisation reported upon by GOUZINOV was directed by the Intelligence Department of the Red Army and its head, in Canada, was Colonel KROVCHENKO, the Soviet Military Attache. Its object was intelligence on the widest scale, but it will be seen that the majority of the agents were evidently chosen with an eye to their ability to obtain access to secret information of a kind which would be of interest to military intelligence.

By the spring of 1945, one of KROVCHENKO's principal assignments was to obtain information about the atomic bomb, and it is clear that this task was regarded in Moscow as of first-rate priority. At the same time, and one agent as far as is known, was effectively employed for this purpose, while as recently as August 1945 KROVCHENKO was told by Moscow to continue about normally to acquire information about the Army and Air Force in co-operation with a very detailed directive. This was, for example, instructed to ascertain the location of certain specified Canadian and American formations, and even the location of a Brazilian Infantry Division.

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ZABOTIN came to Ottawa towards the end of 1943. He found on his arrival, and forthwith took over and enlarged, a network which had been organised by his predecessor SOKOLOV about a year earlier. This nucleus, apart from its smaller size, differed mainly from the network subsequently run by himself in that contact with it had been primarily maintained through two members of the Canadian Communist Party, namely Sam CARR (who is the National Organiser, see below) and Fred ROSE. ZABOTIN, although on instructions from Moscow he kept himself in the background, modified these arrangements by substituting direct contact between the more important agents and members of his own staff, CARR and ROSE being reserved in the main for the still important role of talent spotters and advisers. For contact purposes ZABOTIN used not only his Assistant Military Attaches, but also his clerks, chauffeurs, a doorman, and the First Secretary of the Legation. In this connection, GOUZENKO has pointed out that most of the staff of the Military Attache were Officers of the Red Army, he, himself being a Lieutenant, and that their apparent positions bore little relation to their true importance. ZABOTIN's chauffeur, for example, was in reality a Captain in the Red Army.

C. Composition of network.

It will be appreciated that the Royal Commission has not yet submitted its final report and that much investigation yet remains to be carried out before it will be possible finally to determine the exact number of persons implicated. Accordingly it is proposed to confine this note, in the main, to the facts with regard to those persons who have already been arrested, and to make only brief reference to certain other aspects of the case. Before giving the details of the background of the various persons already arrested, the following information about Sam CARR may be of interest:-

Sam CARR. National Organiser Canadian Communist Party. Cover names:- "SAM" "FRANK" and "WALTER"

This man, whose real name is COHEN, is a Jew born in Russia in 1906 and is a naturalised British subject. He has been a paid Communist official for many years. He came to Canada in 1924 and paid a return visit to Russia in 1929-31 when he attended the Lenin School. He has taken a very active part as a Communist, and on one occasion served a sentence of imprisonment for his activities. Like Fred ROSE, he was detained in 1942, but shortly afterwards released. He is the National Organiser of the Party.

The following have already been arrested:-

1. Alan Rynn MAY. National Research Council. Cover name:- "ALEK".

Born Birmingham 1911, and a graduate of Cambridge University. He has followed an academic career as a physicist, his last appointment being Reader in Physics at London University. He did not come to notice prior to this case, but it appears from GOUZENKO's evidence that he has been a secret member of the Communist Party for many years.

2. Fred ROSE. Member of Parliament. Cover name:- "DEBOUZ".

ROSE, whose real name is ROSENBERG, was born in 1907 in Poland of Jewish parents. He came to Canada in 1920, and in 1926 was naturalized on his Father's Certificate. He is an electrician by trade, but has been a paid Communist official for many years. He was particularly active underground during the anti-War activities of the Communist Party, and in September 1942 he was detained under the Defence Regulations for a short time. He was elected M.P. in 1943. ROSE has been engaged in espionage prior to this case, since he is known to have been concerned before the War with an OGPU agent in the provision and falsification of passports.

3. Raymond BOYER. National Research Council. Cover name:- "THE PROFESSOR".

A man of independent means and of a good family, BOYER is Professor of Research Chemistry at McGill University.

4. Captain Gordon LUNAN. Canadian War Information Board. Cover name:- "BACK"

Born Scotland 1902, he married in 1939  
He is a Commercial Artist and a former member of the Artists branch

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enlistment he of the Canadian Communist Party for many years, his home being used frequently for Party meetings. He enlisted in the Canadian Army in 1943. After his continued to maintain his Communist connections, and is now known not only to have kept in touch with Fred ROSE, but also to have been a regular attendee at discussion groups formed of under-cover members and sympathisers with the Communist Party. He was seconded from the Army to the Wartime Information Board in December 1943, and was a member of the Editorial Staff of "Canadian Affairs".

5. Durnford SMITH. National Research Council. Cover name: "BADEAU".

SMITH is about 33 years of age, and a Science Graduate of McGill University. From 1937-42 he was employed in the Research Department of the Bell Telephone Co. Montreal, but in 1942 he was engaged by the National Research Council and later became Assistant to the Head of the Microwave Section.

6. Ned MAZERALL. National Research Council. Cover name: "BAGLEY"

This man is Canadian born and from 1939-January 1942 was employed by the Canadian Broadcasting Corporation. He was subsequently employed by the National Research Council as an engineer in the Air Force Section of the Radio Section. He had not previously come to notice but it is now known that he was a regular attendee at Communist inspired discussion groups.

7. Isidore HALPERIN. Canadian Army. Cover name: "BACON".

Born Toronto on 5.1.11 and a Jew. This man was employed from 1939-42 as Professor of Mathematics at Queen's University, Kingston, Ontario. He enlisted in the Canadian Army and was Commissioned. During his service he was attached to the Directorate of Artillery, National Defence Hq., until September 1945 when he was demobilised and resumed his previous occupation. He had not previously come to notice but it is now known that he was, at the least, a Communist sympathiser.

8. Eric ADAMS. Bank of Canada. Cover name: "ERNST".

Born Hull, P.Q. 3.4.07, and a Graduate of McGill University with a Scholarship in electrical engineering. Later Graduated, Master Business Administration, at Harvard University, with distinction. From 1930-40 ADAMS filled various responsible positions as research expert, secretary, economist, and was in business for himself as a Consulting Engineer. In November 1940 he was appointed Technical Adviser to the Wartime Requirements Board, Department of Munitions and Supply. He later returned to the Foreign Exchange Control Board as Industrial Engineer and appraiser of the Industrial Development Bank, Foreign Exchange Control Board, Montreal.

ADAMS is known to have visited Russia, with his wife, in 1934 and on his return wrote a series of articles under the title "Russia To-day". The next year he was connected with the pro-Communist organisation "Friends of the Soviet Union" and about the same time he was known to be in touch with Fred ROSE, and to have been regarded by his business associates as a man of decidedly pro-Communist sympathies. It is additionally now known that he played an important part in Communist inspired discussion groups.

9. Kay WILLSHER. U.S. High Commissioner's Office. Cover name: "ELLI"

This woman was born in England about 1901 and was educated at the London School of Economics. In 1930 she was engaged as a stenographer for secret work by the British High Commissioner in Ottawa, and after a short break during the course of which she returned to England, she was re-engaged as a clerk in the registry in the same office.

10. Nana WOLKIN. Department of External Affairs. Cover name: "NOLA".

Born Saskatchewan of Doukobour parents on 30.12.20, and a widow.

When completing National Registration on 20.3.40. she declared that she owed allegiance to no country. When, however, she applied for employment in the Department of External Affairs in September 1943 she declared that she was a British subject of Russian origin. From September 1943-February 1944 she was employed as a typist in the Passport Office, being transferred at the latter date to the cypher division of the Department of External Affairs. On 20.3.44. she filled in a Departmental form expressing her willingness to serve in Russia. Her application was not, however, approved.

James Scotland BENNING. Department of Munitions & Supply. Cover name: "FOSTER".

Born Montreal 15.6.13, and educated at Montreal Public Schools and McGill University (where he took an Accounting Course). In July 1942 he secured employment with the Allied War Supply Corporation and from then till July 1945 acted as Liaison Officer in the Ammunition Filling Division, Ammunition Production Branch, of the Department of Munitions and Supply. He also acted as Joint Secretary of the Canadian Munitions Assignment Committee. He is at present in charge of Assignment records and is virtually Assistant Research Director in the Economics & Statistics Branch of the Department of Munitions & Supply. He is a brother-in-law of GERSON (see no.12 infra). He had not previously come to notice but it is now known that he was a regular attendant at Communist inspired discussion groups.

S. GERSON. Department of Munitions & Supply. Cover name:- "GRAY".

About 40 years of age, and of Russian Jewish extraction. He was educated at Montreal Schools, and McGill University, where he later carried graduate work from 1928-9. He is a geological engineer at present employed in the records division, Ammunition Production Branch, of the Department of Munitions and Supply. He was a member of SOKOLOV's original organisation in 1942-3 and is married to an acknowledged communist. It is now clear that he is himself also a communist.

David SHUGAR. Canadian Navy. Cover name:- "FROMSTEFUS". ACQUITTED owing to lack of evidence.

Born Apacow, Poland, of Jewish parents on 10.9.15. In 1945 he married Grace WALKS, a well known Communist. SHUGAR came to Canada in 1920, and is a graduate of McGill University where he read physics. He later secured employment with Research Enterprises Ltd. Toronto, and whilst so employed took an active part in a Union known as the Association of Technical Employees. He was eventually dismissed for failing to show sufficient vigour in carrying out his work, but was later reinstated. Following his dismissal the Communist Press gave considerable publicity to the incident, describing it as an attempt at intimidation by the Company. It is now known that he was a regular attendant at communist inspired discussion groups.

Ldr. Mat NIGHTINGALE. Canadian Air Force. Cover name:- "LEADER".

A former member of the R.C.A.F. this man is now in charge of the Toll Transmission Engineering Dept. of the Bell Telephone Co. and in this position has access to the latest technical information. During his service in the R.C.A.F. he was working in the installation of R.C.A.F. landline communications and in consequence was very well informed not only about the location of airfields but also about the defence plans for the whole of Canada. Information came to hand in May 1940 showing that NIGHTINGALE, who was then a civilian, held Communist views. It is now known that he has for some years been a regular attendant at communist inspired discussion groups.

Ldr. Frederick POLAND. Canadian Air Force. Cover name:- "POLAND".

This man was appointed, in June 1942, Administrative Intelligence Officer in the R.C.A.F. in the Directorate of Intelligence, H.Q. Ottawa. In November 1944 he was seconded to the Wartime Information Board, and from May 1945 was Executive Secretary of the Psychological Warfare Committee. He resided in the same apartment as Gordon LURAN (see no.4 supra). He had not previously come to notice.

#### D. Method of Recruitment.

It will have been observed that, with the exception of WILKIN, all the agents involved were either members of the Communist Party, or else very strong sympathisers, and it is clear that nearly all of them had to a greater or less extent been regular members of secret discussion groups consisting of undercover Communists or Communist sympathisers. Since so many of the individuals comprising these groups were in responsible positions, and having regard to the use which it is known that ROSE had for many years made of WILKINER, it is highly probable that for some while before the Russians were in direct contact with individual members, these groups had been used by the Communist Party of Canada for the purpose of acquiring information for its own purposes. In these circumstances, the actual recruitment of a particular individual by or on behalf of the Russians merely represented a slight change of emphasis in an existing state-of-affairs, and scarcely confronted him or her with any very new moral problem to solve. To that extent, therefore, the details of the way in which each individual finally became a Soviet agent are of less importance than the earlier history of the way in which, by their Communist associations, they have been gradually conditioned for the purpose. The details, nevertheless, are worth recording.

Reference has already been made to the espionage network organised by SOKOLOV, ZABOTIN's predecessor. It appears that the former was approached in the latter half of 1942 by Fred ROSE, who offered his services for espionage. These were accepted and ROSE then recruited for the purpose, inter alia, GIBSON and BOYD. In October 1942, CARR, who can scarcely have been ignorant of what ROSE was doing, was asked by the Russians to assist in the same enterprise. He accordingly recruited SHUGAR, BANNING, NIGHTINGALE, and ADAMS.

LUNAN started his espionage activities in March 1943, when, upon the orders of Fred ROSE, he established contact with the Soviet Assistant Military Attaché, by whom he was informed that he had been placed in charge of a group of three other agents, namely HALPERIN, MERRALL, and Burnford SMITH. It appears that he had little previous knowledge of his three collaborators - (HALPERIN, indeed, was a complete stranger to him) - who had already been recruited, presumably by ROSE, and in respect of whom he had to do little more than supply them with directives as to the information they were required to produce, and arrange the mechanical details of collecting their reports from them.

May WILKINER, who, as already mentioned, had at an earlier stage in her career been in the habit of passing information about her work to Fred ROSE, was for the purpose of the Soviet network recruited by Eric ADAMS with whom she was in the habit of attending Communist study groups. As far as is known she was never in direct touch with the Russians, and in the early stages certainly only regarded herself as supplying information to the Communist Party.

