

SECTION III. 5

ERIC ADAMS, Ottawa and Montreal

Among the documents produced by Gouzenko from the Embassy is a page out of a notebook belonging to Colonel Zabotin. The page was torn in three pieces when produced. Gouzenko said this was done by Zabotin himself, the pieces being given to Gouzenko to burn in August, 1945. This he did not do. This page is written on both sides and reads as follows:—

SECOND GROUP

(Ottawa-Toronto)

Sam (Frank). Jew. Organizer. Studied with us in 1924-26 in the Soviet Party School. Speaks Russian. Leon got acquainted with Frank at a meeting in October 1942.

He proposed:

Foster—Englishman. Assistant to the superintendent of the Division of distribution of war production at the ministry of Munitions and Supplies.

Has been giving materials on war supplies: guns and other kinds of supplies.

He obtained different work with promotion. Can better give materials.

He is contacting with Martin.

_____ (Ours)

2. **Ernst—Jew. He works on the Joint _____ of Military _____ (USA and Canada) (co-ordination) He gives detailed information on all kinds of industries, plans for the future. Supplies detailed accounts of conferences. Has been giving materials weekly.**

Good worker.

He is contacting with Foster.

Both live in Ottawa.

Taken on to work at the end of January.

Ernst, Leon, Martin and Foster are the cover names used by the Embassy for Adams; Koudriavtzev, the First Secretary of the Embassy; Zheveinov of Tass Agency; and J. S. Benning (upon whom we are reporting), respectively.

On Zabotin's mailing list of January 5, 1945, there are 21 items credited to Adams (there referred to under his cover name) as the source of supply.

In the "Miscellaneous" notes by Lieutenant-Colonel Motinov of the meetings dealing with the issue of the false passport to the Russian agent in the United States, Witczak, discussed at length in Section V of this Report, there is an entry making provision for "*future meetings and extra calls*". These were to be subsequent to June 1, 1944. Following this there is the cryptic entry, "*Eric calls through Skelton*". Adams, on the staff of the Bank of Canada in Ottawa was evidently to use the direct wire of the Bank from Ottawa to Toronto for the purpose of calling Henry Harris in Toronto in connection with the passport matter, and the fact of his having made these calls would be covered up by using the name of Mr. Skelton, an officer of the Bank.

In the same notes under date October 4th, 1944, there is this entry:

4.10.44 Sam said that he had handed over the materials to Ernst, that he will not obtain them, he asked to advise.

Sam is Sam Carr.

Again under date December 8, 1944, there is this reference:

We agreed on the transfer of Ernst.

The matter to which these entries relate is discussed in Section V. From the above it is apparent that Adams, at the period of the dates mentioned, was active in connection with that matter. The entry of December 8th, 1944, is significant in relation to the statement in Col. Zabotin's notes, set out above:

He is contacting with Foster.

We return to this later in this Section.

Adams was born in Hull, Quebec, (his father had been born in the United States, his mother in Canada), and he graduated in Engineering from McGill University in 1929 and subsequently from Harvard in 1931 with the degree, Master of Business Administration. In 1934 he made a trip to Europe, spending from six weeks to two months in Russia. After some intermediate employment with Canadian concerns he went to New York where he remained in the employ of a firm of consulting engineers until 1939 when he went to Toronto and set up practice there as an engineer.

In November, 1940, Adams went to Ottawa, entered the employ of the Department of Munitions and Supply and was immediately loaned to the

Wartime Requirements Board as Technical Adviser. Here he remained until March 22, 1941. This Board was established on November 16, 1940, with the following powers:—

- (a) to secure from any source information respecting existing or projected war needs involving the use of materials, power, manufacturing plants and facilities or transportation facilities, and, more particularly, to obtain from each of the fighting services and war purchasing agencies, as far in advance as possible, statements of their prospective needs in terms of values and of physical products, commitments arising from the war program;
- (b) to co-ordinate and analyze the aforementioned information with a view to estimating the total requirements of the war program and to its evaluation in terms of materials, power, manufacturing plants and facilities and transportation facilities required;
- (c) to formulate such plan or plans as may be necessary to ensure that war needs in the order of their importance shall have priority over all other needs;
- (d) to keep the Department of Munitions and Supply, and the controllers and divisions thereof and any other department of the government informed upon the foregoing matters with a view to planning the most productive use for war purposes of available supplies of materials, power, manufacturing plants and facilities, and transportation facilities;
- (e) to report on such matters as may be referred to it by the War Committee of the Cabinet and shall, through the Minister of Munitions and Supply, make all its reports available to the members of of said committee; and
- (f) to exercise such other powers and functions as may, from time to time, be conferred upon it by the Governor General in Council or by the Minister of Munitions and Supply.

In connection with this work Adams took an oath of secrecy. On leaving this employment he entered the employ of the Foreign Exchange Control Board on March 24, 1941, as head of the Statistics and Research Section. As such, his duties, according to one of the witnesses, were:

A. He was required to supervise the staff in the section. He accumulated information from the permit forms granted by the Board covering both the sale and purchase of exchange. He found out for what purposes exchange was offered for sale or bought by the public, by the government, and he was supposed to analyze this information and produce reports for the information of the members of the Foreign Exchange Control Board periodically, monthly reports, quarterly reports, annual reports and, as occasion required, special reports. These reports always did include the total movement of exchange and the total of the exchange fund, of course.

Q. Would you say that he would have a very good knowledge of the financial position of the banks in this country in regard to foreign exchange?

A. Of one of the chartered banks, or of all of them?

Q. The Bank of Canada.

A. Yes, I think he would have.

In connection with this work also Adams took the following oath of secrecy on March 24, 1941:—

I, Eric George Adams, do solemnly swear that I will faithfully, truly and to the best of my judgment, skill and ability, execute and perform the duties required of me as an employee of the Foreign Exchange Control Board and which properly relate to any office or position in the said Board held by me.

I further do solemnly swear that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the Board, nor will I allow any such person to inspect or have access to any books or documents belonging to or in the possession of the Board and relating to the business of the Board.

(Sgd) Eric G. Adams.

During Adams' employ in the Foreign Exchange Control Board (we quote the same witness):—

- A. We reached a stage in the Foreign Exchange Control Board where, to ensure that we would have a continuing staff to do a job which was going to continue, that we should offer terms of permanent employment to a number of individuals; so what we adopted was an engagement by the Bank of Canada which permitted an admission to the pension fund of the Bank of Canada, and an immediate loan of services to the Foreign Exchange Control Board, through the granting of leave of absence, without salary from the bank. It means actually that the person involved never did receive any salary from the Bank of Canada but was paid a salary by the Foreign Exchange Control Board, and contributed to the pension fund of the Bank of Canada on the basis of his Foreign Exchange Control Board salary.
- Q. But that person would be employed by the Bank of Canada but would be loaned to the other organization?
- A. Yes.
- Q. Subject to the provisions of the Bank of Canada Act?
- A. Yes.

Accordingly Adams on September 20, 1944 took the following oath:—

I, Eric George Adams, do solemnly swear that I will faithfully, truly and to the best of my judgment, skill and ability, execute and perform the duties required of me as an employee of the Bank of Canada and which properly relate to any office or position in the said Bank held by me.

I further solemnly swear that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the Bank, nor will I allow any such person to inspect or have access to any books or documents belonging to or in the possession of the Bank and relating to the business of the Bank.

(Sgd) Eric G. Adams.

On his transfer on loan by the Bank to the employ of the Industrial Development Bank from that of the Foreign Exchange Control Board, which took place, commencing October 1944, he took the following further oath, on October 12:—

I, Eric George Adams, do solemnly swear that I will faithfully, truly and to the best of my judgment, skill and ability, execute and perform the duties required of me as (an employee)† of the Industrial Development Bank and which properly relate to any office or position in the said Bank held by me.

I further solemnly swear that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the Bank, nor will I allow any such person to inspect or have access to any books or documents belonging to or in the possession of the Bank and relating to the business of the Bank.

(Sgd) Eric G. Adams.

As head of the Statistics and Research Section of the Foreign Exchange Control Board:—

“he either had direct access, or through those in the Research Department in the Bank of Canada, he had access to a number of records of the Research Department of the Bank of Canada”;

On being assigned to the Industrial Development Bank

he in addition to acting as head of the Statistics and Research Section of the Board, also conducted a number of investigations of applications for credit, on behalf of the Industrial Development Bank. These latter duties occupied an increasing part of his time so that, by the end of December, 1944, he was almost wholly engaged in the Industrial Development Bank business, or engaged in that business, and almost not at all with the Foreign Exchange Control Board work.

Q. What would he have to do with these various companies that are mentioned in 273A? (*a list of trips made by Adams*)

A. In most, but not necessarily in every case, an application for credit or an inquiry with respect to credit, had been addressed to the Industrial Development Bank, and he was sent to the place of business of the applicant to investigate the plant, the buildings, the manufacturing furnishings, the methods, and make reports on valuations. He would make reports on the building, machinery, the lands; the reports would be almost without any limitation as to the material to be covered, and they would also include local opinions regarding the members of the business, the bank manager's

†Words in brackets omitted in original.

views, some comments on raw material supplies, markets for finished products, costs of operations, financial statements, balance sheets, profit and loss accounts.

During these employments he was located in Ottawa until January 1, 1945, when he moved to Montreal.

Prior to his assignment to the Industrial Development Bank, Adams, in addition to his other duties had duties in connection with the Inter-Departmental Committee on Balance of Payments, the Advisory Committee on Foreign Exchange Conservation, the Executive Sub-Committee on Export Control, the External Trade Advisory Committee, and the Main Examining Committee of the Inventions Board.

Among the items on Zabotin's mailing list of January 5, 1945, credited to Adams as the source of supply, are a number of *reviews of despatch of munitions to England* in November, 1944. As to these a member of the Interdepartmental Committee on Balance of Payments, of which Adams was also a member as representing the Foreign Exchange Control Board, testified:—

- Q. I see. Now, I present to you exhibit 16, items 180 to 184. These items are entitled "despatch of munitions to England". Would information of this character come to that Committee?
- A. To the Balance of Payments Committee? Oh yes. They would come from Munitions and Supply, not from National Defence.
- Q. That would be obtained directly or through the Department of Finance.
- A. The Finance Department and the Defence member of the Committee obtained this information for the Statistics Branch of Munitions and Supply. We made quarterly forecasts, and Munitions and Supply made quarterly production forecasts, which were mimeographed tables, of which we received copies, although we were not the only ones who received them.
- Q. You received quarterly forecasts of production from Munitions and Supply?
- A. That is right, yes. They might have been in that.
- Q. What were these quarterly reports; what would they be? What would they contain in them?
- A. These are Munitions and Supply reports.
- Q. Yes.
- A. They were rather detailed reports, giving production of munitions by main stores.

- Q. What is that?
- A. Ships, guns, aircraft, and various kinds of munitions on a valued basis.
- Q. On a dollar-and-cents basis?
- A. Yes; a breakdown of shipments to War Supplies Limited, which was the Government organization through which sales were made to the United States: they were funnelled through that body, shipments to the United Kingdom and sundry other shipments to other countries.
- Q. Would those figures be based on actual receipts or anticipated receipts?
- A. Anticipated receipts; we would have to juggle them around a bit ourselves in order to put them on a payment basis.
- Q. So these reports, which were in dollars and cents, could they give you any information as to the main stores themselves? Guns, and so on?
- A. Yes, in financial terms.
- Q. In financial terms; and if one knew the unit of value, you could then figure the quantities?
- A. I imagine one could, yes.
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- Q. You say that the Committee made quarterly reports; what would the reports of the Committee contain?
- A. The reports of the committee, there were generally two reports each quarter; one had to do with our estimated United States dollar expenditures and receipts, and the other had to do with the sterling area, expenditures and receipts.
- Q. Would those reports be secret?
- A. Oh, yes; they were never outside of the Bank of Canada, the Foreign Exchange Control Board, or the Department of Finance, so far as I am aware.

On Zabotin's mailing list of January 5, 1945, items 109 and 110, being in each case a despatch, or official letter, from the Canadian Ambassador at Moscow to the Canadian Prime Minister, dated November 3 and October 11, 1944, respectively, are credited to Kathleen Willsher as the source of supply. As we point out in Section III, 6 in dealing with her, these documents were not available in the office where she was employed, but she had seen there something relating to the substance of the letter of November 3rd, 1944. Adams, however, was her contact and the evidence shows that a copy of the letter of November 3, 1944, was sent to the mem-

bers of the External Trade Advisory Committee, of which Adams was an alternate member. In addition, both of these documents were in the Bank of Canada where they could have been seen by Adams. He himself gave the following evidence as to one of the documents:—

Q. In the course of your work, did you have anything to do with the work of the Canadian Ambassador at Moscow?

A. No, I cannot recall that I had.

Q. Can you see any reason why you would be interested in Wilgress in any way?

A. I think the External Trade Advisory Committee made a suggestion at one time that a trade delegation go over to Russia, and I think Wilgress replied to it. Now, whether I saw his reply to it, or not, I do not know. But I have a vague recollection of that subject coming to our External Trade Advisory Committee; but that is the only instance I can think of.

Q. What year would that be?

A. It would be shortly before I left Ottawa, I guess.

Q. That would be at the end of 194—?

A. At the end of 1944.

The Inventions Board was originally established in January, 1940, and a new Board was set up in May, 1943. The function of the Board as described in evidence was:—

A. The function of the Board was to enable any inventor or any citizen or any member of the armed forces who had an idea that might in his judgment be suitable to help win the war, having such an idea he then had a body to whom he could write, presenting his idea. That body would then send it at once to the appropriate experts, who would render an opinion. There was no need for this Board to serve the armed services who, in their several Departments, were undertaking special research. Such persons are well informed as to how to go about patenting and developing war inventions; but there was a need in this country for a Board of this character to meet the needs of an ordinary citizen who did not know his way about in getting inventions considered. Is that clear, sir?

Q. By what organization was the examination of the ideas conducted?

A. Since 1943 until the present time the Board has been organized on that basis. The War Inventions Board had a Main Examining Committee.

Adams was appointed secretary of the Main Examining Committee on September 14, 1943, and so remained until January 4, 1944, but continued thereafter in "an unofficial and honorary capacity".

Q. So every new invention that was submitted went through him?

A. He would know all about it, sir.

On Zabotin's mailing list already referred to, item 186 is a copy of "invention of waterproofing 8.12.44" described as consisting of four pages. In connection with this the Secretary of the Board deposed:

Q. I show you Exhibit 16, item 186, "Invention of waterproofing, dated December 8, 1944." Does that mean anything to you?

A. Yes, it may. I cannot identify it completely. All I can do is to deduce that it may refer to an invention of waterproofing for maps, military maps, which are to be used in tropical or extremely wet climates, devised by a Captain Freeman, ultimately made Major, under this file which the police have in their possession.

Q. How do you connect that entry with this file?

A. In two ways. We have gone through, as quickly as we could, all the waterproofing inventions that were submitted, and all the ones that I have seen, and you must remember that we have considered some thousands of inventions; and of the ones at any rate that I have seen this seems to be the most likely. That is point No. 1. Point No. 2 is that at the eighteenth meeting of the Main Examining Committee, held on Thursday, December 7, 1944, Mr. Eric Adams was present, as the minutes show; and at that meeting Major Freeman's invention of waterproofing was mentioned inferentially, because another invention of Major Freeman's known as the battle board was under discussion, and it would be impossible to discuss Major Freeman's battle board invention without bringing in his invention of waterproofing.

Q. Is there a report or document in relation to that invention on file which would cover four pages?

A. The only answer I can give to that, sir, is that there is a document filed here which, if it were recopied, might be brought down to four pages. It is a short-page memorandum of six or seven pages; and if it were recopied on foolscap it might go down to four pages.

Q. And what is the subject-matter of it?

A. The invention of this waterproofing of maps.

Q. Is it known to your Committee as an invention of waterproofing, or the waterproofing of maps?

A. I think it would be known as the waterproofing of maps.

Adams himself deposed:—

Q. There was evidence before this Commission that this question was discussed at a meeting when you were present.

A. It is possible, but I do not remember it.

Q. If you wait with your answer: that it was discussed at a meeting on the 7th of December, 1944, and that you were present.

A. Do the minutes say that I was present?

Q. Well, do you remember, first?

A. No, I do not.

Q. And will it assist you if the minutes say that you were present?

A. They will assist me to remember that I was there, but it should establish the fact whether I was or not.

Q. The minutes of the 7th of December, marked 282-A:

“There was present members:”—and the first mention is—?