There remain two agents, MAY and ZABOTIN, both of whom were directly recruited by the Russians. In the case of MAY, the original recruitment must have taken place in England, although no details are available, since it is known that ZABOTIN had to be informed by Moscow of the password he should use for making contact. It is known that Moscow had suggested that contact should be effected through Fred ROSE, but that ZABOTIN had countered with the suggestion that this would be better done through one of his own officers. To this Moscow agreed. In the case of ZABOTIN, the history of her recruitment was that following upon the rejection by her employing department of her application to work in Russia, she applied to the Soviet Embassy in Ottawa for employment there. This was refused, but in turn she was told that there were other ways in which she could help the Soviet Union, namely by supplying information about her work, and this she agreed to do.

E. Method of Operation.

One of the remarkable features of this case is the extent to which members of the Embassy Staff have themselves established direct contact with the agents. Thus Major ROGOV, the assistant Military Attaché (Air), was in direct touch with Sam CARR, LUNAN, Durnford SMITH and Nightingale. The first named was contacted through the intermediary of Dr. HARRIS, a leading undercover member of the Communist Party to whom ROGOV would telephone messages in a pre-arranged form, as a result of which the actual meeting took place later between ROGOV and CARR at a time and place also nominated by the telephone message. It appears also that ROGOV had regular meetings with CARR which took place perhaps as often as once a week. Such meetings are known to have taken place out of doors at a street corner, in a car and in Dr. HARRIS's house. LUNAN was seen about once a month by ROGOV usually between nine and ten in the evening, but on each occasion at a different meeting place. Durnford SMITH, a member of LUNAN's group, was directly contacted by ROGOV after it became apparent that the information he was supplying was too technical for LUNAN to understand. Accordingly after the introduction had been effected he met ROGOV at regular intervals, the time and place being settled by a telephone message in a pre-arranged form.

With regard to the other agents already mentioned, it is known that at one time or another all of them, with the exception of WILLSHER, MAZERALL and POLAND, had direct Russian contacts, all of them members or former members of the Military Attaché's own staff, the only exceptions being the First Secretary and the Tass Representative, both of whom had been concerned with the earlier organisation set up by ZABOTIN's predecessor. All such contacts appear to share the characteristic that they were effected in person either at pre-arranged intervals or at the instance of the Russians, and that in the main they took place out of doors. In one instance it is known that an agent left espionage material concealed in a wash room adjoining a dentist's waiting room and that from there it was collected by a Russian. It is believed that the dentist was quite unaware of what was going on.

The second feature of interest was the very close control even in matters of detail exercised by Moscow. They were supplied not only with full details of the character, background and potentialities of each agent, but they were also kept informed of the exact method by which they were handled and contacted, and Moscow in return not only supplied detailed assignments for each agent, but also directed and criticised the actual mechanics of their handling. In the third place a very substantial part of the material supplied by the agents was in the form of original documents, in some cases running to many pages, and in the majority of cases these were photographed by the Embassy and the originals returned to the agents. In the fourth place, with the exception of certain small payments by way of expenses, the network seems very largely to have operated on a voluntary basis although it appears that in the case of GERSON, a proposal was on foot for subsidising him generously in connection with a suggestion that he should set up a Geological Engineering Advisory Office in Ottawa, with the idea of using it as a cover for post war espionage.

F. Information obtained by the Russians.

The scale of operation of this network was so large that it is not possible in a short memorandum to give an account of the material obtained from the agents. It can be said however that the material covered substantially the whole field of the work upon which each individual was engaged. Thus it appears from the itemised list of ZABOTIN's mail despatched to Moscow in January 1945 that BENNING alone was responsible for 350 pages of information, while Durnford SMITH on one occasion produced seventeen secret documents dealing with magnet radio locators for field artillery and 700 pages of secret scientific research reports. It is evident that the other agents were supplying material on a somewhat comparable scale. It is also evident that the Russians by no means confined themselves to information which was not available to them through normal channels.

9. Other Activities of ZABOTIN.

In addition to the organised network already described, ZABOTIN was constantly on the lookout for an expansion of his organization and for the recruitment of new agents. The names of a considerable number of these are known, although on material available it is not always possible to distinguish between an agent who had been recruited and a person who was considered as a likely prospect. There are in addition three specific matters to which reference may be made:

1. Ignacy WITCZAK.

For some considerable time ZABOTIN, with the assistance of Sam CARR, had been entrusted by Moscow with the task of arranging for the renewal of a passport in the name of one Ignacy WITCZAK. This man had been despatched some years before by the Russians to the U.S.A. on a stolen and falsified passport. This passport had formerly belonged to an individual of the same name who is now living in Canada and, it having expired, the problem set to ZABOTIN was to secure apparently genuine renewal through the Canadian passport office. This he was in process of doing with the connivance of an official in the Passport Department whom Sam CARR had been able to bribe. There is no doubt that but for the information supplied by GOUZENKO this transaction would have been successfully carried through.

MURMAN.

This man, whose exact status in the organization is not known but is now back in Canada, was serving as an officer in the Canadian Army. He went overseas in September 1944 carrying a letter supplied to him by Fred ROSE. Arrangements were made in agreement with Moscow that after his arrival in this country he was to be contacted by a person unknown using a password and that to this person he was to hand over his letter. Nothing more is known about this transaction but investigations are proceeding.

2. Contact with a network in Switzerland.

Towards the end of 1943 a Soviet network in Switzerland had got itself into difficulties and a request was received from it for financial assistance by one Hermina RABINOWITZ, a lady living in Montreal. She originally approached an Officer of the N.K.V.D. in the Soviet Embassy for instructions. The matter was not pursued. In due course, however, it came to the knowledge of ZABOTIN who, on instructions from Moscow, provided a sum of ten thousand dollars which was, in due course, transmitted to Switzerland.

21.5.46.



COPY

## R E C O R D

## OF MATERIALS SENT TO THE ADDRESS OF THE DIRECTOR .

in January (5) 1944 (5?)

Nos. P.P.	Source	From where and under what circumstances the materials were obtained	Name of Materials	Date & Number	Number of Pages	Marked
1	2	3	4	5	6	7
105	Green	From Dept. of Munitions and Supply Army Eng. Div.	Plan	3.11.44	1	none
106	Green	From Dept. of Munitions and Supply Army Eng. Div.	Plan	no date	1	none
107	Green	Manuscript	Notes on Plan	no date	2	none
108	Debouz	Notes	Conversation with Profess dec. secr. session of parliament.	no date	1	none
109	Ellie	Copy	Letter of Wilgress to King No. 386	3.11.44	2	Secr.
110	Ellie	Abbreviated copy	Letter of Wilgress to King No. 351	11.10.44	1	Secr.
111	Foster	Manuscript	Canadian-British relations	4.12.44	3	none
112	Foster	Manuscript	Production Sam. (probably abbreviation for aeroplanes)	Oct. 1944	2	---
113	Foster	Manuscript	Production of Ships	Oct. 1944	5	none

114	Foster	Copy	Telegram No. 2151	29.11.44.	5	---
115	Foster	Document	Arm. Cons. order	20.11.44.	9	Secr.
116	Foster	Document	Report	30.11.44	4	Secr.
117	Foster	Copies	Correspond. with Compan.	29.11.44	4	none
118	Foster	Copies	Corrections	20.11.44	3	---
119	Foster	Dept. Munitions and Supp.	Contracts	21.11.44.	2	---
120	Foster	Dept. Munitions and Supp.	Correct. of contracts	Nov. 1944	13	---
121	Foster	Copy	Notes to contr.	28.11.44.	1.	Reg.
122	Foster	---	Correspond. with compan.	24.11.44	9	none
123	Foster	Dept. Munitions and Supp.	Corresp. with compan.	15.11.44.	2	none
(Page 2 of original)						
124	Foster	Dept. Munitions & Supp.	Corrections of contracts	23.11.44.	7	none
125	Foster	Dept. Munitions & Supp.	Corresp. with compan.	17.11.44.	3	---

126	Foster	Dept. Munitions & Supp.	Correction of contracts	17.11.44.	3	---
127	"	Copy	Notes to the contract	20.11.44.	1	Registr.
128	"	Copy	Corresp. with compan.	Nov. 1944	12	none
129	"	D.M. and S.	Correction of contracts	19.11.44.	5	---
130	"	D.M. and S.	Corresp. with compan.	18.11.44	2	---
131	"	D.M. and S.	Supplement to contact	20.11.44.	2	---
132	"	D.M. and S.	Corresp. with compan.	20.11.44	2	---
133	"	D.M. and S.	Corresp. about contracts	22.11.44.	5	---
134	"	Copy	Control Branch	Nov. 1944	4	---
135	"	Copy	Corresp. with compan.	11.11.44	4	---
136	"	Copy	Corresp. with compan.	9.11.44.	6	---
137	"	Copy	Corresp. with compan.	13.11.44	4	---
138	"	D.M. and S.	Corresp. with compan.	22.11.44.	2	---

139	Poster	D.M. and S.	Supplement to contract	22.11.44	3	---
140	"	" " " "	Correspondence with compan.	21.11.44	2	---
141	"	" " " "	Supplement to contract	21.11.44	6	---
142	"	" " " "	Corresp. with compan.	20.11.44.	3	---
143	"	" " " "	Supplement to contract	20.11.44.	6	---
(Page 3 of original)						
144	Poster	D.M. and S.	Supplement to contracts	20.11.44.	7	none
145	"	" " " "	Supplement to contracts	23.11.44.	2	---
146	"	" " " "	Corresp. with compan.	20.11.44.	5	---
147	"	" " " "	Supplement to contracts	21.11.44.	6	---
148	"	" " " "	Corresp. with compan.	23.11.44.	11.	---
149	"	" " " "	Supplement to contracts	25.11.44.	2	---
150	"	" " " "	Supplement to contracts	25.11.44.	3	---
151	"	" " " "	Supplement to contracts	25.11.44.	13	---

152	Foster	D.M. and S.	Corresp. with compan.	28.11.44.	5	---
153	"	" " " "	Supplement to contract	1.12.44.	1	---
154	"	" " " "	Corres. with compan.	27.11.44.	4	---
155	"	North Amer. Committee of Coordin.	Report of 23.11.44		14	See who was Secr. Meet.
156	"	D.M. and S.	Report of 24.11.44		14	See who was Secr. Meet.
157	"	North Amer. Committee	Notes and report	23.11.44.	8	none
158	"	Manuscript	Notes	Nov. 1944	1	---
159	"	D.M. and S.	Notes on the report	24.11.44	9	---
160	"	Manuscript	Notes on the program	23.11.44	10 plus Dip. Pap.	---
161	"	D.M. and S.	Corresp. with compan.	23.11.44.	3	---
162	"	D.M. and S.	Gen. Branch (probably Censorship br.)	Sept.- Oct. 44	2	---

163	Foster	Copy	Specifications	10.2.44.	10	---
164	"	"	"	no date	2	---
(Page 4 of original)						
165	"	"	Inspection Branch	no date	1	---
166	"	"	Notes on the Conference of	31.5.44	3	---
167	"	"	Notes on the Conference of	13 and 24 7.44	5	---
168	"	"	Notes on the Conference of	21.11.44	3	Secret
169	"	"	Composition of Packing Commission	22.11.44.	3	Secret
170	"	"	Report of North Amer. Committee	23.11.44	5	Secret
171	"	"	Gen. Branch	Aug.-Sept.	2	none
172	"	Manuscript	Notes on production	11.10.44.	13	none
173	"	Used telegram of Gray	Telegram	24.11.44.	1.	none
174	Sam	Translation from Engl.	Biogr. Govt. workers (meaning prominent people)	no date	46	none

175	Nora	Copies	Telegrams census and photo	Nov.-Dec.	10 Census 13 Photo 11	none
176	Ellie	Enquiry	Dominion Office and relations with Canada	December	1	none
177	Foster	Copy	Monthly Review	4.12.44.	7	Secret
178	"	"	Arm. Commiss. of Orders	16.12.44.	10	"
179	"	Manuscript	Product'n for November	December	2	none
180	Ernst	Review	Despatch of Munitions to England	November	3	"
181	"	"	" " " " " "	"	4	"
182	"	"	" " " " " "	"	9	"
183	"	"	" " " " " "	"	4	"
184	"	"	" " " " " "	"	3	"
185	"	"	Gen. Branch	July-Sept.	6	"
186	"	Copy	Invention of Waterproofing	8.12.44.	4	"

(Page 5 of original)

187	Ernst	Manuscript	Notes on the conference	20.12.44.	3	none
188	"	Copy	Gen.Branch	Sept.-Oct.	2	"
189	"	"	Unloading M.stor.for month of November	14.12.44.	6	"
190	"	"	Report of 24.11.44	24.11.44.	9	Secret
191	Foster	"	Report (X) 30.11.44.	8.12.44	3	Secret
192	Foster	Copy	Product'n of arms for month of November	14.12.44.	16	none
193	"	"	Product'n of arms for month of November	12.12.44.	11	"
194	"	"	Analysis of orders on 30.11.44. (meaning production orders)	6.12.44	3	"
195	Ernst	"	Inspection Br.	2.12.44.	1	"
196	Gray	/ - /	Corrections	7.12.44.	1	Secret
197	"	"		27.11.44	6	none



198	Gray	"	Corrections	29.11.44	2	
199	Ernst	"	Inspection Br.	28.11.44	8	
200	"	"	"	2.12.44	3	
201	"	"	Correspondence about contracts	13.12.44	12	Regis.
202	"	"	Correspondence with companies	December	22	none
203	"	"	Corrections	"	7	"
204	"	/ - /	Correspondence with companies	"	31	"
205	"	"	"	"	17	"
206	"	"	"	"	24	"
207	"	"	"	"	11	"
208	Ernst	Copy	Correspondence with companies	December	26	none
209	"	"	"	"	19	"
210	"	"	"	"	8	"

(Page 6 of original)

. 211	Ernst	/ - /	Enquiries	December	7	none
212	"	"	"	"	8	"
213	"	"	Correspondence	"	6	"
214	Green	Manuscript	Notes on the tank plant	no date	3	"

Text books and programs in English language 18 copies and a map of Canada 1 copy sent by heavy mail

~~TOP SECRET.~~

2501  
216A

Telegram to NEW YORK.