A. Yes.

Q. Is what?

A. My name. May I see the reference in the file to that particular matter?

COUNSEL:—Yes.

Q. Have you any explanation as to why you would be credited with that on the records of the Russian Embassy?

A. I cannot explain it, no.

Q. Or any of the other entries that appear on that exhibit?

A. (*No audible answer.*)

THE WITNESS:—This secretary, in this minute, refers to the secretary of the sub-committee, not to me. “A.C.C.” means Army and Consulting Committee; I am not saying that that indicates I was not at the meeting; I am only saying that the reference to that file means that the army was the one that had it, and I assume,—I cannot remember the thing at all—I assume that the Army Sub-Committee secretary brought the file with him.

Q. That was the practice?

A. That was the practice.

Q. And that was why you asked me, a moment ago, what was the name of the inventor, because, on such an occurrence, the file of the inventor is brought, and then the matter is discussed?

A. That is right.

Q. And at that meeting you were present?

A. Apparently I was.

Q. And at that meeting the invention to which I referred was discussed?

A. That does not necessarily follow that it was discussed in any detail, because the note in the minutes says that the samples were not ready, and that the Army Consulting Committee was to go ahead and do something about it; so, that may have been all that occurred at the meeting.

On Zabolin's mailing list also, item 187 credited to Adams is a document described as "*Notes on the conference*" dated "20.12.44", while item 190 is described as "*Report of 24.11.44.*"

In November and December, 1944, Lord Keynes was in Ottawa negotiating with the Canadian Government. Their discussions were extremely secret and the records of them were marked "Top Secret" in the Office of the High Commissioner of the United Kingdom. Those records came under the eyes of Willsher in the course of her work in that office. With respect to this matter she gave the following evidence:—

Q. You remember speaking about the various subjects on which information was given by you to Adams. You remember a visit by Lord Keynes in Ottawa at the end of the year 1944?

A. It has been brought to my attention.

Q. There was some information required from you by Adams on that particular subject?

A. He wanted to know if the proposals, I think, had gone forward to the parties, but on the details he was in position to see himself, I think, because he did finance work.

Q. Where, in his office in the Bank of Canada?

A. I suppose so.

Q. I suppose he was getting information at both ends, at the Bank of Canada as far as the Canadian Government was concerned and from the High Commissioner's Office as far as England was concerned?

A. He would see those proposals because they would be put to the Government of Canada.

- Q. Cannot you just tell us what you did, what you arranged with Adams?
- A. He asked, I think, if the proposals had come and if they were going forward and there may have been a general idea of what they were, but I do not believe now that they were.
- Q. What did you say when you got that request?
- A. I think they had come; I said they had come.
- Q. I asked you what you did?
- A. I just thought of what I could remember because he asked me.
- Q. Remember from what?
- A. From any document I had seen.
- Q. And you had seen some documents?
- A. I think so, yes.
- Q. There is a file on that subject matter in the High Commissioner's office?
- A. Yes.
- Q. And you had read the file?
- A. Yes.
- Q. You do remember it now?
- A. I do remember it.
- Q. What Mr. Adams asked you with regard to that particular matter, you remember that?
- A. I think so, because he did ask about finance.
- Q. And you read the file on the matter, either before he asked you or after he asked you?
- A. Yes.
- Q. And you told him all that you could remember about the contents of that file?
- A. Yes, but that could not have been very much.
- Q. I just want to know whether you told Mr. Adams all that you could remember about the contents of that file; did you?
- A. I suppose so, yes.
- Q. You know whether you did or not. Why do you need to suppose? Did you?
- A. Yes.
- Q. Was that marked "Top Secret"?
- A. I do not remember.

- Q. Did that consist of telegrams that had been sent and decoded or was it in the form of memos, prepared by some of the officers of the High Commissioner's office?
- A. I think it was a memorandum, probably.
- Q. Do you know who had prepared that memorandum?
- A. The financial people in our office, I should gather.
- Q. Who are the financial people in your office?
- A. Mr. Munro.
- Q. And that memorandum had come to you to be put in the file?
- A. I suppose so, yes.
- Q. And you read it all?
- A. I suppose so.
- Q. Was there only the one memorandum or a number of memorandums?
- A. I do not remember at all; I do not know.
- Q. Do you remember the contents of that memo?
- A. No.
- Q. Did you know the purpose of the visit that was made here by Lord Keynes?
- A. Yes, to get a second loan or gift.
- Q. Get a loan?
- A. I don't know whether there were two—
- Q. From Canada?
- A. That would be the idea.
- Q. That was the only purpose of the visit?
- A. Yes.
- Q. So the memorandum was about these loans or gifts to be made by Canada to Great Britain?
- A. Yes.
- Q. And that is the information that you conveyed to Mr. Adams?
- A. Yes.

Examined as to this Adams gave the following evidence:—

- Q. You remember the visit of Lord Keynes in the summer and fall of 1944?
- A. I remember that he has been over here two or three times. I don't remember that one specifically
- Q. I put it to you that he came in the summer and fall of 1944 for financial arrangements between Canada and the United Kingdom, arrangements which were to take effect after the end of the war,

- that is after the defeat of Germany. Do you remember that?
- A. No, I don't remember it specifically.
- Q. Do you remember it in any way?
- A. Well, I have said that I remember he has been over here several times.
- Q. Do you remember what brought him here on any of those occasions?
- A. Well, I know that it was financial discussions each time.
- Q. Even I know that. Do you know anything more specific about it than that?
- A. No, I was never in on those discussions.
- Q. What you knew about it was what you read in the papers?
- A. That is right?
- Q. And you had no connection with his visits whatsoever?
- A. No.
- Q. And any matters that he came to discuss while in Canada were not in any way related to any of the employment you may have had at any time in the Dominion Government?
- A. The question is so broad. I might have been asked to prepare a memorandum for the Governor which he used in discussions with Keynes; I don't know, but I never had anything directly to do with him.
- Q. I have to put broad questions, Mr. Adams, to get answers. What would you have to do with it?
- A. I had nothing directly to do with it.
- Q. What would you have to do indirectly?
- A. As I say I may have prepared a memorandum for the Governor or some such, that he would use.
- Q. And what would this memorandum refer to?
- A. Probably something to do with Canada's exchange position. I don't remember doing any; I am saying it is possible I may have.
- Q. How would that be related to the purpose of his visit?
- A. Because he was discussing financial relations.
- Q. And what position that you occupied at the time would render it necessary for you to have anything to do with the purpose of his visit?
- A. The Foreign Exchange Control Board, I suppose.
- Q. How would that come into the subject?

- A. Well, the Foreign Exchange Control Board—we seem to be labouring the obvious—had charge of our exchange position, so if I was asked to write a memorandum for the Governor on our exchange position, that would be within my work.
- Q. All right. You see no other reasons for your connection with his visit but possibly being asked to write a memorandum on the exchange position; or do you see any other reason?
- A. The exchange position, or our balance of payments.
- Q. Anything else?
- A. No.
- Q. All right. Were you required to write a memorandum?
- A. I never recall doing one that I knew was for that purpose; no.
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- Q. Would you consider that that work would be secret, the memoranda that you may have been asked to prepare and which you do not recall? Would you consider that that document was secret?
- A. Well, no more secret than the usual run of my work which I did. As I say, I was in the habit of working at home.
- Q. All of your work was secret?
- A. To some extent, yes. May I qualify that? All my work at the Foreign Exchange Control Board that had to do with our exchange position was to some extent secret, yes.
- Q. Would you say, Mr. Adams, that the memorandum you think perhaps you were asked to prepare when Lord Keynes visited here would be secret in its nature? Would you say that, or would you say it was not secret?
- A. I cannot say, because I don't remember any specific memorandum. It is possible it would have been secret, and it is possible it would not have been secret. I cannot answer that question.
- Q. It would have been a memorandum dealing with the exchange position of Canada, would it not?
- A. As I said, or possibly with our balance of payments.
- Q. And would those be secret subjects?
- A. The balance of payments, not necessarily; they are published figures.
- Q. And what about the other one?
- A. The exchange position was secret, yes.
- Q. You do not recall having been asked to make any memorandum whatsoever?
- A. No.

Q. And you do not recall having had anything to do with his visits, either?

A. No.

Q. Or anything arising out of his visits, as far as you know?

A. Well, again, after he had been here it is quite possible that I may have had to prepare something else for the Governor which arose from his discussions; but I don't know.

Q. Exactly. I asked you, as far as you know?

A. As far as I know, no.

Adams' desk pad under date September 11, 1944, contains the following entry:—

Keynes' summary report of twelve months Canadian dollar transactions.

Lord Keynes was in Ottawa in July and August, 1944, as well as in the later months of that year. Adams dealt with the above entry as follows:—

Q. Then you will remember that I examined you also on the question as to whether or not you had anything to do with Lord Keynes' visit?

A. Yes.

Q. Will you look at the same exhibit, the page marked September 11, 1944, and do you find that this is your handwriting, in ink?

A. Yes, I believe so.

Q. And what do you read there? Can you make it out?

A. "Keynes' summary report of twelve months Canadian dollar transactions." I don't know what it means, but I assume the Governor asked me to prepare something for him for Keynes' visit. I don't know.

It is not possible to identify items 187 and 190 on Zabotin's mailing list exactly. Looking at the evidence from a negative point of view it does not show that Adams was connected with or had access to records of any other important conference in December, 1944, and the evidence of Miss Willsher does establish his curiosity as to the records in the office of the High Commissioner with regard to the Keynes' conference and that he asked for and obtained from her information regarding it. Any information to which he was properly entitled could have been obtained from his employer, the Foreign Exchange Control Board.

Again on the mailing list there are eight items, numbered 202 and 204 to 210 described as "correspondence with companies" all dated "December". These items follow item 201 which is "correspondence about contracts"; and it is dated "13-12-44".

In his evidence as to his work in the Industrial Development Board which commenced in October, 1944, Adams said:—

A. Yes. I have got industry files in connection with my work in Montreal covering every manufacturing industry that I could get material on. Some of the material I brought from Ottawa; some I have collected since.

Q. Were you carrying on correspondence with companies in connection with your work in the Industrial Development Bank?

A. Yes, some.

Further direct evidence of Adam's participation in the communication of information to the Russians was given by Kathleen Willsher, and particulars of that are given in Section III dealing with her. These occasions were not confined to the visit of Lord Keynes. Suffice it to say here that on his solicitation she gave him from time to time information she obtained in the course of her employment in the Office of the High Commissioner of the United Kingdom. This went on from 1942 to 1945. Willsher first met Adams in a study group or cell of the Communist Party in Ottawa, of which he was the leader. The information she gave him was communicated on the occasions when she met him in this group which met every three weeks. After Adams went to Montreal on January 1st, 1945, further meetings between him and Willsher were made on street corners in Ottawa, arranged, on the instructions of Adams, by Agatha Chapman. In September, 1945, on receiving a message from Chapman that Adams wished to see her in Montreal, Willsher went to his home there. This was the last occasion, she says, on which she saw him. Her expenses for this trip she paid out of \$25.00 which Adams had given her in Ottawa in the previous June.

Adams' evidence with regard to this matter is significant and characteristic. He is a very intelligent and able man. His academic attainments testify to that and there is other evidence. We had the opportunity of observing him in the witness box and we are under no illusion as to his keenness and capacity. Quite patently he was intentionally evasive in his answers on anything that approached his own conduct, his association with other Communists, or his own connection with the Communist Party, as to which latter we have no more doubt than had Kathleen Willsher. She testified:—

Q. Will you look at this photograph and say whether you recognize the person represented there?

A. Yes.

EXHIBIT No. 97 — (*Photograph of Eric Adams.*)

- Q. When did you meet him?
A. At a private meeting; I don't know whether it was his or somebody else's.
- Q. When was that?
A. I think it is 1942. I don't know, to be exact.
- Q. In what circumstances?
A. In a study group.
- Q. Who was present?
A. Miss Chapman.
- Q. Who is Miss Chapman?
A. She works in the Bank of Canada, or in the Bureau of Statistics.
- Q. And her full name is Agatha Louisa Chapman?
A. Well, Agatha; I do not know her second name.
- Q. She was working where?
A. At the Bank of Canada at the moment. I don't know whether she is in the Bureau as an employee, or the Bank of Canada, but at that time it was the Bank of Canada.
- Q. Who was she working for in the Bank of Canada?
A. I don't know, except that Mr. Adams was in her office. I don't know whether he was her direct employer or not.
- Q. And who was present the night you met Adams?
A. Somebody Benning, I think.
- Q. What is his first name?
A. I have forgotten.
- Q. How old is he, about?
A. About 30.
- Q. I suggest that his name was James Scotland Benning?
A. Scott; that's right.
- Q. And where was he employed at the time?
A. I think it is the Department of Munitions and Supply.
- Q. Who else was there?
A. I don't know. It is very small. I think there is only one other person.
- Q. How many persons were present?
A. I couldn't say; I think four or five.
- Q. There was yourself; there was Adams, Chapman, Benning and who else?
A. I am trying to remember the name. It was _____.

- Q. Who?
- A. _____
- Q. Do you know his first name?
- A. He has died now.
- Q. You say he is dead?
- A. Yes, a year ago.
- Q. And what was his position or occupation?
- A. I think he was in the Bank of Canada.
- Q. Was he working with Adams?
- A. I couldn't tell you.
- Q. What was the nature of that meeting?
- A. It was a study group; economics.
- Q. And what took place that night?
-
- A. Well, we discussed socialist literature, Marxist literature, I suppose you would call it.
- Q. I wasn't there, and you were, you know. You say you suppose?
- A. It was a study group for that; that is all I remember. I don't know what particular chapter, or what.
- Q. Who was in charge of that; who took the initiative in that study group?
- A. I don't know.
- Q. Who appeared to be in charge when you were there?
- A. Mr. Adams, I think.
- Q. And how long did the meeting last?
- A. About an hour and a half.
- Q. And what was decided?
- A. To have further ones.
- Q. Where?
- A. At the houses of the people in the group.
- Q. When?
- A. Well, within three weeks; two weeks. It varied; it was not regular.
- Q. How often?
- A. About every three weeks; but then when Christmas came you would have a longer time.
- Q. Was that understanding carried out?
- A. I think so.
- Q. For how long?
- A. I think until Mr. Adams probably left here.

Q. Until Mr. Adams left for where?

A. Montreal.

Q. When was that?

A. The end of 1944.

Q. So it started in what year?

A. I think it is during 1942.

Q. And it lasted until the time Mr. Adams left for Montreal, or until 1944?

A. Yes.

Q. Was it at the end or at the beginning of 1944 that he left?

A. The end.

Q. So during those years the persons of that study group met regularly?

A. Yes.

Q. Was employment in the Government Service a qualification for membership in this group?

A. Not that I know of.

Q. What was the qualification?

A. Interest in the same kind of study.

Q. Interest in Communistic writings and teachings?

A. Yes.

Q. How did you make your application to join the Communist Party?

A. I didn't write it, or make it; I was just asked if I was interested in giving a regular donation. There was no form or anything.

Q. To whom did you pay those dues every month?

A. To whoever was treasurer in the group I studied with. I don't know who was treasurer. People changed, and apparently the funds were handed over, and I know nothing more about them as far as that goes.

As appears by Section III. 6, Willsher had been giving information to Fred Rose during the period from 1935 to 1939. She further testified:—

Q. When did you conclude giving Mr. Rose any information?

A. During 1939.

- Q. Why did you stop?
- A. Because I did not see him any more. The war came and I did not see anybody. I do not know of any time when he said, "This is the last time I will see you," or anything. It just sort of faded out.
-
- Q. Who else asked you to get information from the same source for the benefit of the Party or the Soviet Union?
- A. Mr. Adams.
-
- Q. Did you not say it was in 1942 that you received a similar request from Mr. Adams?
- A. I think it is 1942; it may be 1943.
- Q. When was the first meeting you had with Adams?
- A. I do not know whether it was the first or second; I was not aware there was ever a specific point made that he had to meet me.
- Q. For how long did you continue to give information to Adams?
- A. Until about last September, the last time I saw him.
- Q. From 1942 to last —
- A. 1945.
- Q. September of 1945?
- A. Yes.
- Q. What happened then?
- A. I do not know, I just have not seen him since, that is all.
- Q. He was not in Ottawa during all that period of time, was he?
- A. No, he was in Montreal.
- Q. While in Ottawa how would you convey information to him?
- A. I might see him at the study group.
- Q. That is where you would give it to him?
- A. Before or after the meeting.
- Q. And then —
- A. I did not see him very often.
- Q. Did you ever have occasion to drive with him?
- A. No, not until he had gone to Montreal.
- Q. That is when he had gone?
- A. Because he drove to Ottawa and had his car.
- Q. So while he was in Ottawa you would convey information at these meetings?
- A. Yes.

- Q. Did you ever telephone to him?
- A. No.
- Q. Why?
- A. I did not telephone to him; I have never been asked to telephone to him; I do not take the initiative.
- Q. Why?
- A. I do not know; I never have taken the initiative.
- Q. Why would not you take the initiative?
- A. Unless I was asked, I did not go out and direct the thing. If he wanted something he could ask, but I did not know or say anything.
- Q. Where did he ask?
- A. As I say, at the meetings.
- Q. And any information he was asking for, you would try to obtain that in the course of your employment?
- A. Yes, but he generally just asked me a question or two and I answered them then. I did not have to go and do anything about it. It was just anything I happened to remember.
- Q. You were in a better position, so far as access to information was concerned, at that time than you were in 1939?
- A. Yes, I suppose so.
- Q. Well, you were?
- A. Yes.
- Q. All incoming and outgoing documents, except the ones that might be kept by a particular officer, passed through your hands or were available to you?
- A. Yes.
- Q. Will you tell us what Adams said the first time he asked you to give confidential information; how did he ask you?
- A. Well, he said that they wanted — I was given to believe that the policy of the Party was that they wanted the war to be — the Soviet Union was in the war and they wanted —
- Q. They wanted what?
- A. The war to go ahead and for there to be a second front and did I know anything about that sort of thing because they said that the policy in Canada — there might be a change in public opinion — that we must make the war effort go ahead and —
- Q. In what way did he ask you that?
- A. Well, for any sort of —

- Q. That is not an ordinary question to ask a person. You explained the occasion when Rose was asking for information, that you had to go through certain difficulties before you made up your mind?
- A. Yes.
- Q. Did you have the same difficulties when the request came from Adams?
- A. Yes.
- Q. Why?
- A. Because it always is difficult for me, yet I feel it is expected of me I should do something. It is not easy to explain.
- Q. Well, I would like to understand it a little more clearly. Do you mean, Miss Willsher, that by becoming a member of the Communist Party you are expected to do what you are asked to do regardless of any obligation you may have in any other direction; is that what you mean?
- A. That is the sort of thing, yes.
- Q. And what Mr. Adams asked you in 1942, whatever it was, it was that he wanted you to supply him with information you could get from your office of employment?
- A. Which I felt was relevant to any question he might ask regarding the war effort. That was, as I say, the interest of the Party at that time; it was to —
- Q. To get it in as simple language as possible, the interest of the Party at that time was whatever would be in the interests of the Soviet Union, was it not?
- A. Well, to make plain the unity of the allies.
- Q. I want you to answer my question. I am asking you as to whether what was in the interest of the Party was whatever would be in the interest of the Soviet Union. Is that a fair way of putting it?
- A. Well, I suppose they would want them to have the same interests at that time.
- Q. That is the way you understood it, in any event?
- A. Yes.
- Q. What Mr. Adams asked you to obtain from the office of your employers would be information you thought would be of interest to the Soviet Union.
- A. He did not put it like that. He said the Party policy is to do this, and they would like information, but he never mentioned the Soviet Union.

- Q. I see.
- A. It was always as a member of the Party, it was the Party's policy to support the maintenance of allied unity which included the Soviet Union.
- Q. And therefore he was not satisfied to leave the support of the allies to the allies themselves, he wanted you to get some special information from your office? That is right? He was asking you to get information from your office?
- A. We were allies.
- Q. Mr. Adams was asking you to try to get information from your office of employment?
- A. Yes.
- Q. To give to him?
- A. Yes.
- Q. What I am trying to understand for my own part is what things he did ask. I am asking you if he asked you to get information on particular subjects?
- A. There was the financial angle.
- Q. That was one particular subject that he asked you to get information about?
- A. Yes.
- Q. I suppose there were other particular subjects, were there?
- A. Yes, he asked if I thought — he asked once or twice if I thought the second front would start some time, if I thought all our efforts were being made and it was likely to come soon. That was in a general way. Actually when it did come he had not asked me for some time.
- Q. Not what you thought, but what information you could obtain in the Commissioner's office?
- A. Yes.
- Q. In addition to these particular subject matters did you have a sort of roving commission to get any information that you thought might interest Mr. Adams?
- A. No, not particularly.
- Q. You never obtained any information except what Mr. Adams specifically asked you for?
- A. Yes.

- Q. It was always that he gave you —
A. Along the lines.
Q. Just a minute. He gave you jobs to do, did he?
A. More or less, yes.
Q. Suppose, for instance, that Mr. Adams asked you for information on a particular subject. Would you just try to look up the documents in your office on that subject and pass on the information to Mr. Adams? Is that the way it worked?
A. He would ask me and usually it was answered at the time. I do not think there was any looking through a particular file; it was just anything I might be aware of in answering the questions he put.
Q. In any event you gave him such information from time to time?
A. Yes.

- Q. Adams was the leader of that group in Ottawa here?
A. Yes.
Q. And it was because he was the leader that you were giving information to him?
A. No. He is the only person who spoke to me.
Q. But he was the leader?
A. I don't think it has any significance, the fact that he was the leader. I don't think it had any significance.
Q. You told us yesterday that you were a group, and that you thought you were helping your Party by giving information to the group; so obviously you gave the information to the leader of the group?
A. As a group we did not discuss those kind of matters. He merely spoke to me as an individual. The group did not discuss this kind of thing. We discussed the theory and practice of Socialism and Communism, and the party program.
Q. But the information was given only to Adams?
A. Yes.
Q. But you knew you were serving your Party by giving information to Adams?
A. He gave me to understand that; yes.

- Q. You told us that Adams left Ottawa for Montreal around 1944?
A. Yes.
Q. How did you meet him thereafter?
A. He came to Ottawa sometimes.

- Q. How often?
- A. About three or four times, as far as I can remember.
- Q. Four or five times?
- A. No, I think three or four. I don't remember.
- Q. And how would you get in touch with him then?
- A. Miss Chapman told me that he was coming.
- Q. Every time?
- A. Yes.
- Q. She would phone you?
- A. Yes, or if I happened to see her anywhere.
- Q. Or if you would meet her?
- A. Yes.
- Q. Tell us exactly what procedure was followed?
- A. She would telephone, or tell me if she happened to see me somewhere.
- Q. Miss Chapman would telephone you and tell you she had to see you somewhere?
- A. No. She might telephone me and tell me that he was coming, or she might meet me somewhere in the normal course of events and tell me.
- Q. That Adams was coming?
- A. Yes.
- Q. And then?
- A. I would arrange to meet him.
- Q. How would you arrange to meet him?
- A. He usually was driving, and he would just pick me up.
- Q. That is the way the meeting would take place, but how did you arrange to meet him; through whom? How would you contact him?
- A. I didn't contact him; Miss Chapman just told me he was coming, and she apparently did the contacting.
- Q. She told you he would be in his car at a certain place at a certain time?
- A. Yes.
- Q. And you were to be there?
- A. Yes.
- Q. And what time of the day would these meetings take place?
- A. After work. I think the early evening, as far as I can remember.

- Q. And where would they take place? Any corner? Any place on the street?
- A. I remember at the corner of Lisgar and Bank, at the street car stop. I don't remember any other place, just there or somewhere like that.
- Q. And any time you were notified that he would be at any particular place, you would meet him?
- A. I would try to; yes.
- Q. You did, as a matter of fact?
- A. Yes.
- Q. Any time?
- A. Yes, any time.
- Q. And what would take place from then on?
- A. Just go for a short drive and talk.
- Q. You would board the car with him and go for a short drive?
- A. Yes.
- Q. And what would take place then?
- A. I would just talk to him, or he would ask me questions.
- Q. And you would convey the information he was asking for?
- A. Yes.
- Q. And would he drive you home afterwards, or leave you on the street?
- A. Just drop me wherever we happened to be.
- Q. When the conversation was over?
- A. Yes.
- Q. And when the information was transmitted to him?
- A. Yes.
- Q. And how long would that last?
- A. Ten minutes or a quarter of an hour.
- Q. Why would you not meet him at your place?
- A. Well, he didn't suggest it. He said he had the car, he would meet me at a certain place.
-
- Q. Were you requested to meet him in Montreal at all?
- A. Yes, last September.
- Q. In September of — ?
- A. 1945.
- Q. How did you know that you were requested to go there?
- A. Miss Chapman told me.

- Q. What did she tell you?
A. She said he would like to see me during September.
Q. For what purpose?
A. Just to ask me a few things, I suppose. She said he was going away, so would I try to see him before the end of September.
Q. She said he was going away?
A. Yes.
Q. Where?
A. She didn't say where. She said he wouldn't be in Montreal. I suppose that's it; it would be somewhere distant from here.
Q. And he wanted to see you in Montreal?
A. Yes.
Q. So did you proceed to Montreal?
A. Yes, I went down in September.

Willsher drove as far as Dorval, where she took the train to Montreal. Her evidence continues:—

- Q. And you took a train to Montreal, and Adams met you at the Windsor station?
A. Yes.
Q. And drove you to his apartment?
A. Yes.
Q. What took place at the apartment?
A. When I got there I said he seemed to be surprised at me coming, and I said I had been told he was going away and that I should try to come down in September. He said, "Oh, but I'm not going away. There must have been some mistake." He said, "I did go for a short trip west."
Q. Did he say where?
A. No; just west.
Q. And then?
A. And it seemed rather strange. I felt there was something unusual, and it seemed that my visit was purposeless, because he was not going away; there was not any urgency of any kind. So then he took me to dinner, and I met the family and his wife, and most of the time was spent there, and we went back to the station at half-past seven.
Q. You were surprised?
A. Well, it had seemed that it was urgent I should go.

- Q. You were being asked to go to Montreal to meet him, and you expected the interview would be of some importance and urgency?
- A. Yes, or that he would say, "I am going away for a long time," and there was nothing like that.
- Q. He would not call you just to tell you he was going away for a long time. You suspected that possibly he would arrange for some other contact for you to make?
- A. I suppose that might be so.
- Q. Do you suppose, or is that not the fact?
- A. I should think so.
- Q. You did think so, didn't you?
- A. Yes.
- Q. So there was nothing, no information asked or given, and no instructions given of any kind?
- A. No.
- Q. And as you have stated, this trip to Montreal became absolutely without any result? There was no result?
- A. Yes: no result.
- Q. To your surprise?
- A. Yes.
- Q. How did you come back from Montreal to Ottawa?
- A. By train.
- Q. Who paid the expenses for it?
- A. That involves this matter of the \$25 that I mentioned in my statement. During the summer, I think it was the last time I saw him —
- Q. We will finish that question first of all. Who paid for your trip back to Ottawa?
- A. I paid it out of the \$25.
- Q. Which was given to you by whom?
- A. Adams.
- Q. When?
- A. During the summer.
- Q. Where?
- A. At Ottawa.
- Q. Was that during one of these meetings in the car?
- A. Yes.
- Q. And for what purpose did he give the money to you then?
- A. He said, "If you have to go to Montreal you can pay part of your expenses."

- Q. And you accepted the money?
- A. Yes. I didn't think twice about it. I should have thought twice about it, but I didn't.
- Q. And how much of that money did you use?
- A. A single fare from Montreal to Ottawa.
- Q. Which amounts to about what?
- A. I think it is \$4.25.
- Q. What did you do with the balance?
- A. I have it.
- Q. You kept it for further trips?
- A. Yes.

-
- Q. Was it Miss Chapman who gave you the message that Mr. Adams would like to see you in Montreal on this occasion?
- A. Yes.
- Q. When did she give you that message?
- Q. I suppose near the beginning of September.
- Q. That would be perhaps two weeks before you actually went?
- A. It might be.
- Q. And she told you when to go?
- A. She didn't lay down any definite time. She said during the month, if I could.
- Q. So you could have gone any day after the day she gave you that message?
- A. Yes.
- Q. Then you went; and did Miss Chapman tell you why you were wanted to go to Montreal?
- A. She said Mr. Adams would be leaving Montreal.
- Q. That is all she said?
- A. Yes.
- Q. So what information did you go to Montreal to impart to Mr. Adams?
- A. Nothing particular. I expected he had something to tell me, as I had been asked to go.
- Q. You expected that you would receive some instructions from Mr. Adams; is that it?
- A. Yes, or that he would tell me he was just going away. I don't know why. I suppose instructions.

- Q. Now, Miss Willsher, you would not go down to Montreal to have Mr. Adams tell you he was going away, when Miss Chapman had already told you that?
- A. No. I gathered that he would tell me —
- Q. Then your idea of your trip to Montreal was that you were going to get instructions from Mr. Adams?
- A. Yes.
- Q. Or that Mr. Adams was going to ask you some questions about what you might have learned from your employment in the meantime?
- A. Yes.
- Q. Is that a fair way of putting it?
- A. Yes.
- Q. And then you say that when you got there he told you that this idea that he had proposed to go away was a false alarm?
- A. Yes. Not a false alarm, but he was not going away.
- Q. And after that it was just a nice little family conversation?
- A. Yes.
- Q. Mrs. Adams was there, and the family?
- A. Yes, sir.
- Q. And you had a nice trip to Montreal, and that is all that took place?
- A. Yes.
- Q. And you are serious with that?
- A. Yes.
- Q. Mr. Adams did not give you any instructions?
- A. No.
- Q. Didn't tell you anything?
- A. No.
- Q. You didn't tell him anything?
- A. No.
- Q. To summarize the whole situation, as I understand it, you were disappointed?
- A. Well, I felt it was a waste of time. I didn't think any more of it after that. I thought it was just rather queer, that is all.
- Q. When he gave that money to you, was that given to you in an envelope, in bills? In what form was it?
- A. Loose cash.
- Q. Loose cash?
- A. Yes.

Q. In bills?

A. Yes.

Q. And did you keep those bills?

A. No; I paid them into the Ontario Savings Bank. You will find an entry of \$25.

Q. That is into your own account?

A. Yes.

Q. What is the number of your account?

A. W-883.

Q. What bank?

A. Ontario Savings.

Q. And what branch?

A. On Sparks Street. There is only one. You can see it in my little passbook.

Q. You have not this passbook with you?

A. No, it is at my home.

COMMISSIONER: With relation to the time that you returned from Montreal, when did you make that deposit?

A. I don't know whether I paid it back just like that; I mean I think —

Q. But you came back to Ottawa on Sunday?

A. Yes.

Q. And when did you make the deposit?

A. I got the money in Ottawa, in a car. I then put it into the bank, within a day or two.

Q. I am sorry; I was confused about that.

COUNSEL: So the deposit of \$25 which will appear in your passbook in the summer of 1945 will definitely set the date of the reception of that amount, or the day previous, I suppose?

A. Well, I might have taken two or three days; I couldn't say. I don't remember at all how long. I know I did place it in my bank.

The deposit in the Bank was proved before us as having been made on June 21st, 1945.

Before referring to Adams' evidence as to the above events, other portions of his evidence should be considered.

He displayed the same furtiveness as other witnesses on the subject of Communism and his own position and associations. We have not the slightest doubt as to where he stands and we accept Willsher's evidence as to him unreservedly. The following illustrates Adams' evasiveness:—

- Q. Are there some Communist newspapers published in Canada that you know?
- A. There is a paper I know of that is quite often referred to as a Communist paper.
- Q. What is the name?
- A. *Tribune*.
- Q. Is that the right name? Is it *Tribune* purely and simply?
- A. I think so.
- Q. Where would that be published?
- A. I think it is published in Toronto.
- Q. That is a Communist paper?
- A. Well, it is referred to as a Communist paper. I do not know whether it is or not.
- Q. Referred to by whom? Do you know yourself whether it is a Communist paper?
- A. No, I do not.
- Q. Well, American; do you know of any American Communist papers?
- A. Yes, I know about the *Daily Worker*.
- Q. Where is that published?
- A. I think it is published in New York.
- Q. And any others?
- A. I do not think so.
- Q. Do you read the *Tribune* yourself?
- A. Yes, occasionally.
- Q. Do you mean occasionally or regularly?
- A. No, I mean occasionally; I pick them up on the newsstand sometimes.
- Q. What is your interest in them?
- A. I have been interested in the study of the economics of Socialism and Communism for a good many years, academic, I would say.
- Q. When you say "Communist paper" do you make a distinction with a Labour-Progressive paper, or are they the same thing?
- A. I did not, because the *Tribune*, I said I have seen referred to as a Communist paper. I guess more correctly it should be called a Labour-Progressive paper now.
- Q. Over what period of time have you been interested in these papers?
- A. Well, do not confine it to the papers.