23.5.46.

No. 762

cf. RF. 66962 sec. 26a - pres. Hild refers  
to the meeting on 21.11.45.

- A. In conversation with Hollis Corby mentioned that directions came from Moscow to Ottawa Embassy for political activities of Canadian Communists.
- B. These directions were communicated from the Embassy by open contacts such as Press Correspondents.
- C. Please ask Corby what Section or official in the Embassy handled this political work and what department in Moscow issued the directions.

✓  
2/16

TOP SECRET.

215A

NEW YORK.

No. 598 of 22nd May.

Following for Hollis from RCMP

A. Following a day long argument on Friday between Crown Counsel and Defence Counsel chief justice McRuer rules Saturday Royal Commission evidence admissable in MAZERALL trial.

B. Defence and Crown addressed jury yesterday afternoon and presiding judge will charge jury this morning. We are confident getting conviction.

C. [Fred ROSE] case called Monday was adjour ed until this morning at request of special Crown Prosecutor who stated necessary exhibits required at MAZERALL trial were not available. Meanwhile CORBY, who is one of first witnesses to take stand, took seriously ill suffering from a severe attack of appendicitis. This necessitates a further adjournment until next Monday. It is anticipated that Fred ROSE trial will last from two to three weeks.

D. Inspector Whitehead left Ottawa for Montreal May 19th and will remain there until his presence is no longer required.

E. All jury cases in Ottawa will be put over until after conclusion of ROSE trial. HALPERIN and SMITH will appear for speedy trial at Ottawa June 10th to June 15th. [LUNAN] who also elected speedy trial, is to appear May 31st but it is fully

Exhibit for Lunan

PF. 67188

anticipated that his case will also be adjourned until a  
later date.

WC 522/9

5/25/40  
FZ 1978 for fam can  
FZC.

11 MAY 1940

Rec'd FZ  
1375

14th May, 1940.

214A

My Lord,

With reference to my despatch no. 104 of the 14th April and previous correspondence, I have the honour to report on the most recent developments in the enquiry into the disclosure of confidential information.

2. Of the 14 persons who have been placed under arrest 11 have been committed by the District Courts for trial in a higher court. These trials will probably take place this month during the spring months and the only one for which a date has so far been announced is that of Mr. Fred Rose, P.M., who is to come before the Court on 14th June in Montreal on the 14th day. [It has been reported in the press that Mr. Rose has admitted... Mr. Pitt, P.C. is... this case in June.] P.F. 41856.

100927

RS

Extract  
for DV  
PRIT

3. Mrs. ... the ... of ... created ... without a jury ...

Fu/2/38

4. The witness Dr. David ... the Ottawa Magistrate ... took place, said that ... evidence offered by the ... Dr. Shugar should be committed ... revealed from evidence given ... during the hearing of Dr. ... that he had met Dr. Van ... the national ... of the Labour-Progressive party who was alleged by ... to be a Soviet agent, and been questioned by Dr. Jarr about his work. A document taken from the Russian Embassy said that Dr. Shugar "has consented to work for us" but there was no direct evidence that he had given secret information either directly or indirectly to the Soviet Government. Dr. Shugar, since his release, has voiced strong objections to his treatment during his detention in ... Royal Canadian Mounted Police barracks and his ... has issued libel suits against the Ottawa ... one of the members of their staff.

5. A further mystery has been introduced into this affair by the disappearance of Dr. ... Dr. Carr himself was not indicted by the ... charged, but he was called to give evidence ...

The Right Honourable Viscount Macdonald,  
Secretary of State for Dominion Affairs,  
London, E.C. 1.

RS  
add names  
to CS  
12/1/40

1. The Board of Directors of the Corporation, hereinafter referred to as the "Corporation," is composed of the following members: [illegible names and titles]

2. The Corporation is organized for the purpose of [illegible purpose]

3. The Corporation shall have the power to [illegible powers]

4. The Corporation shall have the power to [illegible powers]

5. The Corporation shall have the power to [illegible powers]

6. The Corporation shall have the power to [illegible powers]

7. The Corporation shall have the power to [illegible powers]

8. The Corporation shall have the power to [illegible powers]

9. The Corporation shall have the power to [illegible powers]

TOP SECRET

311A  
8th May 1946.

Following for R.C.M.P. from Hollis.

- A. Would you please give Counsel to the Royal Commission the following message from the Director of Public Prosecutions.
- B. Having regard to the fact that MAY, through his counsel, admitted that the communications referred to in his statement were made to a Russian and that, by his plea of guilty, he admitted the veracity of his statement which was read, with slight omissions, by the Attorney General, there is now no objection, so far as the Director of Public Prosecutions is concerned, to the Royal Commission making such use as they may think proper of the evidence given before them by the Director and of the documents produced to them by him. Please bear in mind that the Attorney General **did not** mention the symbols U.233 and 235. The actual words he used will be shown by the shorthand note we are sending you.
- C. Please inform me when Counsel to the Royal Commission have received this message.
- D. Inspector Whitehead will be carrying various documents in connection with your prosecutions. We consider it advisable that these should not be examined by Canadian Customs at Dorval and shall be **grateful** if you can make the necessary arrangements.



R. 5  
to P.A.

A2c 15/5.

~~2/5~~  
213A

Ref: P.W. 66949/SLEB3  
Enclosure

Deputy Commander,  
Special Branch.

I had an opportunity of showing you this telegram this morning and I am now sending you a copy for your attention.

We shall be greatly obliged if you will make such enquiries as seem expedient to you and, if you will let us know the result, we will then send a suitable telegram to Canada.

E.J.P. Cussen.

15th May, 1946.

EJPC/IKM

TK/RS  
12/5/46

TOP

21  
AD

W/66949/Y/ADF

3th May 1946.

Dear Hilby,

I should be grateful if you would kindly arrange for the attached telegram to be despatched to the U.S.A.

Yours sincerely,

R.H. Hollis.

M. R. Hilby Esq. C.M.B.,  
S.I.C.

mg.

PF. 66960(Y)F. 2c

~~3270~~  
110A

I. P. I.

Many thanks for your letter 1680x of the 3rd May returning our copy of "SOVIET ESPIONAGE IN CANADA". I note the action you have taken with regard to the extra copies you have made, and am grateful for your offer to let us have any surplus should we desire it.

In point of fact I expect that before very long we shall be receiving a complete report on the whole case which will, of course, supersede the previous document.

P. 2c  
6.5.46

J. H. Marriott.

No. 1680\* ~~326a~~

2nd May, 1946.

209H

TOP SECRET

My dear Marriott,

I return with many thanks your copy of "SOVIET ESPIONAGE IN CANADA".

2. I have had four copies of the letter-press typed and two copies of the charts prepared. I have not attempted to copy the Russian documents, but this is immaterial since a translation has been provided.

3. I have numbered the four copies 3a, 3b, 3c and 3d respectively. I have sent 3a plus a copy of the charts to the D.I.B. India and am retaining 3b and a copy of the charts for myself. The remaining two copies of the letter-press I am retaining in reserve, and could probably make them available to you if you desire it.

Yours sincerely,

*Alfred Ford.*

J.H. Marriott, Esq.,  
M.I.5 (F.2.c.)

FMOC/IPI  
Enclosure: One dossier.



**MOST SECRET**  
**CIPHER TELEGRAM**

This message will not be distributed outside British Government Departments or Headquarters or re-transmitted, even in cipher, without being paraphrased.  
(Messages marked O.T.P. need not be paraphrased).

From:- War Office

To:- Department of National Defence,  
OTTAWA.

D.T.O. 031530/B  
DCSP.031758 May 46  
Degree of Priority:  
IMMEDIATE

56607... cipher DMI 3 May 1946.

TOP SECRET

For D.M.I. From D.M.I.

We are anxious to know complete and exact details of any British military material or documents that are or may have been compromised to Russia. M.I.5 have no details except "Radar K Band 931". We would also be interested to have similar information concerning Canadian and U.S equipment.

Can you please let me have an early report to enable me to take consequential action.

C.S. Tals.

Distribution:-

D. M. I.  
D. D. M. I. (I. & P) (O. & S)  
M. I. 5,  
M. I. 3.  
M. I. 10.  
M. I. 11.  
M. I. 16.

WG.522/9

Under Secy.

ments of the

~~...~~

~~...~~

30 APR 1946

a top secret circular issued by Director-General of Supplies, for a very restricted official distribution in the Union of South Africa. A copy has been supplied to the United Kingdom High Commissioner, who has asked that the contents should not be quoted in any communication to the Union authorities.

Office of the High Commissioner  
for the Pacific Islands  
Wellington, New Zealand

523a  
20/11

No. 154

20th April, 1943.

My dear Sir,

In reference to my despatch  
of 10th April, 1943, regarding the Rev. Dr.  
John A. G. Rees, and in view of the fact that  
the Rev. Dr. Rees has been identified as having  
been in contact with the Soviet Embassy  
in Wellington, I am sending you a statement of the  
Rev. Dr. Rees, dated 10th April, 1943, the former  
of which is in the despatch.

The Rev. Dr. Rees has stated that  
he has been contacted by a person who  
has been identified as being a member of  
the Soviet Embassy in Wellington, and  
who has asked him to act as a courier  
of his return to the Soviet Union. The  
Rev. Dr. Rees has concluded that the  
statements made to him by the person  
in question are completely fictitious  
and that the person in question is  
a member of the Soviet Embassy in Wellington.

Handwritten  
I don't  
know

A copy of this despatch is being  
sent to the High Commissioner for the Pacific  
Islands, Wellington, New Zealand.

I have the honor to be,

Sincerely,

Your obedient servant,

Public Servant,

ERNEST H. LINES

For the High Commissioner.



Extract from Canada H. of C. Debates No 13.  
Encl to Rep Canada Despatch no 161 of 9-4-46

WG. 522/9.  
Order Secretary of State for Defence  
A. F. B. B.

30 APR 1946

## HOUSE OF COMMONS

Speaker: The Honourable GASPARD FAUTEUX

MONDAY, April 1, 1946

The house met at three o'clock.

## OFFICIAL SECRETS ACT

REVOCATION OF P.C. 6444—REFERENCE TO THE  
PUBLIC SERVICE—CASE OF MRS.  
EMMA WOIKIN

Right Hon. W. L. MACKENZIE KING  
(Prime Minister): I desire to table a copy of  
order in council P.C. 1262 of April 1, 1946,  
which is to-day, approved by the Administ-  
rator, revoking order in council P.C. 6444 of  
October 6, 1945, for the interrogation and, for  
that purpose, detention of certain persons;  
also a copy of a letter to the Minister of  
Justice from counsel to the commissioners,  
advising the Minister of Justice that it will  
not be necessary to request further orders  
under P.C. 6444. As this order is a matter of  
special interest to the house I might read it  
so that it will appear in *Hansard*:

At the Government House at Ottawa, Canada,  
the 1st day of April, 1946.

Present, His Excellency the Administrator in  
Council.

Whereas the Prime Minister reports that the  
interrogation of the several persons detained  
pursuant to orders under the order in council  
made on October 6, 1945, P.C. 6444, under the  
authority conferred by parliament by the War  
Measures Act, as being persons suspected of  
communicating information to agents of a for-  
eign power, has now been completed and that  
counsel for the commissioners inquiring into  
the matter pursuant to the Inquires Act have  
now advised the Minister of Justice that it  
will not be necessary to request further orders  
for detention and interrogation under the said  
order in council;

Therefore His Excellency the Administrator  
in Council on the recommendation of the Right  
Hon. W. L. Mackenzie King, Prime Minister, is  
pleased to revoke the said order in council  
P.C. 6444, and it is hereby revoked accordingly.

(Signed) A. D. P. Heeney,  
Clerk of the Privy Council.

The letter to the Minister of Justice is dated  
Justice Building, Ottawa, March 29, 1946, and  
is as follows:

Dear Sir,

Following our discussions of to-day with re-  
gard to the probability of requests for further  
orders under the provisions of P.C. 6444, as in-  
dicated in our letter to you of February 23,

13-1946-14

1946, we confirm that, particularly in view of  
the various prosecutions now pending, and that  
in such proceedings much evidence, documentary  
as well as oral, is necessarily being made public,  
we have advised you that it will not be neces-  
sary to request further orders under P.C. 6444.

Yours very truly,

(Signed) E. K. Williams,  
G. Fauteux,  
D. W. Mundell,

The letter is addressed to the Minister of  
Justice at Ottawa.

I should like to make one statement to the  
house on this matter which I am sure hon.  
members will be pleased to have. It is in  
reference to an impression respecting the civil  
service of Canada to which the espionage  
inquiry may have given rise, but which is  
quite erroneous and which I feel, in justice to  
the honour, integrity and good name of the  
public service of Canada, should be speedily  
eliminated.

Of the persons whose detention under P.C.  
6444 the commission felt it necessary to re-  
commend, and on whom the royal commission  
has to date reported adversely, not one has  
been a regular permanent member of the  
Canadian civil service. All twelve were per-  
sons either appointed during the war to  
temporary positions in the civil service, or  
temporarily commissioned in the armed forces.  
I need not remind the house that during the  
years of war the Canadian people provided  
hundreds of thousands of men and women  
for our armed forces, also provided man-  
power for greatly expanded production in  
industry and in agriculture, and at the same  
time personnel for the expanded war-time  
needs of government administration and  
public service. During these years the filling  
of war-time needs was stretched to the limit.  
In these circumstances, temporary appoint-  
ments may occasionally have been made to  
some branches of the public service on a basis  
of qualifications less rigid than is customary  
in selecting personnel for permanent positions  
in peace time. This would not be surprising.  
So far, however, as I have been able to ascer-  
tain, there is no evidence to date of any  
carelessness in this matter, among those who  
were charged with making appointments. In

P.T.O.

S. Form 81/P.G./2000/12.45.

## EXTRACT.

22 ~~3225~~

Extract for File No. P.F. 66960. Supp.A. Name: CORBY.

Original in File No. P.F. 67188 Y.6495. Serial: 58a. Receipt Date: 27.4.46.

Original from: New York. Under Ref. No. 548. Dated: 27.4.46.

Extracted on: 9.6.46. by: C.B. Section: R.5.

Extract from telegram from New York re the CORBY case and LUNAN.

"Trials at Ottawa will commence May 31st. MAZERALL is first on list and unless defence object he may be tried jointly with SMITH and HALPERIN with LUNAN appearing as witness. Trial of Fred ROSE set for May 20th and it is fully anticipated by crown that there will be no further delay....."

Crown Counsel handling ROSE's case has asked us to obtaine photographs depicting following places in London:-

- (a) Office buildings of High Commissioner for Canada.
  - (b) street with British Museum on Great Russell Street.
  - (c) The opposite side of street from British Museum, about Museum Street.  
(photograph to be taken from Tottenham Court Road. )
  - (d) Southampton Road, which is apparently opposite Tottenham Court Rd."
-

TOP SECRET.

*322a.*

NEW YORK.

No. 544 of 25th April.

*203a.*  
*379a*

Your telegram 672 para. C.

VIENS is most friendly with RCMP and they would prefer  
consult with him before you take action in Germany.

*✓*

320e

TOP SECRET.

Copy in P.F. 603,424 FARMER

BERLIN.

No. 677 of April 24th.

202a  
~~348~~

Reference your telegram 24 of April 18th.

A. Address is given in subject's application for employment with Control Commission as 81 Old Brompton Road apartment 21 or Bank of Montreal. No further details given but appears to have been home address in August 1945.

Ann: ?

by Charlotte Bank  
Harold Holt

313a

3 (b) USSR - FOR BROAD (i)

2/1/46

DISCOV IN DAILY 14.30 23.4.46

(Reception variable)

"Trud" Article by Prof. TraininCanada's Spy Case - and Anti-Soviet Propaganda.

There has recently been an increasing demand on the British and American markets for anti-Soviet slander. The rule of supply and demand is well known: that is why certain adventurers now offer their services and set about producing and delivering anti-Soviet fabrications.

Prof. Trainin emphasises that Canada takes first place in the new anti-Soviet campaign, and is now going out of its way to deliver propaganda material on a national and international scale by conducting a lawsuit which is spreading slander against the Soviet Union and against the strongest opposition party in Canada. The political circles in Canada that framed this case obtained their material through the dirty hands of the embezzler and traitor, Gouzenko, formerly a cypher clerk at the Soviet Embassy. Gouzenko claimed to be actuated by a burning love of Canada, but it is remarkable, to say the least, that he was able to hide his feelings for two years... It was not until the Soviet authorities called Gouzenko to answer for his embezzlements that he felt called upon to reveal his burning but by no means disinterested love for Canada. His passion did not rob him of his reason, however. Gouzenko did not report empty-handed to the Canadian authorities. He brought with him a handful of denunciations which were to secure him a comfortable future.

Prof. Trainin continues: If on his own calculations Gouzenko chose the best market for selling his anti-Soviet fabrications, he undoubtedly consulted certain Canadian authorities with regard to the victims of his slander. The consequence of Gouzenko's allegations was an indictment against Fred Rose. An investigation was begun; evidence had to be produced. In spite of Gouzenko's efforts he was not in a position to present the Canadian Police and the Canadian Court of Justice with evidence that Rose was a spy, for this evidence does not exist. All that Gouzenko was able to allege was that a certain Debouz, mentioned in telegrams of the Soviet Embassy, was identical with Rose. The one and only proof Gouzenko could offer was his word of honour. This single argument was thoroughly invalidated by the Court, which confirmed that it was not until one month after Rose had been elected to Parliament that the Soviet Embassy reported this matter to Moscow, and that such slowness would be quite inexplicable were Rose really to have played the part alleged by Gouzenko.

The facts do not, however, go to the heart of the case in Montreal; the core lies in the anti-Soviet propaganda which is being so sedulously conducted around this case. Convincing evidence of this is seen in the style, tone and tendency of this lawsuit. In a case concerning the betrayal of State secrets, it would seem proper for the Court to concentrate its attention on establishing the fact that forbidden information was revealed, judging the specific value of the information, analysing the connection existing between the individual criminals, and so forth. The Montreal Court, however, concentrated its attention on quite different matters. Professor Trainin draws attention to some episodes in the lawsuit which show that those responsible for instituting the lawsuit and certain Canadian papers were not so much concerned with establishing facts as with making the Montreal Court an anti-Soviet propaganda platform.

Prof. Trainin continues: "In his zeal, Gouzenko let out the main idea behind the Canadian intrigue when he said: 'The highest authorities of the Soviet Union (?prepared) the foundation for something in the future very much like a war (kome til at ligne on Krig).' It is very important to note that the dark political forces which are thinking of a third world war and fear their own people, are camouflaging their plans with inventions to the effect that it is the Soviet Union that is threatening war."

In his speech at a meeting in Ottawa on 26th March, the Chairman of the Canadian Labour and Progressive Party, T. Buck, quite rightly pointed out that the Canadian espionage bogey is simply a new factor in the deliberate anti-Soviet campaign now being conducted in Canada and by certain reactionary circles in other countries, and which contains a threat of war.

3 (a) USSR - HOME (xiii)

MOSCOW 14.00 21.4.46

Feature ProgrammeScientists in the Service of Agriculture

Broadcast by the Vice-President of the Academy of Agricultural Science Masalov, who outlined the general tasks facing Soviet agriculture under the Five-Year Plan and expressed his confidence that Soviet scientists would prove equal to those tasks. He was followed at the microphone by the Director of the All-Union Scientific Research Institute of Fertilisers and Agricultural Technology, M. Polyakov, who discussed the conversion of unproductive land by means of chemical fertilisers, 17,000,000 tons of which would be manufactured during the next five years. The Director of the All-Union Institute of Plant Growing, Academician Elfeld, spoke of the 600,000 or so varieties of useful plants produced by this Institute, which now aims at evolving varieties of potatoes which can be grown in all parts of the USSR, from the Arctic regions to the desert areas of Central Asia; also, on the "nut" pea which is a hardier and much more productive plant than the usual variety of pea. Finally, the Deputy Director of the Institute of Mechanisation and Electrification of Agriculture, V. S. Krasnov, described new types of agricultural machinery which are now being introduced, particularly a medium-power Diesel tractor with pneumatic tyres, which can be used both for work in the fields and for road transport.

END OF 3 (a) USSR - HOME

3 (b) USSR - FOR ABROAD (1.i)

Professor Trainin concludes: "Slander is, of course, a special kind of commodity - there is nothing tangible about it; it is designed to set passions on fire and to strain the political atmosphere to the utmost. Fortunately for peace and humanity the dark forces do not have the final word. The word is with the people who are firmly determined to preserve peace, and whose will to peace cannot be broken by the dark forces of reaction."

MOSCOW IN TURKISH 17.00 23.4.46

Programme for Turkish Children on the occasion of 23rd AprilSoviet Men Prevented Turks from Becoming Slaves

Soviet children send greetings to Turkish children. Soviet children are proud that their brothers and fathers won the Second World War and they are proud of them because they brought happiness to the world and especially because they prevented Germany from making the Turkish people their slaves.

Other items were: 2, Talk on life of children in Russia; 3, Reading of poems and talk on education.

MOSCOW IN ENGLISH FOR UK 17.00 23.4.46

3. "RED STAR" ARTICLE ON ALBANIA (As Moscow 11.00, 23.4.46.)

MOSCOW IN GERMAN 17.30 23.4.46

1. HOME NEWS

Foreign News

Hungarian statements on delegation's recent visit to Moscow; "News Chronicle" criticises British attitude to Spain in Security Council.

3. BRITAIN AND SYRIA: "SPECTATOR" A "Spectator" article on relations between Britain and Syria maintains that Syrians today look hopefully towards Britain for they stand loyally by the Arab League and, since other members of the League value British friendship highly, the Syrians, too, want to be included in the British sphere. The author makes a very definite statement on behalf of the Syrian people, forgetting one minor detail - the will and the wishes of the country he talks about. Syria, however, has repeatedly and as clearly as possible expressed her real desire. The entire Syrian Press defends the country's national sovereignty and independence. Only recently it demanded unanimously the immediate complete and simultaneous withdrawal of French and British troops from the Levant. The author may well be right when he talks of the Syrian endeavour to live in friendship with other peoples - including, of course, the British. This love for friendship, however, does not prevent the Syrians from seeing things in their true light. Thus, Syrian public opinion, as well as public opinion in the other Middle East countries, was highly critical of the recent Anglo-Transjordan treaty. The Arab Press, including that of Syria, regarded the treaty as one concluded between partners of unequal rights, which must lead to an even greater restriction of Transjordan's national independence. Relations based on treaties of this kind are ill-suited by their example to arouse the enthusiasm of other Arab States. It is, therefore, difficult to believe that the Syrians - as claimed by the author - wish to be included in the same sphere. More likely, it may be assumed that this is wishful thinking by the "Spectator".

3 (b) USSR - FOR ABROAD (iii)

MOSCOW IN ENGLISH FOR UK 18.00 23.4.46

Sidelights on Soviet Life

(Description of the training of qualified workers at trade schools; interview with the head of the Moscow Office of State Labour Reserves.)

News Commentary by M. MikhailovCommunist Party's May Day Watchwords

This year the workers of the world will be observing May Day, in conditions of victory over Fascism. This time a year ago the Red Army broke into the German capital; German Fascism was in its death throes. Two days later the Soviet and Allied troops linked up on the Elbe. Berlin fell on 2nd May and on 8th May came Germany's total surrender. The minds of the nations must surely go back repeatedly to these events. What a long and hard road it was that led to them! Two unforgettable landmarks were Stalingrad and Berlin; the heroes of Stalingrad and Berlin, the fighting men of the Red Army, earned deathless glory and the eternal gratitude of the nations now delivered from the menace of Fascist subjugation. With victory the first task is the establishment of lasting peace, which can only be secured through cooperation among the peace-loving States. That task is rightly described as the prime task before all the nations which this year will, at last celebrate May Day in peace.

The Central Committee of the Soviet Union's Communist Party has issued its May Day watchword. As at all times, the Bolshevik Party speaks to the people of the prime issues. It indicates clearly the major tendencies of political developments, and places before the millions of Soviet men and women the prospect of progress along the road of peace and construction, for that is the aim to which the Soviet victor nation is devoting all its titanic energy. At the same time it has a vital interest in lasting peace throughout the world and is on guard against anything that may endanger it. The May Day watchwords proclaim: "Greetings to all nations striving to establish a stable peace throughout the world. Long live collaboration among the peace-loving in the struggle to ensure universal peace and security." A special greeting is addressed by the Communist Party Central Committee to the fraternal Slav peoples, now freed for all time from the German subjugators' yoke.

The foundations for post-war international collaboration were laid down by the three great Powers while the war was still in progress. The 25th April is the anniversary of the opening of the San Francisco Conference at which the United Nations Charter was adopted. The UN General Assembly has held its first session; the Security Council is working. The new world organisation has been set in motion and is the surest instrument for the maintenance of peace and international security. For its work to be effective, however, one condition is vital. Stalin has said what this condition is - it is that the organisation's work shall be based on the principle of equality of States, not the domination of some over others. The foes of international collaboration rise in arms against that principle as our May Day watchwords declare: "Working people of all countries, fight to destroy Fascism; expose reactionaries and Fascist henchmen who are sowing enmity among the nations. Stand guard over peace. Do not let the instigators of a new war menace the peaceful life of the nation. Stand vigilant in safeguarding peace."