Q. I am confining my question to the papers. Just answer the question.

A. Oh, off and on for several years, I guess.

Q. Four, five, ten?

A. Probably as much as ten, yes.

Q. You could not very well study the economics of Communism without knowing something about Communism in a broad sense, could you?

A. No, that is right.

Q. And how long have you been doing that, ten years?

A. I guess possibly ten years.

Q. So that you know something about Communism?

A. Yes.

Q. Well, from what you know about Communism the question that is really put to you is, what is your opinion of it? Do you agree with it in whole or in part or do you not? What is your opinion?

A. I think it is a political movement that has a lot of interest in it in these times, and that it is worth my while if I ever get the time to continue studying it as I started to.

Q. You see in that answer you have not said a word about your opinion. Are you a Communist?

A. No, I am not a Communist.

Q. Are you sympathetic?

A. If that means do they sometimes do something that I think is all right, yes, sometimes they do.

Q. It does not mean that at all. You know perfectly well what it means. Are you sympathetic?

A. I am sorry; I do not understand clearly then what you mean by "sympathetic".

Q. Well, there are certain ideas basic to Communism. Would you agree with that?

A. Yes.

Q. Do you agree with those ideas?

A. Under certain conditions and certain times and places, possibly.

Q. What is the limitation that you indicate by your qualifying language?

A. I do not know how I can answer that question. Can I talk to my lawyer because it is a question of opinion, and opinions differ under different conditions and different times.

- Q. We are asking your opinion on it, not others' opinions.
- A. I am saying my opinion differs at different times and under different conditions.
- Q. I asked you what you meant by that. You are the only one that knows.
- A. Well, I would have to get your definitions of the terms, what you think Communism means so that anything I said would bear direct reference to your question. Communism and these political terms of that nature mean different things to different people. What it means in your opinion may be different from what it means in mine.
- Q. So you find yourself in the position of being unable to answer the question?
- A. Yes.

-
- Q. And did you have at any time any dealings at all with Communists?
- A. What do you mean by "dealing"?
- Q. What do you understand by "dealings"?
- A. If I go to a book store and get a book and the bookseller is a Communist am I dealing with a Communist?
- Q. I am putting the question. My question is you know what a Communist is, do you?
- A. Well, I think I do. I do not know whether it coincides with what your opinion of a Communist is.
- Q. What is a Communist to you?
- A. A Communist is a member of the Communist Party.
- Q. My question is, did you ever have any dealings with a Communist?
- A. I suppose I probably have because I probably have bought books and things like that from them.
- Q. I am not speaking of books. I am speaking of Communists. I am not in a hurry, you know.
- A. I am sorry; I do not understand clearly what you mean by "dealings".

.

Coming to the events deposed to by Willsher, Adams said:—

- Q. Do you know Kay Willsher?
- A. Yes, I think I have met her.
- Q. Where?
- A. Some party or other probably.

- Q. What sort of party?
- A. Social gathering.
- Q. Where, in what city?
- A. Here in Ottawa.
- Q. Anywhere else?
- A. I do not recall anywhere else.
- Q. In Montreal?
- A. I am not sure. I think she came to our house once in Montreal.
- Q. Who invited her?
- COMMISSIONER:—For what purpose?
- A. A social call, I guess.
- COUNSEL:—Who called her? Who asked her to go to your house?
- A. I do not know.
- Q. Who invited her to go to Montreal to your place?
- A. I do not know.
- Q. You have no idea?
- A. I suppose it was—she was in Montreal and came to our place either on my invitation or my wife's. I do not remember now.
- Q. Do you know who paid her expenses?
- A. No.
- Q. You have no idea?
- A. No.
- Q. Would you believe that when she is under oath she says the truth?
- A. I do not know.
- Q. You would not be ready to invite her to your home if you would not be sure of that, whether under oath she would speak the truth?
- A. I do not know her very well.
- Q. Well, you invite her to your home, though?
- A. There are lots of people in my house that I do not know very well.
- Q. Well, Miss Willsher testified, Mr. Adams, that you invited her to your home in Montreal and that you gave her \$25 to pay not only for the expenses of that trip but for any other trips she may have to do later. Did she commit perjury or did she say the truth when she said that?
- A. I do not know.
- COMMISSIONER:—Why do you not know?
- A. Because I do not remember giving her any \$25.
- Q. Well, was there any truth in any part of what you have been told she said here?
- A. I am sorry. Would you make —

Q. No, no, you do that too often, Mr. Adams. You heard the question. Is there any truth in any part of it?

A. That she came to Montreal on my invitation?

Q. You heard what was told you that she said, and the question is was there any truth in any part of what she said?

A. I am sorry, I cannot carry it all in my head.

COUNSEL:—How did you happen to know her? Who introduced her to you?

A. I do not remember who introduced her.

Q. Eh?

A. I do not remember who introduced her.

Q. Well, I will read her evidence to you, page 823. This is after having explained that she had been invited to go to Montreal, and I will tell you under what circumstances she was later:—

Q. Who paid the expenses for it?

A. That involves this matter of the \$25 that I mentioned in my statement. During the summer I think it was the last time I saw him—

Q. We will finish that question first of all. Who paid for your trip back to Ottawa?

A. I paid it out of the \$25.

Q. Which was given to you by whom?

A. Adams.

Q. When?

A. During the summer.

Q. Where?

A. At Ottawa.

Now, the question is, was Miss Willsher telling the truth when she said that under oath or was she not?

A. I do not know because I do not remember that.

COMMISSIONER:—You won't deny it?

A. I have no opinion on it because I do not remember it.

Q. Are you so in the habit of handing out \$25 to ladies that you do not recall that occasion?

A. No, I cannot recall doing it to anybody.

Q. But you do not deny it? All right.

COUNSEL:—Now, she also said that she belonged to some study groups in Ottawa and study groups where Communism and Marxism were studied. At page 818 the question is:—

Q. Adams was the leader of that group in Ottawa here?

A. Yes.

Is that true or false? Was she telling the truth when she said that under oath or not?

A. I do not remember being the leader of any group here. I remember meeting socially occasionally and discussing books, as I have told you already, but I do not recall being the leader of any group.

Q: That is not my question. My question is that Miss Willsher testified here that she was a member of a study group on Communism in Ottawa, and the question was asked her:—

Q. Adams was the leader of that group in Ottawa here?

A. Yes.

My question is was she telling the truth when she said that under oath or not?

A. I do not know.

Q. You do not deny it?

A. I do not know.

COMMISSIONER:—He means he will not deny it.

THE WITNESS:—Is that your interpretation of “I do not know”, Mr. Ahearn?

MR. AHEARN:—May I speak to my client?

COMMISSIONER:—Yes.

At this point a recess was given to enable the witness and his counsel to consult in private. On resumption no further answer was made by the witness.

The examination then proceeded:—

Q. How often did you attend these study group meetings in Ottawa?

A. Any gathering where books were discussed which you insist on calling a study group meeting that I attended, was fairly infrequently; I do not know — half a dozen perhaps.

Q. Where would they be held?

A. Somebody's house.

Q. Whose house?

A. I do not remember now.

Q. Do you mean to say you were in Ottawa from September 1940, to December 1944, and you do not remember the name of a single place? Is that what you are asking us to believe?

A. I beg your pardon?

Q. Is that what you are asking us to believe?

A. I remember there was discussion of some books once or twice at my own place. I do not remember specifically anybody's place.

Q. You do not remember a single other person who was present at any of those houses on any of those occasions?

A. No.

Q. Perhaps you remember the books that were discussed, do you?

A. No, I do not. I was trying to think.

Q. So your mind is a complete blank?

A. It is some times.

Q. Except that there were those occasions that some of them were at your house, that is all you can tell us about it?

A. Yes; it is some time ago.

Q. I did not ask you that; that is all you can tell us about it?

A. Yes.

Q. Miss Willsher, under oath, was put the following questions:—

Q. What was the qualification?—

meaning the qualification to belong to these groups.

A. Interest in the same kind of study.

Q. Interest in Communistic writings and teachings?

A. Yes.

Did she say the truth when she said that under oath? Or did she not?

A. I do not think there was any qualification to come and discuss a book at any meetings that I was ever at.

Q. Would you say there was a common interest in studying Communism or matters pertaining to Communism in those groups?

A. I would not say Communism; I would say politics.

Q. That would include Communism?

A. Include Communism, Conservatism and everything else.

Q. I did not ask you about Conservatism or anything else. It did Communism, is that right?

A. It would include Communism with other subjects.

Q. Then she said at page 768 that there was a treasurer appointed to collect money at these meetings, and this question was put to her:—

Q. You said the treasurer changed, that it was not always the same person.

A. If somebody went away and somebody else became treasurer. There was no stated —

Is that right?

A. I do not recall any treasurer, no.

- Q. You deny it?
 A. I do not recall that there was any treasurer.
 Q. You were asked if you deny it?
 A. I cannot make it clearer than that.
 Q. You can either deny it or not.
 A. I say I do not remember that there was one.
 Q. Therefore you cannot deny it?
 A. (No audible answer.)
 Q. You do not remember well enough to be in a position to deny?
 A. I won't deny it categorically, no.

-
 Q. I ask you the question again, Mr. Adams. Did you, or did you not pay \$25.00 to Miss Willsher?
 A. I do not recall doing it.
 Q. Did you ask Miss Willsher to do anything on any occasion?
 A. I cannot recall asking her to do anything on any occasion.
 Q. Will you deny that on some occasion you did make a request of Miss Willsher which involved her giving information in connection with the office where she worked?
 A. I cannot recollect what —
 Q. Will you just listen to the question?

The reporter read:—

Will you deny that on some occasion you did make a request of Miss Willsher which involved her giving information in connection with the office where she she worked?

THE WITNESS:—My answer is, I do not recall ever asking her for information.

- Q. But you will not deny that you did?
 A. I cannot go further than that.

-
 Q. Did you ever meet her on street corners in Ottawa?
 A. Not that I recall.
 Q. Did you ever meet her on street corners and invite her to board your car in order that she would give information to you in Ottawa?
 A. Not that I recall.

- Q. Did you ever try to obtain information from her while you were in Montreal, for instance?
- A. Not that I recall.
- Q. Is it not a fact that when you invited her to go to Montreal you made your invitation to her through Miss Agatha Chapman in Ottawa?
- A. I do not recall inviting her to come to Montreal.
- Q. Is it not a fact she went to Montreal to visit you?
- A. I do not believe she ever came to visit my house.
- Q. You said that this morning.
- A. I said she visited my house; I did not say she came to Montreal to do that. That is an entirely different thing. She was in Montreal.
- Q. You had a car, Mr. Adams?
- A. I had, yes.
- Q. You had a car?
- A. Yes.
- Q. When you lived in Ottawa you had a car?
- A. Yes.
- Q. And when you went to live in Montreal?
- A. Yes.
- Q. On the first of January, 1945?
- A. Yes.
- Q. You brought your car to Montreal?
- A. Yes.
- Q. And when you lived in Montreal you came to Ottawa occasionally?
- A. Very seldom.
- Q. You came four or five times, as a matter of fact.
- A. It is possible, but very seldom.
- Q. You saw Miss Chapman when you came?
- A. Not necessarily. I do not recall whether I did or not.
- Q. You phoned Miss Chapman from Montreal?
- A. It is possible; I do not recall.
- Q. Try to be very careful about that, Mr. Adams. You phoned Miss Chapman from Montreal?
- A. It is possible; I do not recall it.
- Q. For what purpose would it be possible?
- A. I cannot recall now.
- Q. You cannot recall. You cannot give any explanation?
- A. Possibly to let her know I was going to be in town.

- Q. When you came to Ottawa also, you saw Miss Willsher.
- A. I do not recall seeing her since I moved to Montreal.
- Q. Do you want us to believe that she is not telling the truth when she says she saw you?
- A. I cannot go further than saying I do not recall seeing her since I moved to Montreal.
- Q. Did you ever take her in your car?
- A. It is possible I have picked her up on the street and driven her home. I have done that to lots of people.
- Q. This is her evidence under oath, on page 810:—
- Q. How did you meet him thereafter?
- A. He came to Ottawa sometimes.
- Q. How often?
- A. About three or four times, as far as I can remember.
- Q. Four or five times?
- A. No, I think three or four. I don't remember.
- Q. How would you get in touch with him then?
- A. Miss Chapman told me that he was coming.
- Q. Every time?
- A. Yes.
- Q. She would phone you?
- A. Yes, or if I happened to see her anywhere.
- Q. Or if you would meet her?
- A. Yes.
- Q. Tell us exactly what procedure was followed.
- A. She would telephone, or tell me if she happened to see me somewhere.
- Q. Miss Chapman would telephone you and tell you she had to see you somewhere?
- A. No. She might telephone me and tell me that he was coming, or she might meet me somewhere in the normal course of events.
- Q. That Adams was coming?
- A. Yes.
- Q. And then?
- A. I would arrange to meet him.
- Q. How would you arrange to meet him?
- A. He usually was driving, and he would just pick me up.
- Q. That is the way the meeting would take place, but how did you arrange to meet him; through whom? How would you contact him?
- A. I didn't contact him; Miss Chapman just told me he was coming and she apparently did the contacting.

What do you think that we are to believe, that Miss Willsher invented all that?

- A. I think she has grossly misconstrued a few casual meetings. I certainly am — I feel certain — I have not come to Ottawa from Montreal in my car several times. I may have come once in the car, that is all.

Q. What about this, for she has given very precise details at the foot of page 811:—

Q. She told you he would be in his car at a certain place at a certain time?

A. Yes.

Q. And you were to be there?

A. Yes.

Q. And what time of the day would these meetings take place?

A. After work. I think the early evening, as far as I can remember.

Q. And where would they take place? Any corner? Any place on the street?

A. I remember at the corner of Lisgar and Bank, at the street car stop. I don't remember any other place, just there or somewhere like that.

Q. And what would take place then?

A. I would just talk to him, or he would ask me questions.

Q. And you would convey the information he was asking for?

A. Yes.

Do you suppose, for one moment, that this is misconstruction, or invention, or the truth?

A. No, I think it is misconstruction.

Q. Of what?

A. Of casual conversation.

Q. Why would you make such an appointment at night at the corner of streets for the purposes of holding casual conversations?

A. I do not recall doing it; I admit it may have happened once or twice that I had some occasion to let Miss Chapman know that I was going to be in Ottawa, and that I would like to see Miss Willsher. I do not know.

Q. Why would you want to see Miss Willsher?

A. For social reasons.

Q. So you telephoned to Miss Chapman from Montreal to say that you were going to be in town, and would like to see Miss Willsher, just for social reasons?

A. I do not say that. I said: I did not recall the circumstances that Miss Willsher apparently recites — that I think she has misconstrued a few casual meetings; that it is not impossible that I may have met her and picked her up some time on the street.

Q. Yes?

A. But I did not say what you said.

Q. Yes, why would you give her money?

A. I cannot think of any reason.

Q. What?

A. I do not know.

It is interesting to compare the statements with regard to Adams in Zabolin's note-book, set out at the beginning of this section, with Adams' own evidence. The notes say that the use of Adams as an agent was on the suggestion of Sam Carr. As to Carr, Adams said:—

Q. Ever heard of Sam Carr? If you did not, just say "no".

A. I think I have heard of him.

Q. Well, tell us what you heard about him?

A. I think he is one of the Communists.

Q. What is his position in the Communist party?

A. I do not know.

Q. Where did you meet him?

A. I never met him.

Q. How long have you known him?

A. I have not known him.

Q. How do you know he is connected with the Communist Party?

A. I told you I think I have seen his name.

Q. Where would you have seen his name as being connected with the Communist Party?

A. It could have been in a newspaper.

Q. What newspaper would that be?

A. Any one.

Q. Any one in particular? Any one in particular that you have in mind?

A. No.

Zabolin also states in his notebook that Benning is "*contacting with*" Martin (Zheveinov of TASS). As to Ernst (Adams) Zabolin says he is "*contacting with*" Foster (Benning), and the same Russian word is used in each case. It will be remembered also that in Motinov's notes of meetings in connection with the matter of the false passport Section V both these men are mentioned as having been connected with that matter in 1944.

As to Adams "*contacting with Foster*" (Benning) Zabolin's notes state also that "*Both live in Ottawa*". That was true between July, 1942, and December, 1944. Adams was transferred to Montreal at the end of December, 1944, having been doing work for the Industrial Development Bank since the previous October. The significance of the entry of Decem-

ber 8, 1944, in Lieutenant-Colonel Motinov's notes, previously referred to, becomes plain. It was necessary, in view of Adams' permanent removal to Montreal to provide a new "contact" for him in the place of Benning. It was still deemed advisable, however, that Adams should himself still "contact" Kathleen Willsher, and for that purpose he drove to Ottawa from time to time.