Fascism has been routed but has not yet been finally crushed. Fascist tendencies have not yet been uprooted in Germany. Nazi henchmen are out to exploit any concession on the part of the occupation authorities, and all who cherish hopes of the resurgence of German aggressive imperialism are ready to rally around the German industrialists and bankers. In the liberated countries too, Fascist influence makes itself felt. Reactionaries in those countries are attacking the democratic liberties, sabotaging democratic reforms. The Right wing parties are engaging in political machinations, supported by the die-hards of the world. The regime of Franco, that butcher of the Spanish people, has not yet been destroyed and to this day Spain remains a nest of Fascism. And in the victor countries, Britain and the USA, the henchmen of Fascism are rearing their heads, encouraged by the speeches of the incendiaries of a new war. To weed out all the enemies of peace, to guard the gains of peace is the foremost task of the millions of ordinary people, to whom the moving watchwords of the Central Committee of the Soviet Union's Communist Party are addressed. The ordinary people in every land want peace and are out to safeguard it.



319

TOP SECRET.

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Telegram to:  
NEW YORK.

18.4.46.

No. 672

181A  
~~181A~~

Your telegram 477 of April 1st. P.F. 603, 424.

- A. Following information on FARMER now obtained in Germany.
- B. Maiden name SHPAKOVSKAYA repeat SHPAKOVSKAYA born Moscow August 24th 1905 Greek Orthodox. Nationality at birth Russian now Stateless. Father Colonel Alexis SHPAKOVSKAYA mother Lidia nee LISNANTOVA. Husband Surgeon Lieutenant Commander T. FARMER R.C.N.V.R.
- C. Trained dress designer, speaks Russian French Spanish, appointed interpreter in interpreter's pool (Russian Section) Berlin on August 1st 1945. Recommended to Control Commission by Colonel Neate and Thomas VIEUS or VIENS, Speaker of Senate Ottawa. Postal address given as 81 Old Brompton Road (presumably London but not definitely stated).

My immediately following telegram.

A

TOP SECRET.

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Telegram to NEW YORK.

13.4.46.

No. 673.

My immediately preceding telegram.

D. Our representative in Germany and I(b) Staff, Germany, report that no further information is likely to be produced without personal interview. They suggest that this should not take place in Berlin but at British Zone Headquarters. If at this interview she appears reliable they would then proceed to question her on her connection with ZABOTIN and his contacts.

E. They ask for fullest background material and directive for interview.

F. Latter in our view involves passing them rough outline of whole case and full details and personal particulars as known to us of all personalities involved.

G. Please consult RCMP who may wish to prepare suitable directive.

101

3180

TOP SECRET.

Copy in P.F. 603424 FARMER.

Telegram to BERLIN.

18.4.46.

No. 24

307  
188A

Your telegram 613 of April 8th paragraph E.

M.I.5 would be grateful for explanation of this address and your views of its significance.

1/15/46

~~317a~~  
2-3-48

TOP SECRET.

NEW YORK.

No. 529 of 18th April.

PF-603,484

PF-603,401

Subpoenas have been issued for both Sam CARR and Freda LINTON, both of whom have disappeared and cannot therefore be brought before Commission.

R34  
add traces to  
case files.  
file 2-37-48

~~TOP SECRET~~  
2/1/48

~~316a~~

TOP SECRET.

200A

NEW YORK.

No. 526 of 18th April

see 189A  
301a

N. Fred. Sorenson

? Sorenson

AF 66760

My telegram 501 para. C.

A. X Henning I. SORENSON, born Copenhagen, naturalised

V/V/V

Canadian April 1940.

B. Left Canada July 1940 for Venezuela and obtained post as office manager of newly opened factory affiliated to rubber and tyre company of Akron, Ohio, in Caracas, where he worked for approximately one year. We do not have name of this factory.

C. Moved on to Ecuador June 1942 and accepted job as paymaster at Wildcat camp near Guayaquil belonging to International Petroleum Company of Toronto. He stayed there one year and returned to Canada via Santiago and Rio Janeiro in November 1942.

D. Have you any traces.

R34  
re. Look up.  
F24/25+

3/1/50

NA 22 4/17

~~3-14-44~~  
1-1-44

TOP SECRET.

NEW YORK.

No. 524. April 17th.

My telegram 509 April 10th.

Following are further developments.

- A. GERSON committed for trial on five charges under Official Secrets Act.
- B. NIGHTINGALE committed for trial on two charges under Official Secrets Act.
- C. DURNFORD SMITH will be formally committed for trial on two charges under Official Secrets Act on April 18th.

30/1/44  
2/1/44

198b

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

Copy in P.F. 603,424 FARMER, Nina ~~375a~~  
16th. April 1946. 1951  
 301a

Re: No.81 Old Brompton Road, S.W. 7.

With reference to the communication by telephone from F.2.a. (Mr.Marriott) on the 12th.inst:

The four shops, Nos.79-85 Old Brompton Road, S.W.7, are the premises of Messrs. W.E.COE & SONS, incorporated auctioneers, who are the rateable owners of this property. Frequent auction sales are held there. The partners in this firm are H.G.COE and L.A.COE.

Above these shops are fairly good-class flats known as Sussex Mansions, the agents for which are KNIGHT & CO., 14 Cromwell Place, S.W.7. At No.81 Old Brompton Road is an entrance to Nos.19-30 Sussex Mansions, at which there is a porter in attendance.

According to the current Register of Electors, the occupants of these flats are as follows:-

Flat. 19, Sussex Mansions,	Elizabeth A. CARTER.
" 19a, "	Elizabeth E. ANDREWS.
" 20, "	Stella M. ALLARDICE.
" 21, "	{ Charlotte L. DARLING. }
" " "	{ Harold H. HOLMES. }
" 22, "	Constance M. COOKE.
" 23, "	Marjorie VILLIERS.
" 24, "	Lillian BUTLER.
" " "	Monica HEYWOOD.
" " "	Thomas STEEDY.
" 25, "	Edith J. BUTLER.
" " "	Patrick K. BUTLER.
" " "	Cyril R. HARBORD.
" " "	Kathleen M. HARBORD.
" " "	Lionel B. HARBORD.
" " "	Margaret FIGGOTT.
" 26, "	Kate EVANS.
" " "	Doreen NIVEN.
" 28 "	Millicent PALMER.
" 29 "	Constance H. GREEN.
" 30 "	Mary D. CLARKE.

R 34  
 re.  
 Workshop  
 Pref. 15  
 N.T. 1/2  
 3/5

S.S.  
 13.6



197a

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THE PUBLIC RECORDS  
ACT 1958. JAN 2003

TOP SECRET.

309

NEW YORK.

No. 515 of April 13th.

Reference my telegram 508 of April 10th.

A. It appears that these subpoenas were issued only because Defence Counsel believed that Prosecution would attempt to introduce transcripts of Commission's hearing as evidence. In actual fact Prosecution used CORBY himself and therefore subpoenas were not used.

B. I am informed however ?(that in) case similar subpoenas are served in future cases that personnel of Commission are instructed to give no information as proceedings are in camera. Court reporters would however be allowed to prove authenticity of transcripts.

195a

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

Copy in P.F. 603, 424 FARMER.

~~3000~~

TOP SECRET.

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BERLIN.

No. 635 of April 11th.

Reference your 996 April 10th.

A. SCHAPIRO consulted in accordance with instructions. He has asked British Resident Minister to investigate but results not expected to yield information in addition to that obtained by us.

B. Following is joint recommendation.

Your para. E. Not likely to be answered except after interview. Inadvisable this should take place in Berlin. Suggest therefore she should be asked to come to British zone headquarters where she can be carefully tested by suitable officer. If considered safe officer can then ask for required information. Invitation would be issued as coming from Military Government.

C. If you agree to this plan we shall require fullest background material and directive for interview.

TOP SECRET.

~~30618~~

193A

Telegram to BERLIN.

10.1.46.

No. 996.

- A. Following is additional information about FARMER. P.F. 603,424.  
Evacuated to Kiev and Batum during Russian Revolution  
where in 1920 she married Michael LARIONOV moving to  
Constantinople in 1921. They moved to Canada in 1923  
where she was abandoned by LARIONOV and subsequently  
married FARMER.
- B. Major Jacques HEBERT of Canadian Army M.D. 4 recently  
returned from Berlin to Canada recalls that in February  
1944 he accompanied Colonel ZABOTIN, Lieutenant Colonel  
MOTINOV and Major ROGOV (Soviet Military Attache and  
Assistant Military Attaches in Ottawa and all GRU officials)  
on official inspection of aluminium plant near Montreal.  
During visit ZABOTIN telephoned a Mrs. FARMER and was  
clearly on friendly terms with her.

My immediately following telegram.

~~TOP SECRET~~  
26/4/46

TOP SECRET.

Telegram to BERLIN.

10.4.46.

No. 997.

My immediately preceding telegram.

C. HEBERT learned from another source of unknown reliability that FARMER was generally regarded as ZABOTIN's mistress and that he usually stayed at her house at 324 Elm Avenue when she was in Montreal.

D. When FARMER was vetted for Colonel Neate nothing detrimental came to light.

E. M.I.5 have passed all above information to SHAPIRO whom please consult on whether he considers

(a) FARMER is danger to allied security

(b) She could be approached for information about her contact with ZABOTIN etc.

F. M.I.5 concur.

Secret.

In reply, state NUMBER and DATE.

TOP SECRET  
and PERSONAL

CX. \_\_\_\_\_ of 10.4.46.  
R.5.A.

3062  
1946

Dear Hollis,

Nina FARMER P.F. 603,424.

This is to confirm that, as a result of your telephone conversation with Philby yesterday, I have passed all our available information on Nina FARMER to our representative in Berlin, and at the same time asked him to consult with Schapiro on whether FARMER (a) is a danger to Allied security, (b) could be approached for information about her contact with ZABOTIN and his colleagues.

Yours sincerely,

for H.A.R. Philby.

R.H. Hollis Esq.,  
M.I.5.

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ORIGINAL DOCUMENT RETAINED  
IN DEPARTMENT UNDER SECTION  
3 (4) OF THE PUBLIC RECORDS  
ACT 1958. Aug 2001

TOP SECRET.

1943  
~~3011~~

NEW YORK.

No. 508 of April 10th.

A. Defence Counsels have been issuing some rather surprising subpoenas for witnesses to appear at preliminary hearings in Ottawa during this week.

B. Persons served are Commissioner of RCMP : Director of Criminal Investigation: Inspector Harvison who sponsored at Rockcliffe: Williams, Commission Counsel: Clerk to Commission and I believe some Court reporters.

C. We may therefore infer that Defence Counsel will use what in many cases may be only possible line of defence which will be to draw red herring by questioning above mentioned in attempt to indicate use of Gestapo methods etc.

2



~~305a~~

TOP SECRET.

14015

NEW YORK.

No. 503 of April 9th.

Following is present standing of cases before Courts of Canada.

A. ROSE, BOYER and LUNAN all committed for trial. [LUNAN] remanded to appear April 11th on added charge of conspiracy.

PF 67188. R34  
extract for LUNAN

B. MAZERALL and WILLSHER remanded appear April 9th for decision as to committal.

PF 603,409 noted

C. WOIKIN remanded to appear April 10th for decision.

Defence Counsel has intimidated she was prepared to elect for speedy trial under official Secrets Act provided Crown would not press conspiracy charge.

D. [ADAMS] elected for trial by jury and remanded to appear April 11th.

PF 603,472

PF 603,608

E. HALPERIN, GERSON, SHUGAR, POLAND, BENNING and SMITH also remanded to appear April 11th.

P.F. 99959

F. NIGHTINGALE remanded to appear April 10th.

R34  
add name to cs. trace to [unclear] - as marked  
16/5/48

TOP SECRET.

~~302a~~  
1594

F2c.

NEW YORK.

No. 501 of April 9th.

A. Commission is now proceeding at rather slower pace with use of subpoena.

B. <sup>x</sup> referred to in CORBY documents as <sup>x</sup>DICK<sup>x</sup>, is completely cleared. He was officially in charge liaison with foreign Military Attache and made special point of assisting ZABOTIN in order to help position of Canadian Military Attache in Moscow.

C. SCORENSEN, whose name appeared in press came forward of his own accord after some prompting by head of Naval Intelligence. He had been to Spain as newspaper reporter during Civil War and joined an ambulance corps while he was there. He denied being a communist and denied all connection with CORBY case. General opinion however tends to view that he was in fact involved though Mr. Justice KELLOCK is inclined to hold contrary view. Apparently immediately before war he was in both Venezuela and Chile. I am obtaining details and will telegraph about this later as it might be advisable for us to try and check his background.

D. Doctor HARRIS had clearly been warned and told what to say. He admitted such parts of documents as did him no harm but was unable explain rest. He of course denied all knowledge of passport matter but we are quite satisfied as to his involvement.

E. We are now proceeding with personnel of Passport Office in attempt identify ?employee who falsified documents.

R34  
M  
address  
cards  
as now

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

~~307a~~  
~~307a~~

TOP SECRET.