It is also significant that in the small telephone directory or "finder" which Benning left on his desk, Adams' name and telephone number were entered. Benning said this entry was made by his predecessor, but Benning admitted that he "ran into" Adams "several times when I was in Economics and Statistics" (Department of Munitions and Supply) and that "I also ran into him up at Fortune" (a ski resort).

Gerson testified that he had met Adams at Benning's house in Ottawa.

Miss Willsher testified that when she attended the study group in Ottawa in 1942, of which Adams was the leader, Benning was also a member of that group.

Adams' evidence as to his association with Benning (as is that of Benning) is typically evasive and designed to put their contacts on a purely casual basis. Adams testified:—

Q. I will come back to that later. Do you know this gentleman here, Exhibit 121? (*Photograph of Benning*).

A. Yes, I think so. I have seen him around the yard at the barracks, lately.

Q. What is his name?

A. I think he is the ski instructor for the Recreational Association.

Q. When did you see this man for the first time? Was it at the barracks, do you say?

A. No, I met him at Camp Fortune.

Q. How often?

A. Perhaps two or three times.

Q. When did you first meet him?

A. Three or four years ago.

Q. Was not he a member of this study group in Ottawa?

A. I do not recall that he was at any meeting of any kind that I was ever at.

Q. You do not recall?

A. No.

Q. Is that Scott Benning?

A. I was not sure of his name, whether it was Bennett or Benning.

Q. It is not Bennett, it is Benning, Scott Benning, who was present at those meetings you had — the study group meetings you had in Ottawa?

A. You mean the meetings where we were discussing books?

Q. Where you were discussing Communism and Marxism.

A. I do not remember any other people there.

Q. You do not remember any others; do you remember one?

A. I just said I do not remember any people there.

In Zabotin's notes above referred to, the statement is also made of Adams that:—

he works in the Joint _____ of Military _____ (U.S.A. and Canada) co-ordination. He gives detailed information about all kinds of industries, plans for the future. Supplies detailed accounts of meetings.

In the Russian original of this document, in the two places left blank in the translation, are two abbreviations, one of which is further mutilated and in part missing as a result of a tear in the paper. These two sets of characters might refer to any of several words, which have been placed before us, but as no translation of these two words can be adopted with any confidence we consider it advisable to use blanks as above.

It is therefore not clear to which of the many bodies with which Adams was connected that Col. Zabotin refers. The evidence shows, however, that Adams was in a position where "information about all kinds of industries" and minutes of various committee meetings were available to him. Koudriavtzev reported that Adams gave these materials daily and was a "good worker".

We have no doubt on all the evidence but that Zabotin found in Adams a convinced Communist who considered the communication of information to Russia in line with his ardent beliefs as a member of the Party. We unhesitatingly accept Kathleen Willsher's evidence with regard to him, and indeed Adams does not deny that evidence. He, like Agatha Chapman, merely does not "recall" the events to which Willsher deposed. That, of course, is incredible. Such evidence is typical of a mind which recalls the facts perfectly, and, while not prepared to admit, takes refuge in the fancied security of an assumed inability to remember. This is capable of demonstration: Adams was a member of certain study groups in connection with his work in the Bank. Small groups, made up of members of the staff, were encouraged by the Bank. Adams' memory as to the personnel of these

groups during the same period as that in which he was a leader in the Communist study groups is much better. He said:—

- Q. You will correct me if I am wrong, Mr. Adams, but I understand you had some study groups when you were at the Bank of Canada, in the Foreign Exchange Control Board?
- A. That is right.
- Q. But those conferences were held in Dominion offices?
- A. You mean the study group meetings?
- Q. Yes.
- A. Yes.
- Q. Not in residences?
- A. No, they were held in the Board.
- Q. In the Board Room?
- A. In the Foreign Exchange Control Board building.
- Q. And there was no collection made afterward?
- A. No, there was no collection.
- Q. They are to be differentiated from the other study groups which you have attended and to which you referred yesterday?
- A. Yes, they are quite separate.
- Q. And they are not the same persons who attended?
- A. I don't recall any of the same persons being in both.
- Q. Who attended these study groups; most of the officials, as we will call them—that is, in the Board Room?
- A. Who attended the Board study group meetings?
- Q. Yes.
- A. In general they were the younger, second rank officers on the Board. There were three or four of them going at different times, so there would be a fairly large number of people involved.
- Q. Could you give us a few names?
- A. In the study groups?
- Q. Yes.
- A. I can remember that in the one I was in there were most, or not most; I guess about half the people in my own section that I can remember.
- Q. And that would include how many persons?
- A. In the study group?
- Q. No; the one you remember.
- A. From my own section?

Q. Yes.

A. Perhaps half a dozen.

Q. Of which you could give the names?

A. Yes.

As already pointed out, Adams also had associations with Benning, Chapman and Willsher, all of whom, as well as Fred Rose, were part of Zabotin's espionage organization.

In Adams' home in Montreal there was found a leaflet entitled *Withdraw Canada from the War* published in March, 1940, and signed *Political Committee Communist Party of Canada*; also a mimeographed letter dated December 12, 1939, containing *Speaker's Notes* on the Soviet-Finnish crisis. This letter is merely signed by the initials *J.W.* which, according to the evidence, was the *non-de-plume* of the underground headquarters of the Communist Party of Canada in Toronto. While the Party was not banned officially until June, 1940, the evidence shows that its leaders were already in hiding because of propaganda carried on by them in opposition to the war contrary to the then Defence of Canada Regulations. The following passage in the *Speaker's Notes* is underlined in ink:—

The vigorous fight for peace waged by the U.S.S.R. in which it represented the desires of the masses of the people of all countries, now takes on the form, in the conditions of the world war, of a vigorous class struggle against counter-revolutionary attempts to destroy the U.S.S.R.

As to these documents Adams gave the following evidence:—

Q. Do you know who *J.W.* is?

A. No.

Q. You have no idea?

A. No.

Q. Even under oath?

A. No.

Q. May I suggest that it is a symbol for the centre of the Communist Party in Toronto?

A. I do not know.

Q. Never heard of it?

A.

COMMISSIONER: Will you answer? You were asked a question.

THE WITNESS: No.

COUNSEL:

Q. You never heard of J.W.?

A. No.

Q. How many of these documents do you think you may have in your premises?

A. I have no idea.

Q. You may have them by the hundreds?

A. You mean this document?

Q. Like literature, the same kind of literature.

A. This kind of material?

Q. Yes.

A. I have quite a bit of it, I know, because I told you yesterday—

Q. From J.W.?

A. I do not know about that. I do not recall that, who is J.W.? I have no idea.

Q. What you mean to say is that you received correspondence from J.W. from time to time and you do not know who the man is?

A. No, I did not say I received correspondence from J.W. at all.

Q. We have evidence as to who J.W. was, and you say you do not know, and you received a document from him?

A. I did not say that I received the document from J.W. I do not know when I received it.

Q. My question is: Do you know who J.W. is?

A. No, I do not.

Like other witnesses as to whom we have made the same observation, Adams conducted himself in the witness box as though the fact of his political belief in Communism was something to be hidden. He assumed the attitude merely of a student of its "economics". This attitude is relevant as indicating, in our opinion, an awareness on his part that it was Communism in this country which had furnished Zabolin with his Canadian agents. His evasiveness on this subject indicates also, in our view, that he and the other persons who gave like evidence regarded Communism as containing an element foreign to legitimate political opinion in this country, namely belief in resort to force for the overthrow of government if those directing the Party should ultimately so direct. Willsher made this express admission. The belief in the necessity for concealment is illustrated by the following evidence given by Adams:—

- Q. Is there anything secretive about being a Communist or being sympathetic to the Communist Party, or its ideas?
- A. Anything secretive?
- Q. Yes.
- A. I do not know.
- Q. I was wondering if it was any part of the tenets of that Party, that connection with the Party should be kept secret?
- A. I do not know; not as far as I know.
- Q. I was just wondering why you are not franker in the answers to your questions. I may say we have had in some cases the display of a similar attitude by some witnesses which makes me wonder if there is anything secretive about the organization.
- A. I do not know.
- Q. You do not know. Those study groups, were they secret?
- A. If you are referring to the occasional social meetings and discussion of books that I have attended occasionally in years past, there was nothing secret about them.
- Q. Some of the witnesses have told us that they were. You do not agree with that?
- A. They may not be talking about the same thing that I am.
- Q. I think they were. You do not agree with that?
- A. No, I do not agree with it for the gatherings I am talking about.
- Q. Is there any reason why a person who is a member of the Communist Party or sympathetic thereto would keep that fact secret from his employer?
- A. I do not know, it would depend on the employer's attitude.
- Q. For instance, did you ever tell anybody senior to you in the Dominion Government Service your views on the matter?
- A. Nobody ever asked my views.
- Q. I did not ask you that; I asked you if you ever told anybody?
- A. I cannot recall that I did, for the reason I have just given.
- Q. That reason is that you were not asked?
- A. I considered any political views I might have a personal matter.
- Q. Of course they are. So that so far as you are aware you never knew of any reason why any person who is a Communist or holds sympathetic views should keep the state of his mind secret?
- A. No, I do not know of any reason.
- Q. We have had some evidence, and I just wanted to know what you have to say about it, thank you.

Adams' library was literally full of Communist books, including such authors as Marx, Engels and Lenin. Yet except for Agatha Chapman no one of Adams' associates in his work, so far as the evidence shows, including that of Adams himself, knew he had any such views.

The material found in his possession indicates that he was an important member of the Labour-Progressive Party doing "research" for its leaders. One document reads:—

Draft Outline for Research in Province of Ontario; the following outline is intended as a starting point in the preparation of factual materials, statistics, summaries and memoranda of particular value to the Labor-Progressive Party M.P.P.s. Messrs. Salsberg and MacLeod. . . . This is a task of great political importance to our Party; it is necessary for our researchers to analyze reports and statistics in such a way as to bring out all the political and social implications. . . . Salsberg and MacLeod will, of course, discuss with our researchers from time to time, the special angles that might be pursued on particular subjects.

As to this Adams said:—

- Q. We will mark as Exhibit 247-A a document entitled, *A draft outline for research in province of Ontario*. What was your purpose in preparing this in here?
- A. I did not prepare it.
- Q. Who did prepare it?
- A. I don't know.
- Q. Who put it in your book, Mr. Adams?
- A. I put it in my book.
- Q. Why did you put it in your book? What was your interest in that?
- A. I don't recall now.
- Q. Do you know Salsberg and MacLeod?
- A. No.
- Q. You have no idea who they are?
- A. Yes, I have an idea who they are.
- Q. All right: tell us who they are?
- A. They are Labour-Progressive members of Parliament in the Ontario Legislature, I think.
- Q. They are members of the Communist Party?
- A. I don't know that.

Q. You have no idea?

A. I do; I have heard that they are members of the Labour-Progressive Party.

Q. I am afraid you will have to continue your reading. That is the best answer you can give on that question, is it?

A. Yes.

Q. It never came to your knowledge that Salsberg and MacLeod were Communists?

A. I don't think I ever heard of them before the Labour-Progressive Party came into existence.

Q. I did not hear that answer.

A. I say I don't think I had ever heard of them before the Labour-Progressive Party came into existence, so what they were before, I don't know.

Q. The document says, in the second paragraph:

In order of their importance, these subjects should be assigned to qualified individuals and groups who should immediately pursue the subject to a conclusion having in mind the possibility of a provincial government session being called before the end of the year.

You have no idea why that document was sent to you?

A. No.

Issues of such newspapers and periodicals as *The Clarion*, the *Mid-West Clarion*, *The Worker*, *The Canadian Tribune* and *National Affairs Monthly* were also included in Adams' library.

A Statesman with every means of observation wrote in 1937:—

A Communist is not only the holder of certain opinions; he is the pledged adept of a well-thought-out means of enforcing them. The anatomy of discontent and revolution has been studied in every phase and aspect, and a veritable drill book prepared in a scientific spirit for subverting all existing institutions. The method of enforcement is as much a part of the Communist faith as the doctrine itself. At first the time-honoured principles of Liberalism and Democracy are invoked to shelter the infant organism. Free speech, the right of public meeting, every form of lawful political agitation and constitutional right are paraded and asserted. Alliance is sought with every popular movement towards the left.

(Winston Churchill, "Great Contemporaries")

It is not surprising to find that Adams, as a well-trained Communist, had in his home a file headed *Civil Liberties*. This contained such material as the following:—

- (1) *Notes on the findings of the Dies Committee on Un-American Activities relating to the Communist Party*;
- (2) *Speakers' Notes No. 2 Issued by Education Department National Committee C.P., U.S.A.*, entitled *The Un-American Dies Committee*;
- (3) *The Trial of the Toronto Communists*, by F. R. Scott;
- (4) *Freedom of Speech*, by Carl Becker in an issue of *The Nation* of January, 1934;
- (5) *Armaments and Peace*, by Earl Browder

as well as other material. Adams was interested in civil liberties, but solely from the Communist point of view.

Among the books also in his possession were:—

- (1) *Manifesto of the Communist Party* by Marx and Engels.
- (2) *State and Revolution* by Lenin.
- (3) *On the Road to Insurrection* by Lenin.
- (4) *What is to be Done* by Lenin.
- (5) *The Teachings of Karl Marx* by Lenin.

A number of passages are marked in pencil. A typical one reads:—

But the duty of a truly revolutionary party is not to proclaim an impossible renunciation of every sort of compromise, but to know throughout all compromises, in so far as such are inevitable, how to remain faithful to its principles, to its class, to its revolutionary goal; to its duty of preparing for the revolution and of educating the mass whom it must lead to victory.

(Nikolai Lenin: *On the Road to Insurrection*, published by The Communist Party of Great Britain, p. 12.)

The officers who conducted the search of Adams' residence reported that there were a great many other works of the same character.

In spite of all this Adams gave the following evidence:—

- Q. Who published this *National Affairs*, Mr. Adams?
- A. I think it is the Labour-Progressive Party.
- Q. Again, what difference do you make between the Labour-Progressive Party and the Communist Party of Canada?
- A. I understand that one does not exist at the present time, the Communist Party.

Q. Is that the only difference you make?

A. I do not know enough about it.

Q. Then in volume 6 of this exhibit, at page 194—do you know Jacques Duclos?

A. No.

Q. This is what he says:

Comrade Duclos concluded that the dissolution of the Communist Party of the United States reflected Comrade Browder's erroneous estimation of the post-war perspective. We did not follow the American example; on the contrary, the Communist Party being outlawed by the King Government, we established the Labour-Progressive Party.

Does that help you in any way?

A. No, that is one man's statement. I do not have any opinion on it.

Q. This *National Affairs* is being published by the National Committee of the Labour-Progressive Party and in this issue you have an article by Fred Rose, whom you know, and you have also another one by Tim Buck, both of them being definitely Communists to your knowledge; are they?

A. No, they are not Communists to my knowledge now.

Q. That is the answer you care to give on that?

A. I think it is the answer to your question.

Q. Would the possible overthrow of an existing government be included in your definition of economics?

A. No, I do not think it would.

Q. That took a little consideration on your part, I notice.

A. Most questions here do.

We think that Willsher was unquestionably right in her estimate of Adams as "an ardent Communist". We think also, on the evidence, that as such he was ready material for Col. Zabotin's purposes.

It is very significant that Adams was in February, 1946, apparently on the alert for possible trouble and had a private code of his own arranged with his wife, by which, when he was away from home (and he was away frequently in the course of his work) she could give him warning of it. It

was shown in evidence that the day on which, under Order-in-Council P.C. 6444, his house in Montreal was searched and on which he himself was detained at Prince Albert, Saskatchewan, he there received at telegram from his wife reading:—

Helen's baby dying. Will send you further word.

Sally.

Adams admitted that there never was any such person as "Helen" or "Helen's baby". While Adams' wife was the sender of the telegram her name is Josepha. At first she denied authorship but later admitted it. This incident adds some significance to the message to Willsher which took her to Montreal in September, 1945, because Adams was "going away". He would appear to have postponed that event while still cherishing the intention. Needless to say we do not believe his explanation of the telegram:—

Q. Would you care to explain that telegram?

A. Sure. Ever since I have started travelling, which is a good many years ago, my wife and I have had an arrangement whereby if she is ever in trouble and wants me to come home and does not want to talk about the whole thing in a telegram, she simply sends me a telegram that Helen's baby is sick.

We are satisfied on the evidence that Adams was an important unit in Zabolin's organization. If, as Col. Zabolin states in his notes, and there is no reason for not accepting the statement fully, Adams "gave materials daily" and was "a good worker", the amount of information given by him to the Russians must have been very great. The items on Zabolin's mailing list of January 5, 1945, which according to Gouzenko's evidence covers only one of several batches of mail despatched to Moscow by Col. Zabolin during that month, are an indication.

We are satisfied on the evidence that Adams was an important unit in Zabolin's organization.

Accordingly, being required by the terms of Order in Council P.C. 411 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", we are of opinion that Adams did communicate such information. So far as disclosed by the evidence, the surrounding facts and circumstances are discussed above.

SECTION III. 6

KATHLEEN MARY WILLSSHER, Ottawa

Miss Willsher was an employee of the Office of the High Commissioner for the United Kingdom at Ottawa. She came to Canada in 1930 at the age of twenty-five as a stenographer. In due course she was promoted and in 1944 she became assistant registrar, having been in the registry division of the office since 1939. She is a graduate of the London School of Economics and speaks French, German and some Russian. Her duties as assistant registrar involved the entering or registration of incoming and outgoing letters and telegrams, by reason of which she had access, with a very few exceptions, to all files containing documents of a highly secret nature.

On June 17, 1939, she signed the following document.

CERTIFICATE

I have read the Official Secrets Act of the United Kingdom 1911 and 1920 (1 & 2 Geo. 5 C.28 and 10 & 11 Geo. 5 C.75) and have taken note of the penalties provided in respect of their infringement.

**(sgd) Kathleen M. Willsher,
17 June, 1939.**

By Order in Council P.C. 1860 dated the 17th March 1941 *The Official Secrets Act 1939* (Canada) was made to apply to employees, in Canada, of the Government of the United Kingdom.

On Zabotin's mailing list of January 5, 1945, there are two items, Nos. 109 and 110 being "copy" and "abbreviated copy", respectively, of letters from the Canadian Ambassador at Moscow, Mr. Dana Wilgress, to the Canadian Prime Minister of November 3, and October 11, 1944. The mailing list describes each as "Secr." and credits "Ellie" as the person furnishing the material. Gouzenko testified that "Ellie was the cover name for Kathleen Willsher at the Russian Embassy, and that she was one of Zabotin's agents. Gouzenko said that there was at the Embassy a file on Willsher prepared by one of the "door-guards" at the Embassy, one Lieut. Technical Gouseev. This file was kept in the safe in the room where Gouzenko worked and contained a biography and other information with regard to her. Gouzenko also brought with him the following cable from "The Director" in Moscow to Zabotin, dated August 24, 1945:

12200
24.8.45

To Grant

Reference No. 248.

1. In telegram No. 8267 of June 20th you were given instructions on the inadmissibility of disclosing our agency network to the Ambassador.

The handing over to the ambassador by you of the Wilgress report of 3.11.44 concerning financial credits to ensure trade between the USSR and Great Britain after the war, in the very form in which it was received, has uncovered the existence of our source on the object of ELLI.

Furthermore, the translator of the embassy got acquainted with the document inasmuch as the document was in the local language.

2. With regard to urgent political and economic questions affecting the mutual relations of Canada and Great Britain with the USSR, you must keep the Embassy informed, but indicating only that the source is authentic, without revealing to him either source itself or the places from which the information was obtained.
3. The information should be handed over after it has been already prepared to this effect, deleting all passages which might disclose the secret source.
4. All questions on which you are informing the ambassador you are under obligation to bring to my attention in the comments to your informational reports.

Director
21.8

Grant
25.8.45.

From this telegram it appears that Zabolin had given Zaroubin, the Ambassador in Ottawa, item 109 above referred to, and that the latter had had it translated into Russian by one of the staff of the Embassy not on Zabolin's own staff. This was contrary to Moscow's policy of keeping its espionage, diplomatic, commercial, and secret police, activities secret, the one from the other. This is the "inadmissibility" of the act on the part of Zabolin.

The way in which Willsher entered upon her espionage activities is interesting. She was a member of the Communist or Labour-Progressive Party of Canada and had been for a long time. In 1942 she met Agatha Chapman who invited her to join a "study group" for the purpose of studying Marxist literature. She did so and in this group found, in addition to Chapman, Eric Adams, Benning and one Luxton, an employee, since deceased, of one of the Departments of Government. This group with some others who were also in the Civil Service met at various homes at intervals of three weeks until Adams left for Montreal at the end of 1944. Willsher said that the qualification for inclusion in this study group was interest in Communistic writings and teachings. Her own interest goes back some ten years. She joined the Labour Progressive Party in 1936. It was then the Communist Party of Canada. She paid a monthly due to the party through a study group similar to the one she joined in 1942. The earlier group lasted from 1934 to 1939.

In 1935 Willsher met Fred Rose at the study group she was then attending. As to Rose she testified:

- Q. Is he the first one who suggested you could contribute to the promotion of the Soviet Government by giving him in general terms information of value which passed through your hands in the office, the High Commissioner's office?
- A. He didn't say "Soviet Government". He said the Canadian party, the Canadian Communist Party.
- Q. Just what did he say to you?
- A. That the Party would be very glad to have some information sometimes in order that their policy—to affect public opinion—the sort of facts they could have. That is all I know.
- Q. Do I understand you, Miss Willsher, to say that Mr. Rose in 1935 suggested to you that you should furnish, from your sources of information in the High Commissioner's Office, information to him?
- A. He just said any general ideas I might have about things. Nothing ever suggested about giving him data. He said it would be of value to the Party in formulating its program.
- Q. That is not what I understood you to say a few moments ago. Just tell us, please, what Mr. Rose did suggest to you?
- A. That I could give him some general ideas of what was going on.
- Q. What do you mean by "general ideas of what was going on"?
- A. They were pursuing a policy of a united front.

- Q. Who were?
- A. The Communist Party was—and that facts pointing towards that, it would help to know if there was likely to be one or not.
- Q. What facts, now?
- A. I don't know.
- Q. You understood Mr. Rose at the time?
- A. He didn't ask for anything specific.
- Q. I didn't ask you that. You understood him at the time, didn't you?
- A. Yes, any general information.
- Q. Just a moment, and just answer my questions. You understood Mr. Rose at the time; is that so?
- A. I understood him at the time.
- Q. You understood what he said to you at the time?
- A. Yes. That is what he said.
- Q. And you were quite clear on what he said to you at the time?
- A. Yes.
- Q. That was 1935?
- A. Yes.
- Q. Do you want us to understand that Mr. Rose was asking you for original ideas, or information that you might obtain?
- A. Well, a general view of the information; not specific details at all.
- Q. That is information to which you would have access at your employment?
- A. Yes.
- Q. So then, to be quite clear about it, you understood Mr. Rose quite clearly at the time to suggest to you that he or his Party would be glad to have from you information which you might obtain from the High Commissioner's Office in the course of your employment?
- A. Yes.
-
- Q. And did Mr. Rose attend only one of these meetings, or did he go frequently?
- A. I have seen him more than once, but he was not a regular member.
- Q. He went to these meetings where you were?
- A. Sometimes; occasionally, but he did not live in Ottawa, that I was aware of.
- Q. But he came to Ottawa occasionally?
- A. Yes.

- A. And he knew these meetings were going on?
- A. I suppose so.
- Q. And he knew what date and at what place?
- A. Yes, but not through me. I don't know how he got there at all. He just was there.
- Q. Miss Willsher, you recognized, I suppose, when Mr. Rose made that suggestion to you, that he was suggesting an improper thing for you to do?
- A. Well, I did, but I felt that I should contrive to contribute something towards the helping of this policy, because I was very interested in it. I found it very difficult, and yet I felt I should try to help.
- Q. Then you appreciated that from the standpoint of your relationship to your employer it was an improper suggestion. That is right?
- A. Yes. I also felt that I had something I should contribute.
- Q. Would it be right to put it this way; that you felt that there was a higher law, owing to your, let us say, political convictions?
- A. Yes. It was a struggle; it always is a struggle.
- Q. You cannot serve two masters without a struggle; but what I want to put to you, Miss Willsher, is this. You said this group where this suggestion was first made to you was a broad group. If you recognized Mr. Rose's suggestion as an improper suggestion, and this was a broad group, Mr. Rose would not be making his suggestion to you in a loud voice so that all the members of this broad group could hear?
- A. No. As I say, it would be addressed to me. It would not be addressed to anyone else.
- Q. Did you give your answer immediately to Mr. Rose, when he made that request to you?
- A. No; I gave it some consideration.
- Q. And when did you give him your answer?
- A. I couldn't exactly say.
- Q. How long after, about? At the next meeting?
- A. That I don't know. It would not be a great deal of time; perhaps a month.
- Q. And you gave him an affirmative answer. You accepted?
- A. Yes. I found it very difficult, and yet I felt that I was trying to—

- Q. And from then on you conveyed to him whatever information you thought he wanted to obtain from the Department in which you were employed?
- A. Yes. There was not a great deal, as a matter of fact.
- Q. How would you convey that information to him?
- A. Just telling him.
- Q. Where?
- A. At this house, and I don't know where else I saw him.
- Q. At his house?
- A. No, at this house; Mrs. _____'s house.
- Q. That is Mrs. _____?
- A. Yes. I don't know where else, particularly, unless it might have been at Miss _____'s apartment. He went there sometimes.
- Q. Did you arrange to meet him regularly?
- A. No; just occasionally I saw him. There was not any regular arrangement. I suppose I was invited to a place and he would be there, but it wasn't very often. There was a great deal of time in between. It didn't seem that I was of very great importance.
- Q. Were you going to places where you would meet Mr. Rose periodically, or would expect to meet him periodically?
- A. No. I mean he must have known when he wanted to meet me, and I suppose it was arranged, but I was not aware of any regularity or any setting of a future date. There was nothing like that at all.
- Q. But you did in fact meet him from time to time?
- A. A few times. It wasn't very many times.
- Q. For how long?
- A. I suppose till about sometime in 1939, after which I haven't seen him since.
- Q. You have not seen him since 1939?
- A. No, not myself.
- Q. And how often—?
- A. As I say, it was periodical; not very often, that I saw him in that time.
- Q. That would be in something over three years?
- A. It would be three years.
- Q. And how often would you see him in that period of time?
- A. It might be six months. It certainly was not very often.
- Q. Would he require any type of information?
- A. No.

- Q. He left it to you to decide what was the information that you could give?
- A. When I saw him he might ask me a question or two. He would not ask me to prepare stuff or anything like that.
- Q. What kind of question would he ask you?
- A. That is what I can't remember now. Things about the united front, the way events were going, I suppose; the attitude towards the Spanish war.
- Q. Whose attitude?
- A. Well, it would be the attitude of the British, I suppose.
- Q. Of the British Government?
- A. Yes.
- Q. And how would you have that information?
- A. Well, there might be some reference to it somewhere, and there might not be anything. I mean, it might be mentioned in some despatch; something might be mentioned.
- Q. What else do you remember that he asked you about? What other information?
- A. I do not remember all this time—I only know it was along the particular lines.
- Q. About what?
- A. I do not remember any details along certain lines.
- Q. Can you tell us whatever information, generally speaking, he wanted you to gather?
- A. Well, the attitude towards Germany and Italy in view of the crisis that was developing.
-
- Q. This information that you were able to give him, how did you get that, from things that you copied in the course of your work, or typed?
- A. Things I am bound to read through in the course of work. They are not things—there was no record—just things I happened to remember.
- Q. What I am asking you, Miss Willsher, is what things?
- A. If it is—
- Q. Do not let us both speak at once. You would be typing telegrams and letters at that time?
- A. Yes.

Q. And would it be things arising out of the documents that you actually typed, such as telegrams and letters?

A. Probably would be.

Q. That would be one thing?

A. Yes.

Q. Anything else?

A. No, there was not any other source.

Q. What about the files that were in your office?

A. I was not doing the files.

Q. Were you reading the files, the things that were in the files?

A. Only the files with the letters, not general.

Q. Were you reading the letter files?

A. I might have a file if I was doing a letter on that file.

Q. Would you read that file?

A. Not necessarily; I might.

Q. Sometimes you might?

A. Sometimes I might.

Q. For the purpose of seeing if there was anything there you could pass on to Mr. Rose?

A. I had that in view.

Q. You had that in view?

A. Yes.

Q. And you would make notes?

A. No.

Q. You just charged your mind with it?

A. Charged my mind.

Q. And you reported to him orally?

A. Yes.

Q. On all occasions?

A. Yes.

There came a time there was a change in the channel by which information from Willsher was communicated to the Russians. Adams became substituted for Rose. Willsher testified:

Q. Who else asked you to get information from the same source for the benefit of the Party or the Soviet Union?

A. Mr. Adams.

Q. When did he ask you? That is the same person whom you have already identified?

A. Yes.

- Q. When did you conclude giving Mr. Rose any information?
A. During 1939.
- Q. Why did you stop?
A. Because I did not see him any more. The war came and I did not see anybody. I do not know of any time when he said, "This is the last time I will see you", or anything. It just sort of faded out.
- Q. Those meetings stopped also in 1939?
A. Yes.
- Q. Did you not say it was in 1942 that you received a similar request from Mr. Adams?
A. I think it is 1942; it may be 1943.
- Q. When was the first meeting you had with Adams?
A. I do not know whether it was the first or second; I was not aware there was ever a specific point made that he had to meet me.
- Q. For how long did you continue to give information to Adams?
A. Until about last September, the last time I saw him.
- Q. From 1942 to last—
A. 1945.
- Q. September of 1945?
A. Yes.
- Q. What happened then?
A. I do not know, I just have not seen him since that, that is all.
-
- Q. While in Ottawa how would you convey information to him?
A. I might see him at the study group.
- Q. That is where you would give it to him?
A. Before or after the meeting.
- Q. And then—
A. I did not see him very often.
- Q. Did you ever have occasion to drive with him?
A. No, not until he had gone to Montreal.
- Q. That is when he had gone?
A. Because he drove to Ottawa and had his car.
- Q. So while he was in Ottawa you would convey information at these meetings?
A. Yes.
- Q. Did you ever telephone to him?
A. No.

- Q. Why?
- A. I did not telephone him; I have never been asked to telephone to him; I do not take the initiative.
- Q. Why?
- A. I do not know; I never have taken the initiative.
- Q. Why would not you take the initiative?
- A. Unless I was asked, I did not go out and direct the thing. If he wanted something he could ask, but I did not know or say anything.
- Q. Where did he ask?
- A. As I say, at the meetings.
- Q. And any information he was asking for you would try to obtain that in the course of your employment?
- A. Yes, but he generally just asked me a question or two and I answered them then. I did not have to go and do anything about it. It was just anything I happened to remember.
- Q. You were in a better position, so far as access to information was concerned, at that time than you were in 1939?
- A. Yes, I suppose so.
- Q. Well, you were?
- A. Yes.
- Q. All incoming and outgoing documents, except the ones that might be kept by a particular officer, passed through your hands or were available to you?
- A. Yes.
- Q. Will you tell us what Adams said the first time he asked you to give confidential information; how did he ask you?
- A. Well, he said that they wanted—I was given to believe that the policy of the Party was that they wanted the war to be—the Soviet Union was in the war and they wanted—
- Q. They wanted what?
- A. The war to go ahead and for there to be a second front and did I know anything about that sort of thing because they said that the policy in Canada—there might be a change in public opinion—that we must make the war effort go ahead and—
- Q. In what way did he ask you that?
- A. Well, for any sort of—

- Q. That is not an ordinary question to ask a person. You explained the occasion when Rose was asking for information, that you had to go through certain difficulties before you made up your mind?
- A. Yes.
- Q. Did you have the same difficulties when the request came from Adams?
- A. Yes.
- Q. Why?
- A. Because it always is difficult for me yet I feel it is expected of me I should do something. It is not easy to explain.
- Q. Well, I would like to understand it a little more clearly. Do you mean, Miss Willsher, that by becoming a member of the Communist Party you are expected to do what you are asked to do regardless of any obligation you may have in any other direction; is that what you mean?
- A. That is the sort of thing, yes.
- A. And what Mr. Adams asked you in 1942, whatever it was, it was that he wanted you to supply him with information you could get from your office of employment?
- A. Which I felt was relevant to any question he might ask regarding the war effort. That was, as I say, the interest of the Party at that time; it was to—
- Q. To get it in as simple language as possible, the interest of the Party at that time was whatever would be in the interests of the Soviet Union, was it not?
- A. Well, to make plain the unity of the allies.
- Q. I want you to answer my question. I am asking you as to whether what was in the interest of the Party was whatever would be in the interest of the Soviet Union. Is that a fair way of putting it?
- A. Well, I suppose they would want them to have the same interests at that time.
- Q. That is the way you understood it, in any event?
- A. Yes.
- Q. What Mr. Adams asked you to obtain from the office of your employers would be information you thought would be of interest to the Soviet Union?
- A. He did not put it like that. He said the Party policy is to do this, and they would like information, but he never mentioned the Soviet Union.