15 m

Telegram from:

BERLIN.

No. 613 of 8.4.46.

P.F. 603,424

A. Following particulars now obtained on [Nina FARMER:]

Think it should be SHPAKOVSKAYA not repeat not SHTAKOVSKAYA whose married name was not contained in your first telegram as received.

B. Born Moscow August 24th 1905. Greek Orthodox. Nationality at birth Russian, now Stateless. Father Colonel Alexis SHPAKOVSKAYA. Mother Lidia nee LISNANTOVA. Husband Surgeon Lt. Comdr. T.

\* FARMER R.C.N.V.R.

C. Trained dress designer. Speaks Russian, French, Spanish.

D. Appointed interpreter in interpreter's pool ( Russian section) Berlin on August 1st 1945. Recommended to Control Commission by [Colonel Neate] and Thomas VIE(?US) or VIENS speaker of Senate Ottawa.

PF 50965

E. Postal address, 81 Old Brompton Road (presumably London, but not definitely stated).

F. No further enquiries will be made without your authority.

12/4  
re see new particulars  
for Nina FARMER  
PF 50965  
husband  
F 24/127+

R34  
re see new particulars  
for Nina FARMER  
husband  
F 24/127+

Mr. Maniott

any was?

Ross

~~10/14/46~~  
16/4/46

TOP

134

11/11

FE/Y/66960/./ADF

8th April 1946.

Dear Ronley,

In reply to your request of 4th April, I attach herewith a photostat copy of the evidence given by members of the High Commissioner's staff and Miss [REDACTED] to the Canadian Royal Commission.

Yours sincerely,

R. F. Hollis, Esq., R. F. Hollis,  
IN CHARGE, OFFICE.

RFH  
lc.

186a

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

& PERSONAL.

Copy in P.F. 603 42 + FARMER.

K37

PF/66960/Y/A/ADF

5th April, 1946.

Dear Schapiro,

In connection with the enquiries going on in Canada into the Russian espionage case, we have been told that Colonel ZABOTIN who, as you will remember, was the Military Attache in Ottawa at the time of the trouble, was in touch with a certain Mrs. Nina FARMER nee SCHEPAKOVSKAYA in Canada. Her address in Montreal was 324, Elm Avenue. It is alleged that Mrs. FARMER was ZABOTIN's mistress, though I do not know on what authority this statement was made. There is nevertheless a suggestion that she might be connected in some other way with the Russian espionage case.

Mrs. FARMER is said to be working now with the Allied Control Commission and is at present with the British Army of Occupation in Berlin.

Her record is as follows :-

Born Moscow on 24.5.05.

Evacuated to Kiev and Odessa during the revolution, where she married Michael ZABOTIN in 1920.

They moved to Constantinople in 1921 and later, in 1923, to Canada, where she was abandoned by M. ZABOTIN. I do not know the date of her marriage to FARMER.

I am informed that nothing is known to the detriment of Mrs. FARMER on the security side in Canada. If you are able to find out anything about her, I should like to have your observations either on the possibility that she may be concerned in the espionage network, or if she appears to be entirely reliable, on the question whether it might be possible to make enquiries of her about ZABOTIN to see whether any of his espionage activities came to her notice. I am inclined to think at present that the answers to both these questions will be in the negative, but I should welcome your views if you are able to find out anything about the matter.

Yours sincerely,

Major L.B. Schapiro,  
Intelligence Bureau (CCG/BE),  
c/o GSI, Rhine Army,  
BAD OYTHAUSEN.

R.H. Hollis.

RHH/VH.

~~27-a~~  
184H

Mr. Marriott, F2c.

If you are still interested in reactions to the spy arrests in Canada, Bob STEWART's comments are worth recording.

The very fact, he said, that Moscow admitted the allegations had taken the wind out of the sales of Right Wing Reactionaries. It was true to say that Military Attachés in all Embassies were responsible for the coordination of this branch of Intelligence. STEWART had no reason to doubt that the Russians had a very efficient organisation working in this country.

3rd April 1946.

~~27-a~~  
184H

OFFICE OF THE ATTORNEY GENERAL  
FOR THE UNITED KINGDOM,  
LONDON,  
ENGLAND.

29/4/53  
12/11

No. 10

London, 11/11/53

Sir,

I have the pleasure to acknowledge the receipt of your letter of the 11th inst. in connection with the matter referred to by you in your letter of the 10th inst. and in reply to your letter of the 11th inst. I have the pleasure to inform you that the matter is being dealt with by the appropriate authorities.

2. The Prime Minister's statement to the House of Commons on the 11th inst. in regard to the matter referred to above, particularly Mr. Bracken's (Leader of the Opposition) statement, had the effect of bringing the matter into a spot of light covering every point in the matter. The Prime Minister's statement was a reply to Mr. Bracken's statement to the House of Commons on the 11th inst. of embarrassing the Government, and he said that the Prime Minister's statement was a statement to the House of Commons of the Government, and that the Government would not expect to be in a position to deal with the matter in the House of Commons. The Prime Minister's statement was a statement to the House of Commons of the Government, and that the Government would not expect to be in a position to deal with the matter in the House of Commons.

3. On the following day Mr. Leon Low, (Leader of the Social Credit party) in a flamboyant speech congratulated the Prime Minister on his determination to bring the matter into the full light of day and upon the way he had handled the situation from beginning to end, but he complained that the Government service was "shot through and through" with communist sympathizers, accused McGill University of being a "red hotbed" and was convinced that the cause of all the trouble was the flood of propaganda which had been loosed on Canada designed to alienate the Canadians from their attachment to the Crown, their loyalty to Canada and their membership of the Commonwealth. On that day Mr. Smith, a new Progressive Conservative member, took up the cudgels on the question of the civil liberties of the individual. He insisted that everything should be based on the innocence of the individual unless and until he were proved guilty and criticised the procedure adopted by the Royal Commission. He suggested that nothing was so likely to break down will-power and voluntary effort as solitary confinement and being pushed in a cell.

/s/ [Signature]

The Right Honourable Viscount Simon,  
Secretary of State for Dominion Affairs,  
London, E.C. 4.





out in vivid color and the provisions of the Magna Carta and of the secret of the 17th century. He was fearful that a procedure had been created on which advantage might be taken by an unscrupulous minority in power at a later stage of the process in obtaining pictures taken in the past. He said, "I'll say it happened here". But he admitted that, in the popular mind, the Government was doing absolutely the right thing and he also suggested that perhaps one of the reasons for the divided loyalties of the persons in question was that a truly Canadian spirit had never been properly developed. He concluded with an eloquent tribute to the ideals of liberalism, and said that he now went with what hesitancy and reluctance Mr. Mackenzie King had acquiesced in what had gone on. Mr. Power ended with the words: "I stepped back from the traditions of the history of liberty and freedom, I cannot wish to turn back the pages of history seven hundred years and repeal Magna Carta. I cannot by my silence appear to approve even tacitly what I believe to have been a great mistake on the part of our government. If this is to be the funeral of liberty there should be even an honorary pall-bearer at the funeral, and I do not wish by not taking part in it to appear to give silent approval to the procedure which has taken place."

6. In continuation of the debate of the address in regard to the speech made by the Prime Minister, various back benches have made reference to the Royal Commission enquiry, but several particularly new points have been raised.

7. It appears that various of the amendments accorded by the House, which were contained in the Minister of Justice's Bill, were contained in a letter of March 8 last which was sent to the Commission of the R.C.M.C. A copy of the same will be tabled in the House as indicated hereafter.

8. The Bill, as amended, has been tabled in the House and will be read a second time on the 14th inst. The amendments were contained in a letter of March 8 last which was sent to the Commission of the R.C.M.C. A copy of the same will be tabled in the House as indicated hereafter.

9. The Bill, as amended, legal responsibility for the... The Bill, as amended, legal responsibility for the... The Bill, as amended, legal responsibility for the...

1. The Bill, as amended, legal responsibility for the...
2. The Bill, as amended, legal responsibility for the...
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7. The Bill, as amended, legal responsibility for the...
8. The Bill, as amended, legal responsibility for the...
9. The Bill, as amended, legal responsibility for the...
10. The Bill, as amended, legal responsibility for the...

296

M. Hollis.

Sir J. Stephenson

would like photostat

copies of the evidence

given by members

of the High Commissioner's

staff - Miss Wiltshire.

12 pp 691-738

inclosure to 1/739 1/2

87/1 inclosure.

(Vol II) Tab 4/4

10. Mr. H. ... previously ...

11. ...

12. ...

13. ...

14. ...

15. ...

16. ...

17. ...

The Prime Minister's statement ...

PC 7285

11. On the 22nd March, the Crown Prosecutor opened the preliminary hearing against Mr. Fred Rose in the Magistrate's Court in Montreal. The Crown Prosecutor called as the first witness Mr. Gouzenko, the former Cypher Clerk in the Soviet Embassy who first brought the matter to the notice of the Canadian Government. Mr. Gouzenko made a dramatic statement contrasting conditions of life in Russia and in Canada. A copy of this, as it appeared in the press, is enclosed herewith. The Crown also called as witnesses Miss Willmer and Captain Lunan. The latter was detained for contempt of court owing to his refusal to answer questions on the ground that the evidence he was asked to give might prejudice his own case. Mr. Rose was convicted by the Judge on the 26th March for a "voluntary statement" on the 28th March. This means that, unless Mr. Rose chooses to make a statement, he will necessarily be committed for trial by a High Court Judge.

12. In pe

12. In paragraph 1 of my despatch No. 114 of the 20th March, I suggested that there was then less to be said by them at first to criticize the Government for the extraordinary measures taken to deal with this matter. The understanding of concern with the rights of the individual and the traditions of justice runs however very strong, and has been fortified by the powerful case made by speakers in Parliament and particularly by Mr. Power. Added strength has been given to this feeling by the terms of the letter from the Commissioner of the R.C.M.P. referred to in paragraph 3 above and by the fact that some of the persons detained have now been held in custody for nearly six weeks without being permitted any resort to the normal legal facilities. I enclose a leading article from "Saturday Night" which is typical of much that is appearing elsewhere, but is perhaps the most cogent expression of this view. While, therefore, there is general acceptance of the fact that drastic action was called for by the Government, there is an increasing tendency to criticize the purely police aspect of the case and its handling by the R.C.M.P. and there remains a substantial body of opinion strongly concerned for the maintenance of civil rights and liberties.

13. I am sending a copy of this despatch to the U.K.'s United Kingdom Ambassador at Washington and to the United Kingdom representatives in the other Dominions.

I have the honour to be,

My Lord,

Your Lordship's most obedient

humble servant,

THE HON. G. G. G. G.

For the High Commissioner

**THIRD**  
**INTERIM REPORT**  
of the  
**ROYAL COMMISSION**

**Established by Order in Council**  
**P.C. 411 of February 5, 1946**

**March 29, 1946**



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

**THIRD INTERIM REPORT OF THE ROYAL COMMISSION  
TO THE GOVERNOR GENERAL IN COUNCIL**

(Made public March 29, 1946)

OTTAWA, Ontario,  
March 29th, 1946.

YOUR EXCELLENCY:—

*Re: P.C. 411*

We desire further to report as follows:—

*Eric Adams* entered McGill University in 1925, graduated in engineering in 1929, and obtained the degree of Master of Business Administration at Harvard in 1931. His first employment was with the advertising agency of Cockfield, Brown and Company, of Montreal. In 1934 he made, as a tourist, an extended trip to Russia, and, after having occupied several positions in Canada, in 1936 he went to the United States for three years, where he was employed as an engineer with Coverdale and Colpitts in New York. In 1940 he joined the Wartime Requirements Board, in 1941 the Foreign Exchange Control Board, in 1944 the Bank of Canada, all in Ottawa, and in 1945 the Industrial Development Bank with residence in Montreal. While occupying these various positions of trust, he was a member of several committees and secretary of the Main Examining Committee of the Inventions Board during the war.

Documents coming from the Russian Embassy show that *Eric Adams* was known under the cover name of "ERNST". He is referred to as follows in a document written in Colonel Zabotin's handwriting:—

"He gives detailed information about all kinds of industries, plans for the future. Supplies detailed accounts of sessions. Gives materials daily. Good worker.

He is connected with Foster. Both live in Ottawa. Taken to work at the end of January."

In a mailing list sent by Zabotin to Moscow on the 5th of January, 1945, he is credited with having furnished the following information:—

<i>Name</i>	<i>Material</i>	<i>Date</i>
ERNST	Review Despatch of Munitions to England	November
"	"	"
"	"	"
"	"	"
"	"	"
"	Central Branch	July-September
"	Copy Invention of Waterproofing (Page 5 of original)	8-12-44

<i>Name</i>	<i>Material</i>	<i>Date</i>
ERNST		
"	Manuscript Notes on the conference	20-12-44
"	Copy Central Branch	Sept.-October
"	" Unloading of m. stor. for month of November	14-12-44
"	" Report of 24-11-44	24-11-44
"	" Inspection Br.	2-12-44
"	" Inspection Br.	28-11-44
"	" Inspection Br.	2-12-44
"	" Correspondence about contracts	12-12-44
"	" Correspondence with companies	December
"	" Corrections	"
"	" Correspondence with companies	"
"	" "	"
"	" "	"
"	" "	"
"	" "	"
"	" "	"
"	" (Page 6 of original)	"
"	" Enquiries	"
"	" "	"
"	" Correspondence	"

the whole comprising a total of 203 pages.