- Q. I see.
- A. It was always as a member of the Party, it was the Party's policy to support the maintenance of allied unity which included the Soviet Union.
- Q. And therefore he was not satisfied to leave the support of the allies to the allies themselves, he wanted you to get some special information from your office? That is right? He was asking you to get information from your office?
- A. We were allies.
- Q. Mr. Adams was asking you to try to get information from your office of employment?
- A. Yes.
- Q. To give to him?
- A. Yes.
- Q. And do I understand that the information you would get from your office would be such information as you thought would be of interest or of value to the Soviet Union?
- A. I did not think of the Soviet Union; I thought of the Canadian Party.
- Q. You thought of the Canadian Communist Party?
- A. The Party's policy.
- Q. What plan or what idea did you have in mind in selecting this information or that information to pass on to Mr. Adams?
- A. He asked questions. That was the basis on which he asked me.
- Q. I am asking you. How would you determine in your mind what information was of interest to the Party? I am asking you, would it be information which you thought would be of interest to the Soviet Union?
- A. No, I did not think of it in that way.
- Q. How did you cull out the information, on what principle did you work?
- A. I did not think about it a great deal. If he asked me a question, I tried to answer it.
- Q. If he asked you a question, if he said to you, "I want you to get this particular information," you would try to get it, of course?
- A. Yes.
- Q. That would be easy; you would know what you were looking for?
- A. Yes.

- Q. Well, did it always arise in that way, that Mr. Adams asked you to get particular information?
- A. Yes, usually; yes, it was particular, not in the sense of detail, but a particular subject, I suppose—
- Q. For instance, if somebody was visiting in this country, he might ask you to get what information you could on that subject?
- A. Yes. I cannot think of any case where that happened, though. It always seemed to me quite logical the things he asked.
- Q. What I am trying to understand for my own part is what things he did ask. I am asking you if he asked you to get information on particular subjects?
- A. There was the financial angle.
- Q. That was one particular subject that he asked you to get information about?
- A. Yes.
- Q. I suppose there were other particular subjects were there?
- A. Yes, he asked if I thought—he asked once or twice if I thought the second front would start some time, if I thought all our efforts were being made and it was likely to come soon. That was in a general way. Actually when it did come he had not asked me for some time.
- Q. Not what you thought, but what information you could obtain in the Commissioner's Office?
- A. Yes.
- Q. In addition to these particular subject matters did you have a sort of roving commission to get any information that you thought might interest Mr. Adams?
- A. No, not particularly.
- Q. You never obtained any information except what Mr. Adams specifically asked you for?
- A. Yes.
- Q. It was always that he gave you—
- A. Along the lines.
- Q. Just a minute. He gave you jobs to do, did he?
- A. More or less, yes.
- Q. Suppose for instance, that Mr. Adams asked you for information on a particular subject. Would you just try to look up the documents in your office on that subject and pass on the information to Mr. Adams? Is that the way it worked?

- A. He would ask me and usually it was answered at the time. I do not think there was any looking through a particular file; it was just anything I might be aware of in answering the questions he put.
- Q. In any event you gave him such information from time to time.
- A. Yes.
- Q. May I suggest that, for instance, he asked you for information regarding the friendship between the United States of America and the United Kingdom.
- A. Yes.
- Q. That was discussed?
- A. Yes.
- Q. He asked you to supply information in that regard?
- A. Yes, and I did not know—
- Q. What?
- A. I did not get any.
- Q. You tried to supply some?
- A. I think of various things but I can think of no information on that line. Very often I had no answer because I did not know.
- Q. Did he question you on the office organization, the staff and the various functions of the people working in the High Commissioner's Office?
- A. Yes, in a general sense. It was how big it was and the sort of subjects it would deal with, and I gathered he was getting information of that sort on embassies and consulates. I do not know why, but I think—
- Q. You can guess, perhaps?
- A. Not particularly. I was never told why things were—
- Q. You said that he was trying to obtain data about the various embassies?
- A. I am merely making that statement myself; I did not know.
- Q. You had that impression from the various questions he asked you?
- A. I would think that we would not be of any more interest than some of the other offices. I could not make that statement of fact because I did not know.
- Q. I want to have that answered; did he—
- A. He asked me for information about our functions and our size, and that is really all I know on that subject.

Q. To your knowledge was he trying to obtain information in regard to the organization of the staff and their functions in connection with other legations in Ottawa?

A. I cannot say.

Q. What?

A. I cannot say because I do not know.

Q. He limited it to information regarding the High Commissioner's Office? How would that affect the Canadian Communist Party?

A. I thought he would want to know, perhaps.

Q. Why?

A. I do not know why. I did not think very much about "Why". I had no thought it was not just what it appeared. I mean, I had not had any, not having been told anything.

Q. You remember speaking about the various subjects on which information was given by you to Adams. You remember a visit by Lord Keynes in Ottawa at the end of the year 1944?

A. It has been brought to my attention.

Q. There was some information required from you by Adams on that particular subject?

A. He wanted to know if the proposals, I think, had gone forward to the parties, but on the details he was in position to see himself, I think, because he did finance work.

Q. Where, in his office in the Bank of Canada?

A. I suppose so.

Q. I suppose he was getting information at both ends, at the Bank of Canada as far as the Canadian Government was concerned and from the High Commissioner's Office as far as England was concerned?

A. He would see those proposals because they would be put to the Government of Canada.

Q. Cannot you just tell us what you did, what you arranged with Adams?

A. He asked, I think, if the proposals had come and if they were going forward and there may have been a general idea of what they were, but I do not believe now that they were.

Q. What did you say when you got that request?

A. I think they had come; I said they had come.

- Q. I asked you what you did?
A. I just thought of what I could remember because he asked me.
- Q. Remember from what?
A. From any document I had seen.
- Q. And you had seen some documents?
A. I think so, yes.
- Q. There is a file on that subject matter in the High Commissioner's Office?
A. Yes.
- Q. And you had read the file?
A. Yes.
- Q. For the purpose of informing Mr. Adams?
A. No, but when he asked me I naturally knew something about it.
- Q. Why did you read the file?
A. Because I would read all the files.
- Q. Why?
A. Because we are supposed to know what we are filing.
- Q. But you do not have to read all the contents of a paper in order to file it and put a number on it?
A. We do have to read quite a lot of it; we are expected to more or less.
- Q. But you paid particular attention to that file, did you?
A. Not particular because I could not give any details.
- Q. I am asking you in view of Mr. Adams' request you paid particular attention to that file?
A. I do not remember particularly, but I know he did ask about it.
- Q. I did not ask you that at all. Mr. Adams asked you about that particular matter, did he?
A. Yes.
- Q. And you knew there was a file in your office on that matter?
A. Yes.
- Q. I am asking you if you went and read that file, and I understood you to say a little earlier that you had read it?
A. Yes.
- Q. Then I asked you if you paid particular attention to it in view of Mr. Adams' request?
A. I do not remember, or whether I knew enough at the time to just tell him.

- Q. Are you suggesting to us that when you got that request from Mr. Adams it was purely a casual matter and you just passed on what you happened to remember?
- A. That is what I usually did.
- Q. You remember this occasion I am speaking about?
- A. Not very well, no.
- Q. Were you passing on information from your files to Mr. Adams with such regularity and with such a matter of course that you do not remember it particularly?
- A. Oh, no, but I just do not remember particularly what he asked me after each time. I did not store it up and remember. If he asked me I generally answered it and it was finished.
- Q. You do remember it now?
- A. I do remember it.
- Q. What Mr. Adams asked you with regard to that particular matter, you remember that?
- A. I think so, because he did ask about finance.
- Q. And you read the file on that matter, either before he asked you or after he asked you?
- A. Yes.
- Q. And you told him all that you could remember about the contents of that file?
- A. Yes, but that could not have been very much.
- Q. I just want to know whether you told Mr. Adams all that you could remember about the contents of that file; did you?
- A. I suppose so, yes.
- Q. You know whether you did or not. Why do you need to suppose? Did you?
- A. Yes.
-
- Q. Mr. Adams was a member of the Party?
- A. Was what?
- Q. He was a member of the Party?
- A. I suppose so.
- Q. He attended those meetings?
- A. Yes.
- Q. So he was a member of the Party?
- A. Yes.

- Q. And he had asked you to give him information?
A. Yes.
Q. So you know perfectly well he would deliver that to the Party, everything you told him?
A. Yes, I suppose he would.
Q. All the information you gave him. You knew that it was for the benefit of the Communist Party here and the Soviet Union?
A. I did not think of the interest of the Communist Party.
Q. That was the object, whatever you could do to help the Party. You told us that this afternoon.
A. We did not—
Q. You told us when you were giving your evidence this afternoon that you had been asked to give information for the benefit of your Party and that you had hesitated before you decided to do it, so you surely know what the purpose was?
A. I only gave that to Mr. Adams, I did not give it to anybody else.
Q. You knew perfectly well what was the purpose of Mr. Adams asking you those questions?
A. Yes.
Q. You knew also what was the purpose of Mr. Rose asking you these questions?
A. Yes.

After Adams left for Montreal at the end of 1944, meetings between him and Willsher were continued on street corners in Ottawa. These were arranged by Adams through the medium of Agatha Chapman. Willsher's evidence is:

- Q. How did you meet him thereafter?
A. He came to Ottawa sometimes.
Q. How often?
A. About three or four times, as far as I can remember.
Q. Four or five times?
A. No, I think three or four. I don't remember.
Q. And how would you get in touch with him then?
A. Miss Chapman told me that he was coming.
Q. Every time?
A. Yes.
Q. She would phone you?
A. Yes, or if I happened to see her anywhere.

- Q. Or if you would meet her?
- A. Yes.
- Q. Tell us exactly what procedure was followed?
- A. She would telephone, or tell me if she happened to see me somewhere.
- Q. Miss Chapman would telephone you and tell you she had to see you somewhere?
- A. No. She might telephone me and tell me that he was coming, or she might meet me somewhere in the normal course of events and tell me.
- Q. That Adams was coming?
- A. Yes.
- Q. And then?
- A. I would arrange to meet him.
- Q. How would you arrange to meet him?
- A. He usually was driving, and he would just pick me up.
- Q. That is the way the meeting would take place, but how did you arrange to meet him; through whom? How would you contact him?
- A. I didn't contact him; Miss Chapman just told me he was coming, and she apparently did the contacting.
- Q. She told you he would be in his car at a certain place at a certain time?
- A. Yes.
- Q. And you were to be there?
- A. Yes.
- Q. And what time of the day would these meetings take place?
- A. After work. I think the early evening, as far as I can remember.
- Q. And where would they take place? Any corner? Any place on the street?
- A. I remember at the corner of Lisgar and Bank, at the street car stop. I don't remember any other place, just there or somewhere like that.
- Q. And any time you were notified that he would be at any particular place, you would meet him?
- A. I would try to; yes.
- Q. You did, as a matter of fact?
- A. Yes.

- Q. Any time?
- A. Yes, any time.
- Q. And what would take place from then on?
- A. Just go for a short drive and talk.
- Q. You would board the car with him and go for a short drive?
- A. Yes.
- Q. And what would take place then?
- A. I would just talk to him, or he would ask me questions.
- Q. And you would convey the information he was asking for?
- A. Yes.
- Q. And would he drive you home afterwards, or leave you on the street?
- A. Just drop me wherever we happened to be.
- Q. When the conversation was over?
- A. Yes.
- Q. And when the information was transmitted to him?
- A. Yes.
- Q. And how long would that last?
- A. Ten minutes or a quarter of an hour.
- Q. Why would you not meet him at your place?
- A. Well, he didn't suggest it. He said he had the car, he would meet me at a certain place.
- Q. Why did you not meet him at Miss Chapman's place?
- A. If he suggested it, I would. I had met him at her place when he was in Ottawa.
- Q. What reason could you give us why you would have to meet him in that extraordinary way?
- A. I don't know.
- Q. You have no idea?
- A. No.
- Q. What was Miss Chapman's address?
- A. Somerset West, 392, I think.
- Q. And what was your address?
- A. 225 Kent Street.
- Q. You had met Adams before, at Miss Chapman's?
- A. Yes, because the groups were held there sometimes.

Q. Then why didn't you meet him there?

A. Well, maybe I did meet him there once. I don't remember whether it is since he went to Montreal. As far as I remember it was not. There didn't seem to be any particular reason.

Q. Why did not Adams make his own arrangements to meet you on the street corner?

A. I don't know. He didn't.

In September 1945 Willsher was advised by Miss Chapman that Adams wished the former to meet him in Montreal. Willsher testified:

Q. Were you requested to meet him in Montreal at all?

A. Yes, last September.

Q. In September of—?

A. 1945.

Q. How did you know that you were requested to go there?

A. Miss Chapman told me.

Q. What did she tell you?

A. She said he would like to see me during September, towards the end of September.

Q. For what purpose?

A. Just to ask me a few things, I suppose. She said he was going away, so would I try to see him before the end of September.

Q. She said he was going away?

A. Yes.

Q. Where?

A. She didn't say where. She said he wouldn't be in Montreal. I suppose that's it; it would be somewhere distant from here.

Q. And he wanted to see you in Montreal?

A. Yes.

Q. So did you proceed to Montreal?

A. Yes, I went down in September.

Q. My information is that you went there by car?

A. Yes.

Q. What date would that be?

A. I said the second or third week, but I am wondering—I said the third or fourth week, and I am wondering if it was the second; but that can be checked, because my friend drove me down to Montreal and she would remember.

The witness proceeded by car as far as Dorval and then by train.

Q. And you took a train to Montreal, and Adams met you at the Windsor station?

A. Yes.

Q. And drove you to his apartment?

A. Yes.

Q. What took place at the apartment?

A. When I got there I said he seemed to be surprised at me coming, and I said I had been told he was going away and that I should try to come down in September. He said, "Oh, but I'm not going away. There must have been some mistake." He said, "I did go for a short trip west."

Q. Did he say where?

A. No, just west.

Q. And then?

A. And it seemed rather strange. I felt there was something unusual, and it seemed that my visit was purposeless, because he was not going away; there was not any urgency of any kind. So then he took me to dinner, and I met the family and his wife, and most of the time was spent there, and we went back to the station at half past seven.

Q. You were surprised?

A. Well, it had seemed that it was urgent I should go.

Q. You were being asked to go to Montreal to meet him, and you expected the interview would be of some importance and some urgency?

A. Yes, or that he would say, "I am going away for a long time", and there was nothing like that.

Q. He would not call you just to tell you he was going away for a long time. You suspected that possibly he would arrange for some other contact for you to make.

A. I suppose that might be so.

Q. Do you suppose, or is that not the fact?

A. I should think so.

Q. You *did* think so, didn't you?

A. Yes.

Q. So there was nothing, no information asked or given and no instructions given of any kind?

A. No.

Q. And as you have stated, this trip to Montreal became absolutely without any result? There was no result?

A. Yes, no result.

Q. To your surprise?

A. Yes.

We suspect that Adams did intend to go on a "trip" at the time Chapman was instructed to tell Willsher to go to Montreal. Gouzenko had then left the Embassy. Before Willsher got to Montreal something caused a change in the plan. Courage may have revived.

Q. How did you come back from Montreal to Ottawa?

A. By train.

Q. Who paid the expenses for it?

A. That involves this matter of the \$25 that I mentioned in my statement. During the summer, I think it was the last time I saw him—

Q. We will finish that question first of all. Who paid for your trip back to Ottawa?

A. I paid it out of the \$25.

Q. Which was given to you by whom?

A. Adams.

Q. When?

A. During the summer.

Q. Where?

A. At Ottawa.

Q. Was that during one of these meetings in the car?

A. Yes.

Q. And for what purpose did he give the money to you then?

A. He said, "If you have to go to Montreal you can pay part of your expenses."

Q. And you accepted the money?

A. Yes. I didn't think twice about it. I should have thought twice about it, but I didn't.

Q. And how much of that money did you use?

A. A single fare from Montreal to Ottawa.

Q. Which amounts to about what?

A. I think it is \$4.25.

Q. What did you do with the balance?

A. I have it.

Q. Is it not your idea that it is money that was given to you for that purpose?

A. Yes.

Q. You are sure of that?

A. I think that now; yes, but I didn't think about it until—

Q. Did you not have the same idea at the time, that it was money which was given to you to carry on the purposes of the association, and giving information, and so on?