This list cannot be considered as exhaustive of the information furnished by him, for he appears to have been quite active while in Ottawa, and also after the 1st of January, 1945, when he joined the Industrial Development Bank in Montreal. Miss Willsher has stated before us, very frankly we think, that he asked information about her work at the British High Commissioner's Office, which she gave, not only while he was in Ottawa, in 1942 and 1943 and 1944, but also in 1945.

For that purpose he made special trips to Ottawa in 1945, the contacts being arranged through an intermediary, and the meetings taking place at pre-arranged places, or in his automobile when the information was given. In one instance Adams gave Miss Willsher \$25.00 for the purpose of going to Montreal.

Adams has been called by Miss Willsher the leader of an Ottawa group, and it was to him naturally that the information should be given,—

"in the interest of the Communist Party"

when they met with others of the group to discuss the—"theory and practice of socialism and communism and the party program." These meetings were the occasions when she would convey information to Adams.

When confronted with the evidence given by Miss Willsher, Adams gave evasive answers, stating that his questions had been misconstrued by Miss Willsher. He professed throughout his evidence to having a poor memory and attributed to it his hesitancy in answering very many questions. He made no clear denial of the evidence given by Miss Willsher, taking refuge in his professed view that she had misinterpreted the situation.

Adams' conduct and associations with Soviet agents, his personal sympathies dating back at least to 1935 which made him easily receptive to the suggestions of Messrs. Zabolin and Rogov, his endeavours to obtain information of a secret nature, which turned out in many instances to be fruitful, as evidenced by the testimony of Miss Willsher, and the documents from the Embassy, leave little doubt in our minds that he has conspired to commit offences in violation of the



Official Secrets Act, and that he has also committed the substantive offences of obtaining for the benefit of a foreign power, secret information, and of inciting others to commit such offence.

*Israel Halperin*, of Russian descent, was born in 1911. He is 35 years old and is a professor of mathematics at Queens University, Kingston, Ontario.

At the Russian Embassy, he was known as "BACON", and formed part of the group which was to operate under the direction of Captain Gordon Lunan. In the original assignment given to Lunan by Lieutenant Colonel Rogov, it was Lunan's duty to obtain from Halperin information concerning "Valcartier" and "the formulas of explosives and samples".

Halperin joined the army in 1942. In 1943 he was attached to the Directorate of Artillery, became a Captain in 1944 and a Major in 1945. In that branch of the army, he worked on a considerable number of secret projects, some of which were so important that they were known, even amongst the few who were aware of them, under code names. In his position he had access to all the files and documents concerning explosives and weapons and all the new discoveries made available to the artillery.

Lunan contacted Halperin several times and reported in writing to the Embassy the results of his conversations. At first, according to Lunan, Halperin did not seem sufficiently impressed with the "conspiratorial" nature of the work, but later gave the information asked for including information on the Canadian Army Research and Development Establishment, called C.A.R.D.E. and the various plants and laboratories that would be operated by this organization. This included information about the Pilot Explosives Plant, the Ballistics Laboratory, the Designs Branch and the Field Trials Wing. He emphasized the work done at the Ballistics Laboratory, with particulars as to new explosives. This latter information conveyed to Lunan by Halperin was of a highly secret nature.

Another assignment given to Lunan by the Russian organization was to obtain information through Halperin on the "electro-projector", which was at that time a fuse newly developed by British and Canadian scientists and manufactured by the Americans. Halperin promised to comply with the request made to him, and later informed Lunan of the existence of this new projectile and the general principles of its operation. This device, developed by co-operation between the United Kingdom, the United States and Canada, was one of the most devastating projectiles used in the Japanese war, and is of such a secret nature that we have been asked by the military authorities not to report with more particularity than as above.

Halperin had associations with other persons involved in the agency organization. He was known to many of them and kept in a pocket book the telephone numbers of Adams, Boyer, Nightingale, Rose, Shugar and Poland. When Lunan received his first assignment to contact Halperin he did not know him, but it is a significant fact that, on the document written by Rogov, Halperin's name appeared—he was already known at the Embassy.

When Halperin appeared before the Commission, assisted by Counsel, full opportunity was given to him to explain all this direct and circumstantial evidence against him, but his refusal to furnish any explanation and his general demeanor, fully convince us that he violated the Official Secrets Act on more than one occasion.

*Durnford Smith* is a member of the microwave section of the Radio Branch of the National Research Council. He is an honour graduate of McGill University in mathematics and physics and holds his master's degree obtained for work in connection with radio-activity. In 1936 he applied for a post in the National Research Council, but not until 1942 was he finally successful in obtaining a temporary position as Junior Research Engineer in the radio

laboratory. On January 12, 1946, he was engaged for a three year term. Before entering the employ of the National Research Council he was with the Bell Telephone Company for some five years. His work in the Council was secret and on his appointment he took the usual oath of secrecy.

Smith, as the evidence shows, was one of the group of agents reporting through Lunan to Lieutenant Colonel Rogov. He was referred to in the Embassy records under the cover name of "BADEAU". In July, 1945, he was brought into direct contact with Rogov. Smith did not admit participation, but a great deal of the evidence he would not deny. From the Embassy two documents, one of them containing notes, formulae and drawings, established to be in the handwriting of Smith, were produced by Gouzenko. The handwriting of these, Smith says, is "like" his. He had no explanation for the presence of the documents in the Embassy. He himself furnished to the Embassy his picture and biographical material for its dossier on him.

Certain definite tasks were assigned to Smith from time to time. As an example, on August 6, 1945, the following memorandum was given to him:—

"ASSIGNMENT FOR BADEAU, NUMBER 3

Given through Back 6-8-45

Obtain the following literature for photographing: GL 14003, Som. 14032, A.S.V. 14040, B and N.S. 13960.

NOTE: If the specified material is bulky or if it is not convenient to take such a number of books, then the given number can be reduced at your discretion, but everything must be very careful.

P.S. After reading burn."

The numbers are the numbers of secret documents in the Radio Branch of the National Research Council.

Between August 8th and 22nd, Smith drew from this library ten documents and he had previously drawn fifteen others. All of these remained in his possession till after August 26th. Included in those drawn by him on August 20th were Nos. 14003 and 14032.

Colonel Rogov's notebook contains the following entry:—

<p>"3. 25-8-45 Regular (meeting), everything normal. Handed over a large quantity of radio literature and various reports, all told about ten books. He gave notice that he was going on a two-week's vacation. Was given the assignment on radio material and other things. (See assignment No. 4). The meeting to return the material will be on 26-8-45 on the corner of Osgood and Cumberland at 22.00".</p>	<p>There was an awful rain. He came, however, gave notice that in future he would not come during such kind of weather—not naturally.</p>
--	---

The evidence shows that on the evening of August 25th the heaviest rain of the month occurred; Smith himself admits that at that date he was looking forward to his vacation shortly thereafter.

On August 27th, Zabotin wired the "DIRECTOR" in Moscow as follows:—

"We have received from BADEAU 17 absolutely secret and secret documents (British, American and Canadian) on the question of magnet, radio-locators for field artillery, three secret scientific research journals of 1945. Altogether about 700 pages. In the course of the day we were

able to photograph all the documents with the help of the Leica and the photofilter. In the next few days we will receive almost the same amount of documents for 3 to 5 hours and with one film we will not be able to do it. I consider it necessary to examine the whole of the library of the Scientific Research Council.

Your silence on My No. 256 may disrupt our work on photographing the materials. All materials have been sent by mail in turn."

The Embassy records show that these documents were returned to Smith on August 26th.

The "library of the Scientific Research Council" mentioned in the above telegram, is not, as may well be imagined, the library of that body which is open to members of the public, but the library of secret documents kept in the various branches of the Council and notably in the Radio Branch.

We are satisfied on all the evidence, documentary and otherwise, including the evidence of Lunan and Mazerall, as well as the evidence of Smith himself, that Smith was an active agent of the Embassy.

*J. S. Benning* became an employee of the Department of Munitions and Supply in July, 1942, and was placed in the Ammunition Production Branch. Prior to that for a short time he had been with Allied War Supplies Corporation, a Crown company. In both these positions he took an oath of secrecy. Later in his employment he was transferred to the Economics and Statistics Branch of the Department. In April, 1945, he went to the Department of Reconstruction where he became Assistant Secretary and later Secretary of the Depreciation Committee. While in the Department of Munitions and Supply he was Joint Secretary of the Canadian Munitions Assignment Committee.

On the mailing list for one day, January 5, 1945, which details documents mailed by the Embassy to Moscow on that day, "FOSTER" is credited as being the source of supply of seventy separate documents. It has not been possible to identify each of these documents from the descriptions given in the mailing list but more than half of this material may be identified either in particular or generally. The evidence establishes that Benning, whose cover name, according to Gouzenko, was "FOSTER", had to do with this material in connection with his work or was in a position where it was possible for him to have access to such material either by himself or through Gerson, who was his brother-in-law.

Three items on the mailing list may be referred to:—

<i>"No.</i>	<i>Name</i>	<i>Material</i>	<i>Date</i>
155	FOSTER	North Amer. Comm. Report of of Coordin.	23.11.44
156	FOSTER	D.M. and S. Report of	24.11.44
157	FOSTER	North Amer. Com-Notes and mittee Report	23.11.44"

There was put in evidence before us the minutes of a meeting of the North American Co-ordinating Committee of the Joint Gun Ammunition Production Committee held November 23, 1944, and minutes of the same committee of November 24, 1944. These proceedings were secret. H. S. Gerson was the Secretary of these meetings and Benning says that the minutes of this Committee came to him in the Economics and Statistics Branch.

In a column of the list, not copied in the above, it is noted "See who was Secr. Meet." The writer evidently desired to emphasize the source of the material as a guarantee of future supply. For some devious reason it was apparently thought better to have "FOSTER" deliver these documents rather than Gerson himself.

A number of items on the mailing list consists of "corrections" or "supplements" to contracts. Benning was, with others, engaged in preparing quarterly production reports in the Economics and Statistics Division which were amended from time to time on the basis of, including other items, cables from the United Kingdom authorities. Several of these "corrections" on the mailing list coincide in date with the dates of certain of these cables.

The evidence also shows that Benning was in communication with Nightingale, Gerson and Shugar as well as with an intermediary not in the Government service, who was engaged in supplying information to the Russian Embassy.

The Official Secrets Act, 1939, Sec. 3 (1) in part is as follows:—

3. (1) "If any person for any purpose prejudicial to the safety or interests of the State,

- .....
- (b) makes any... note which is calculated to be or might be or is intended to be directly or indirectly useful to a foreign power; or
  - (c) obtains, collects, records, or publishes, or communicates to any other person any secret... article, or note, or other document or information which is calculated to be or might be or is intended to be directly or indirectly useful to a foreign power

he shall be guilty of an offence under this Act.

(2) On a prosecution under this section, it shall not be necessary to show that the accused person was guilty of any particular act tending to show a purpose prejudicial to the safety or interests of the State, and, notwithstanding that no such act is proved against him, he may be convicted if, from the circumstances of the case, or his conduct, or his known character as proved, it appears that his purpose was a purpose prejudicial to the safety or interests of the State;.....

(3) In any proceedings against a person for an offence under this section, the fact that he has been in communication with, or attempted to communicate with, an agent of a foreign power, whether within or without Canada, shall be evidence that he has, for a purpose prejudicial to the safety or interests of the State, obtained or attempted to obtain information which is calculated to be or might be or is intended to be directly or indirectly useful to a foreign power.

(4) For the purpose of this section, but without prejudice to the generality of the foregoing provision—

- (a) a person shall, unless he proves the contrary, be deemed to have been in communication with an agent of a foreign power if—
  - (i) he has, either within or without Canada, visited the address of an agent of a foreign power or consorted or associated with such agent; or
  - (ii) either within or without Canada, the name or address of, or any other information regarding such an agent has been found in his possession, or has been supplied by him to any other person, or has been obtained by him from any other person;
- (b) the expression 'an agent of a foreign power' includes any person who is or has been or is reasonably suspected of being or having been employed by a foreign power either directly or indirectly for the purpose of committing an act, either within or without Canada, prejudicial to the safety or interests of the State, or who has or is reasonably suspected of having, either within or without Canada, committed, or attempted to commit, such an act in the interests of a foreign power;

- (c) any address, whether within or without Canada, reasonably suspected of being an address used for the receipt of communications intended for an agent of a foreign power, or any address at which such an agent resides, or to which he resorts for the purpose of giving or receiving communications, or at which he carries on any business, shall be deemed to be the address of an agent of a foreign power, and communications addressed to such an address to be communications with such an agent."

Benning denied giving any information and denied he was the source of the material credited to "FOSTER" in the mailing list referred to. However, the name and telephone numbers of the intermediary referred to were found in a notebook belonging to him. This intermediary, in our opinion, in the evidence comes clearly within ss. 4 (b). Benning has no explanation of any kind for the presence of the name of this person in his book, although he admits the entries are his.

While Benning was giving evidence as to his work there was no reason for us to think he was speaking other than frankly. Other aspects of his evidence, however, were not as satisfactory and his failure to account for the presence in his book of the information pertaining to the intermediary in question, is, in our view, significant. While there is no direct evidence that he gave information, we do not attach any weight to his denial.

*Squadron Leader F. W. Poland* became in April, 1942 an administrative intelligence officer in the R.C.A.F. in the Directorate of Intelligence, R.C.A.F. Headquarters, Ottawa. As from November 10, 1944 he was seconded to the Armed Forces Section of the Wartime Information Board and from May, 1945 was Executive Secretary of the Psychological Warfare Committee. He sat at all meetings of the Committee, carried out its directions in prisoner of war camps, directives issued by the Political Intelligence Department passed through his hands, and he had access to all documents to which the Committee had access. While in the Directorate of Intelligence he had supervision of security education throughout the R.C.A.F. He drafted orders affecting security information and was secretary of the Security Sub-committee of the Canadian Joint Intelligence Committee, which in turn, was a sub-committee of the Chiefs of Staff. He was also, for a short time, a member of a committee on the grading of documents from the standpoint of security.

On a page from Col. Zabotin's notebook which Gouzenko produced the following appears under the heading:—

"Second Group (Ottawa-Toronto)"

- "3. POLLAND. Ministry of Aviation.  
Works in Toronto in the Intelligence Branch. He gave a map of the training schools. Up to the present is not working.
4. SURENSEN. He works in the Naval Ministry. He works in Intelligence. Gave materials about construction of ships. Left for Overseas. Both worked up to April."

Gouzenko testified that in a telegram sent by Zabotin to Moscow in 1943, Zabotin suggested that "POLLAND" be turned over to the N.K.V.D. We have evidence that that organization, the Russian Secret Police, had an organization under its direction working in Canada long before Zabotin arrived in July, 1943. Moscow replied to this telegram that it was not worth while doing so as "POLLAND" might develop into a good worker. Gouzenko was unable to say whether "POLLAND" was a cover name or a real name. The evidence shows that on enlistment in the R.C.A.F. Intelligence Poland was in Toronto in May-June, 1942 and was then transferred to the Directorate of Intelligence, Ottawa. The evidence shows that there was no other person by the name of "Polland" or "Poland" who answers to the above.

There is also other evidence. The names and telephone numbers of Lunan, Nightingale and Pavlov were found entered in the desk telephone directory or desk calendar pad belonging to Poland. The names of Lunan and Nightingale have been mentioned many times. Pavlov is the second secretary and consul of the Russian Embassy and the telephone number in the desk pad is the telephone number of the Embassy on Charlotte Street in Ottawa. Pavlov, according to the evidence of Gouzenko, is one, and perhaps the chief, of the N.K.V.D. men there.

Poland appeared before us with Counsel and refused to be sworn, to answer any questions, or to make any explanation, although offered the opportunity of seeing the evidence referred to above.

Having regard to these circumstances and the provisions of the Official Secrets Act cited in dealing with Benning, it would appear to us that Poland has brought himself within those provisions, although so far as the evidence before us goes, the map indicated by Col. Zabotin's notebook would not appear to have been very important; but with information available to Poland it was capable of being made very useful.

There remain a number of witnesses yet to be heard, many of whose names are mentioned in the documents placed before the Commission by Gouzenko. The names of others appear in other documents filed as exhibits, or in the evidence of the various witnesses whom we have heard. With this report we have completed the hearing of the evidence of those persons who were detained under P.C. 6444.

Respectfully submitted,

ROBERT TASCHEREAU,  
*Royal Commissioner.*

R. L. KELLOCK,  
*Royal Commissioner.*

His Excellency  
The Governor General in Council,  
Ottawa.

134  
For pa in P. 166-4004  
Y 6957  
2A

NEW YORK.

No. 483 of April 2nd.

MATHEW and CUSSEN left Dorval by B.O.A.C. this morning.

166-4004  
Y 6957

TOP SECRET.

NEW YORK.

No. 477 of April 1st.

- P.F. 603,424.
- A. Mrs. [Nina FARMER] repeat FARMER nee Nina SCHTAKOVSKAYA has been drawn to our attention in connection with ZABOTIN. Mrs. FARMER was recruited by Colonel Neate and left Canada to join Allied Control Commission and is understood at present to be with British army of occupation in Berlin.
- B. Major Jacques HEBERT of Canadian Army M.D.4., recently returned from Berlin, recalls that in February 1944 he accompanied ZABOTIN, MOLOTOV, ROGOV on official inspection of aluminium plant near Montreal. During visit ZABOTIN telephoned Mrs. FARMER and was clearly on friendly terms with her.
- C. HEBERT learned from another source of unknown reliability that FARMER was generally regarded as ZABOTIN's mistress and that he usually stayed at her house at 324 Elm Avenue, when he was in Montreal. We cannot evaluate reliability of this.

→ Molotov

My immediately following telegram.



TOP SECRET.

NEW YORK.

No. 478 of April 1st.

My immediately preceding telegram.

D. FARMER was born Moscow August 24th 1903, evacuated to Kiev and Batum during revolution where in 1920 she married Michael LARIONOFF, moving to Constantinople in 1921. They moved to Canada in 1923 where she was abandoned by LARIONOFF and subsequently remarried FARMER.

E. You should know that when FARMER was vetted for Colonel Neate nothing whatever detrimental was found but nevertheless in view of this alleged connection we suggest you may wish review her position and contacts in Berlin. If on the other hand you are absolutely satisfied as to her reliability you may wish ask her if she has any information of interest.

WG. 522/9

for [unclear]

OFFICE OF THE SECRETARY OF DEFENCE  
 10, KING STREET WEST  
 OTTAWA, CANADA

o. 118

16th March, 1964.

My Lord,

In Mr. Holmes's despatch No. 39 of the 1st March, he had the honour to report on the developments that had occurred up to that time in connection with the Canadian authorities' action regarding the disclosure of confidential information to unauthorized persons. In my despatch No. 90 of the 3rd March, I forwarded copies of an interim report of the Royal Commission published the previous day. This stated that evidence so far heard established that four of the persons, who had previously been detained for interrogation, had 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, 1959. As I reported in my telegram No. 516 of the 4th March, those four persons included a member of the staff of this Office and her case has been the subject of separate correspondence.

2. The second interim report of the Royal Commission was published on the 15th March and the text of this is included in the documents relating to the proceedings of the Royal Commission, copies of which were forwarded under cover of my despatch No. 110 of the 11th March. This second report mentioned four further persons in the case of whom the evidence suggested that they had communicated or conspired to communicate confidential information to unauthorized persons.

3. The second interim report also stated that evidence disclosed that other Canadians, not Government officials, had been the intermediaries through whom secret and confidential information had reached the Russian Embassy. On the 14th March, the evening before the publication of the second report, Mr. Fred Rose, the only Labour-Progressive member of the Federal Parliament, was arrested and he appeared in court in Montreal on the following day after which he was released on bail. The eight persons mentioned in the two interim reports have similarly all been formally charged in the courts and have all not been released on bail. There still remain five persons who have been detained for interrogation by the Royal Commission and whose names have not yet been made public.

4. When Parliament met on the 14th March, the Prime Minister was questioned by the leaders of both Opposition Parties and intimated that the second interim report would be published on the following day and that he hoped to make a full statement on the following Monday. On the 15th March, by which time it was known that Mr. Rose had been arrested, both leaders of the Opposition again questioned the Prime Minister and Mr. Mackenzie King

The Right Honourable Viscount Addison,  
 Secretary of State for Dominion Affairs,  
 London, E.C.1.

/tabled





~~TOP SECRET.~~

~~TOP SECRET~~  
1790

NEW YORK.

No. 476 of April 1st.

- A. I understand Cabinet will rescind order in council permitting detention of suspects this morning.
- B. Prime Minister is expected to make statement to this effect in House this afternoon and to refute accusations that Government departments are heavily infiltrated by Communists, explaining that best safeguard against inroads is public understanding of Communist methods.

*[Handwritten scribbles]*

RF/Y/66960/A/DF

30th March 1946

My dear Vincent Evans,

279a

Herewith as spoken a copy of the telegram we have received from Cusson.

I have just made a further enquiry and there is still no news of the return of the Director and Cusson.

Yours sincerely,

R.H.Hollis.

L.R.Vincent Evans,  
Office of the Director of  
Public Prosecutions,  
Devonshire House,  
Mayfair Lane,  
Piccadilly, W.1.

---

RF/H  
Enc.

~~TOP SECRET.~~

NEW YORK.

No. 463 of 30th March.

Following for Hollis from Cussen.

My telegram No. 444 para. D.

- A. Director and I had informal conference with Royal Commissioners and their Counsel today, following upon which Director gave evidence on lines already indicated in telegram quoted above.
- B. The Commissioners have undertaken not to refer to MAY case in their final report unless his trial has by then been completed. If their final report is ready for publication before trial is concluded they will deal later with case of MAY in a supplementary report.
- C. Director and I have arranged to leave Montreal by B.O.A.C. aircraft on morning of Tuesday next, April 2nd.

*Handwritten notes:*  
 P.F. 66949  
 Y. Box.

TOP SECRET.  

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NEW YORK.

No. 471 of March 30th.

My telegram 445 paragraph B.

- A. CHAPMAN <sup>PF 603,600</sup> was subpoenaed yesterday and appeared before Commission. She insisted on having advice of Counsel.
- B. She is highly intelligent woman and answered questions carefully but was not able hide fact she was central figure in organisation of study groups.
- C. She denied arranging meetings between WILLSHER and ADAMS <sup>PF 603,409</sup> but WILLSHER's evidence on this is so concrete that I believe CHAPMAN may nevertheless be charged when her hearing is completed.
- D. BURMAN is to be subpoenaed and will appear before Commission on Tuesday.



TOP SECRET.  

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*J. H. ...*  
*17-1*

NEW YORK.

No. 468 of 30th March.

Following for Sargent from MacDonald.

Your telegrams 603/5.

I saw Robertson and Wrong today who fully agree to message on lines proposed being given to Lundquist. They remark however that this message almost certainly tells him nothing that he does not know already. WIJEMAN Swedish Minister in Ottawa, is certain to have sent his Government copies of all reports published here.

Canadians therefore suggest, what C. may have in mind already, that proposed message is given to Lundquist only as initial step. They suggest he should be asked what type of further information which Canadians can supply will be helpful to him. They think, for example, he would probably wish to have general account of organisation of Soviet Intelligence and security services given by CORBY to authorities here as well as information on kind of control which centralisation organisation in Moscow maintained over Embassy activities in Ottawa. If he desires this or any other relevant information Robinson and Wrong would see no objection and indeed possible advantage, in it being given him in manner C. suggests. I should be grateful if you could let me know what action C. does take so that I can keep Canadians informed.

Note:- Our telegrams 603/5 contain proposal.

TOP SECRET.

~~TOP SECRET~~  
1731

NEW YORK.

No. 455 March 29th.

My telegram 436.

NOTED  
26  
Cru

POPOV has boarded ship at Philadelphia. At no time was he alone and FBI were not repeat not able to approach him.

~~TOP SECRET~~  
1731

TOP SECRET.

NEW YORK.

No. 452 March 29th.

A. My telegram 428. <sup>P-98347</sup> [ROSE] was committed for trial today and is held in detention without bail.

B. My telegram 443 para. B. At LUNAN's preliminary hearing transcripts of his testimony before Commission were admitted as evidence by judge. LUNAN gave evidence indicating third degree methods had been used by RCMP but this is merely in line with party agitation on civilian liberties angle.

2-F-67188

TOP SECRET.

~~TOP SECRET~~  
17/11

NEW YORK.

No. 451 of March 29th.

- A. HALPERIN was "heard" by Commission March 28th. After answering some of our questions he finally refused to speak, attempted to leave room and was restrained. He also stated that he considered himself absolved from his oath of secrecy.
- B. At one point he stated that he had never met LUNAN and he has therefore perjured himself as well as committing contempt.
- C. This now completes hearings of first stage of Commission and we expect third interim report may be released today and tabled in house during afternoon. I expect report to follow general lines of second interim report and to name with supporting evidence five remaining detainees who would then most likely be charged today. Do not expect it to go much beyond this.
- D. Over week end Commission will most likely hear CHAPMAN and BURMAN under subpoena and then recess for a week to write their major report. They will then reconvene for second stage, nature of which I have already outlined to you.

DOCUMENTS RELATING TO THE PROCEEDINGS OF  
THE ROYAL COMMISSION.

On Her Majesty's Service

Open carefully—Reuse with label.  
Code No. 17-22

R. Hollis, Fsc.



OFFICE OF THE  
HIGH COMMISSIONER FOR CANADA,  
CANADA HOUSE,  
LONDON S.W 1

WITH THE SECRETARY'S COMPLIMENTS.

37  
T. J. ...  
Y ...  
AD

J. V. Holmes.

# 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;

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.*

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.

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 Zabolin, 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 Zabotin 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 Zabotin 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 Zabotin 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 picrite 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.

(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