A. Yes.

Q. Because otherwise you would not have accepted the money from a man?

A. No, certainly not. I had no reason to do so.

Q. You must have assumed at the time that he would be reimbursed for that by his superiors, whoever they might be?

A. Yes.

Q. Was there any other intimation as to when the next trip to Montreal would be made?

A. No.

Q. Then your idea of your trip to Montreal was that you were going to get instructions from Mr. Adams?

A. Yes.

Q. Or that Mr. Adams was going to ask you some questions about what you might have learned from your employment in the meantime?

A. Yes.

Q. Is that a fair way of putting it?

A. Yes.

Q. And then you say that when you got there he told you that this idea that he had proposed to go away was a false alarm?

A. Yes. Not a false alarm, but he was not going away.

Q. And after that it was just a nice little family conversation?

A. Yes.

Q. Mrs. Adams was there, and the family?

A. Yes, sir.

Q. And you had a nice trip to Montreal, and that is all that took place?

A. Yes.

Q. And you are serious with that?

A. Yes.

- Q. Mr. Adams did not give you any instructions?
A. No.
- Q. Didn't tell you anything?
A. No.
- Q. To summarize the whole situation, as I understand it, you were disappointed?
A. Well, I felt it was a waste of time. I didn't think any more of it after that. I thought it was just rather queer, that is all.
- Q. When he gave that money to you, was that given to you in an envelope, in bills? In what form was it?
A. Loose cash.
- Q. Loose cash?
A. Yes.
- Q. In bills?
A. Yes.
- Q. And did you keep those bills?
A. No; I paid them into the Ontario Savings Bank. You will find an entry of \$25.
- Q. That is into your own account?
A. Yes.
- Q. What is the number of your account?
A. W-883.
- Q. What bank?
A. Ontario Savings.
- Q. And what branch?
A. On Sparks Street. There is only one. You can see it in my little passbook.
- Q. You have not this passbook with you?
A. No, it is at my home.
- Q. With relation to the time that you returned from Montreal, when did you make that deposit?
A. I don't know whether I paid it back just like that; I mean I think—
- Q. But you came back to Ottawa on Sunday?
A. Yes.
- Q. And when did you make the deposit?
A. What do you mean; the change?
Q. When did you make the deposit?
A. I got the money in Ottawa, in a car. I then put it into the bank, within a day or two.

- Q. I am sorry; I was confused about that.
- Q. So the deposit of \$25 which will appear in your passbook in the summer of 1945 will definitely set the date of the reception of that amount, or the day previous, I suppose?
- A. Well, I might have taken two or three days; I couldn't say. I don't remember at all how long. I know I did place it in my bank.

The records of the local office in Ottawa of the Province of Ontario Savings Bank show a deposit of \$25.00 on June 21st, 1945, to the credit of Willsher's account.

As to the letter of November 3, 1944, from the Canadian Ambassador at Moscow to the Prime Minister, item 109 on Zabotin's mailing list, Willsher testified:—

- Q. I am exhibiting to you a document which has been filed as Exhibit No. 96. Would you read it and say whether you have seen the document before?
- A. I remember about this post-war credit, but I don't know—
- Q. Just a moment. What do you remember?
- A. I don't remember that figure, but I remember about post-war credit.

COMMISSIONER:

- Q. You are showing what exhibit?

COUNSEL:

- A. That is Exhibit 96, the Wilgress report.

WITNESS:

- A. In our office we would not have a copy of anything like that, I don't think.
- Q. But what makes you remember the document or the figure?
- A. Because I have been told this week about post-war credit, and I do remember a total figure of about that.
- Q. So you remember you had seen—?
- A. Something.
- Q. You would not have seen this very document?
- A. No.
- Q. But you have seen something relating to the substance of this document?
- A. Something like that.
- Q. Is that a fair way to put it?
- A. Yes.

Q. And did you communicate that information?

A. Yes, I did.

Q. You mentioned that to whom?

A. Adams.

Q. You gave him what you could remember of information you had seen in your office?

A. Yes.

Q. And that was when? The document is dated November 3, 1944?

A. It was somewhere about the end of November, I suppose.

Q. Would you remember whether he was in Montreal or whether he was in Ottawa at that time; that is Adams?

A. No.

She said that she did not remember the letter of November 10, 1944, item 110 on the mailing list. The evidence shows that neither of these documents or copies of them were sent by the Department of External Affairs to the Office of the High Commissioner. Copies of these letters were however sent to the Bank of Canada of which Adams was an employee and, in addition, a copy of one of them was sent to him as a member of the External Trade Advisory Committee. It is certain that they found their way into the Soviet Embassy and that Willsher who was reporting to Adams was given the credit as the source of supply.

The following evidence of Willsher is also pertinent with regard to her state of mind:—

Q. Did you ever tell anyone at the Office of the High Commissioner that you were a member of the Communist Party?

A. No.

Q. Where did you obtain the literature that you read on Communism?

A. At the meetings, the group meetings.

Q. Did you ever go yourself to a store to buy any one of those books?

A. No.

Q. Why?

A. I suppose I would get it at the group meetings. I may have put in an order once, if that is the one you are thinking of. The Inspector mentioned that order somewhere.

Q. You might have ordered some books, where?

A. To be got from the book shop, but I would not have got them.

Q. Would you get it yourself or was it through somebody else?

A. Through somebody else.

Q. Through whom?

A. I do not remember; I think it was ordered from Mr. Zeller many years ago.

Q. You never went to the book shop?

A. No, I never went to it.

Q. Why?

A. I did not go.

Q. That is not answering my question. I am asking you why you did not go? I will put it to you that you did not go because you did not want anyone to see you there?

A. Yes.

Q. I am going to put this question to you, but before I do so I should like to read to you an answer that you gave during your interrogation. This question was asked:

Q. At approximately what stage of what year did Fred Rose suggest to you that you could contribute to the promotion of the United Front and the Soviet Government by giving him in general terms any information of value which passed through your hands in the Office of the High Commissioner for Canada?

A. I think about 1937.

A. It should have been 1935.

Q. Were you asked that question?

A. Yes.

Q. And you answered, "I think about 1937", but it should have been 1935?

A. Yes.

Q. You told us yesterday that when you were asked by Fred Rose to betray your employer and pass on information that it created in your mind and in your heart and in your conscience considerable trouble?

A. Yes, because it should not occur to anybody.

Q. And that you gave thought to it at that time?

A. Yes.

Q. And that being called upon to make a decision as between your master and the country you were working for, on the one hand, and the Communist Party, on the other hand, you told us that you decided in favour of the Communist Party?

A. Yes.

- Q. Because you felt that you owed loyalty to the Communist Party first?
- A. Yes.
- Q. Whom do you think the Communist Party held loyalty to?
- A. As I say, I think they are in their own country, they are all connected, because they all have the same aims in view.
-
- Q. When you made your decision you were fully aware, not only of the ordinary loyalty that you owed to the country for which you were working, but also of the provisions of *The Official Secrets Act*?
- A. Yes.
- Q. Which you had read. You knew the penalties which were involved?
- A. Yes.
- Q. Notwithstanding all that you decided to give priority to the duties which were imposed on you by the Communist Party?
- A. Yes. I signed that in 1939 so I did not sign it before this; in the second period it would—
- Q. Would it have made a difference, anyway?
- A. I suppose I had got to the point where I would not—I was already—
- Q. You were already—
- A. Enthusiastic over it.
- Q. You were ready to do anything the Party asked you to?
- A. Yes.
- Q. I suppose even in 1935 you knew it was an improper thing to do?
- A. Yes.
- Q. That is what caused this struggle in your mind?
- A. Yes. I know I can be shot quite easily, if necessary.
- Q. You know you can be what?
- A. Shot, if necessary.
- Q. Where?
- A. The provisions are very strict.
- Q. What are you speaking about now?
- A. I just mentioned that.
- Q. What are you speaking about, what are you referring to?
- A. *The Official Secrets Act*—do not they execute people?
- COMMISSIONER: I had not heard of that myself in this country.

Q. As you stated, you were ready to put aside loyalty to your master and to the country for which you were working and you were ready to violate the laws of Canada; that is, *The Official Secrets Act*?

A. For international—a party that is international.

Q. To put it in a nutshell. You made yourself the judge of what was right and proper and you put your loyalty to the Communist Party first. It all comes down to that?

A. Yes, it comes down to that. I do not think the Communist Party is necessarily against the interests of Canada and that is why I did not feel—I thought it was in the interests of all in many respects, particularly during the war.

Q. I suppose that viewpoint of yours was shared by Adams and these other people?

A. What I understood to be—

Q. How active a Communist was Adams?

A. I do not know except that he was in the group studying; I did not know what other activities—

Q. Was he studying or teaching you?

A. No, we all studied. I mean everybody took their part in preparing a chapter and explaining it. There was no question of one person sitting and giving a lecture to other people. Everybody had to participate and do their part.

Q. Did you ever state that he was an ardent Communist?

A. I considered that all members of the group were that.

Q. Did you receive any money at any time in addition to this \$25?

A. No.

Q. You did what you did entirely as a result of your membership and sympathy for the Communist Party?

A. Yes.

Q. And the Communist Party, as you say, has branches or independent Parties in a number of other countries?

A. Yes.

Q. And they have common objects?

A. Sometimes, not always, because there are internal problems that are different.

- Q. But have they some objects in common?
- A. I suppose so, yes.
- Q. That is a phrase you use a great deal?
- A. Yes.
- Q. Just a minute, please. You have given a good deal of study to these matters, going back at least four years. From your study and your knowledge and from what you have been told, do you say that those parties have some object or objects in common?
- A. Yes, the founding of scientific socialism and the maintenance of peace.
- Q. By what means are those objects to be attained?
- A. The kind of policies that they support, that they support in getting in their country or hope that their Government will pursue.
- Q. And the use of force?
- A. Well, force is still used. I mean, they supported this last war, in which force was used. They considered that it was the kind of war they should support. Yes.
- Q. I am asking you if the use of force is one of the means recognized by the Communist Party to attain its aims?
- A. Well, I can see it happening.
- Q. I did not ask you what was happening. I asked you if that was an object or a recognized means?
- A. It is not an object. It is sometimes necessary.
- Q. I am asking you if that is a recognized means for attaining the ends or objectives of the Communist Party?
- A. Not unless necessary.
- Q. I see; but if the Party decides it is necessary, then it is a recognized means?
- A. Yes.
- Q. And is it recognized that force may be used even within a country for the purpose of attaining the objects of the Communist Party in that particular country?
- A. Only as a last resort.
- Q. But still recognized as a means?
- A. I suppose so.

Q. Then you would agree that these various Communist parties in these countries have these objects that we have been speaking about in common?

A. Yes.

Q. And if the Communist Party in Canada, for the purpose of advancing the interests of the Communist Party elsewhere, thought it advisable to pass on any information that you had given Mr. Adams, what about that?

A. I suppose that might have happened, but I didn't think of that.

Q. You didn't what?

A. I thought that it was—

Q. Perhaps you will let me put my question. Did you think the Communist Party executive in Canada would use information from all sources other than you for that purpose, if they thought necessary, but they would not use your information? Is that what you mean?

A. No; I don't think I would consider mine any exception. I don't know what they did.

Q. But you did contemplate that they might use your information outside the country, if they thought that by so doing it would advance the interests we have been speaking about?

A. I don't know what they do.

Q. I did not ask you that. I will ask the reporter to read the question again:

(Reporter reads: "Q. But you did contemplate that they might use your information outside the country, if they thought that by so doing it would advance the interests we have been speaking about?")

Q. What do you say?

A. I suppose it is possible that they would.

Q. And you contemplated that?

A. I didn't—

Q. You say you did not contemplate that?

A. I didn't think about it especially, how it would be used.

Q. You mean it did not come clearly into your mind; but would you say that was a possibility that you were bound to recognize?

A. I suppose so; yes.

Q. I am not at all trying to get you to make any particular answers, Miss Willsher. I just want to know what your answers are, so I will understand.

A. Yes.

Q. Is there any explanation further you want to make up to that point, as far as we have gone? Is there anything you want to add or anything you want to explain, or do you think your answers are full enough?

A. I think they are full enough.

Q. Now I just want to ask you this question. You were giving this information to Mr. Adams that you have told us about, and you have told us that Mr. Adams was also a Civil Servant employed in the Bank of Canada?

A. Yes.

Q. And I suppose you would contemplate that if Mr. Adams was interested in getting information from you, he would also be interested in getting such information as he could in his Department?

A. Well, he never did. In his own Department?

Q. In the Bank of Canada. Do you understand my question?

A. Yes. You mean if he wanted—

Q. My question to you is, if Mr. Adams was interested in getting information from you, from the High Commissioner's office, you must have contemplated that Mr. Adams was doing the same thing at the Bank of Canada?

A. Yes.

On her own admission, therefore, Willsher was communicating information which came to her in the course of her employment in the Office of the High Commissioner. We have no doubt that the ultimate destination of these communications was the Soviet Embassy at Ottawa, nor do we doubt that Willsher knew that fact.

On May 3, 1946, Willsher pleaded guilty before the Judge of the County Court of the County of Carleton, to the following charge:

. . . for that she, the said Kathleen Mary Willsher from the First Day of January, A.D. 1942, to the Seventh day of September, A.D. 1945, at the City of Ottawa, in the said County, and elsewhere in the Pro-

vince of Ontario and in the Province of Quebec, being a person having in her possession and control certain information to which she had access owing to her position as a person who held office under His Majesty, did unlawfully communicate such information to a person other than a person to whom she was authorized to communicate with or a person to whom it was in the interest of the State her duty to communicate such information, contrary to Section 4 Sub-Section (1) (a) of The Official Secrets Act, Chapter 49, Statutes of Canada, 1939, 3. George VI, in such case made and provided.

SECTION III. 7

MATT. S. NIGHTINGALE

This man was born in Mobile, Alabama, U.S.A., in 1906 and his parents came from Quebec City. After having attended the University Military School at Mobile, he came to Canada in 1922 and graduated from McGill University as an engineer in 1928. He did some post-graduate study on transmission engineering, specializing in telephone work.

He worked with the Northern Electric Company, the Shawinigan Water and Power Company, and the Bell Telephone Company of Canada.

In 1942, he joined the Air Force, and in the first days of February, 1945, having been discharged from the R.C.A.F., he returned to the Bell Telephone Company as toll plant engineer in Montreal.

While with the R.C.A.F., on account of his engineering qualifications, he occupied a number of positions in the telephone lines sections, and he was for a time liaison officer between the Air Force and Defence Communications, Limited, a Crown corporation organized for the construction of communication facilities. He started as a Pilot Officer, and within three years became a Squadron-Leader.

Although he does not remember having taken an oath of secrecy, he was aware of the "general security" orders, and knew of section 5, which reads as follows:—

5. It is an offence to convey, or to attempt to convey by any method, to unauthorized persons, information or documents, which are, or might be, harmful to security. This specifically includes all Service examination papers, precis, text-books, instructional material, Service publications, forms, and documents, that carry a security category, or any part thereof. It is understood that this order does not apply to official communications which are dispatched in conformity with Service instructions.

The first reference to Nightingale that we find in the notebooks kept at the Russian Embassy, links Nightingale with the "Ottawa-Toronto Group". In one of the documents, from the dossier of Sam Carr, we see the following note, written by Rogov:—

I gave the contact with MAT NANTINGALE. I made (him?) acquainted with doctor HARRIS HENRY. I set the next meeting for 20.1.45 at 21.00 at old place near the hospital if doctor HARRIS does not change it.

The reference to "Dr. Harris Henry" is to Henry Harris, who is reported on in Section V.

In another document, also in the handwriting of Rogov, we read the following:—

Squadron Leader

Mat Nantingale, 155 O'Connor St. Apt. 1. Telephone 2.45.34. Sam is known to him as Walter. The first meeting took place on 19.12.44 at 21 o'clock in the apartment.

Possibilities: 1. Network of Aerodromes throughout the country (on both coasts).

2. Maps of the coasts.

He has been detached from the corporants, that is, he has been reserved for the future. He does not work for the corporation, his contact is only of a control nature twice a year.

He is married to an Englishwoman, is getting divorced, she is going to England to her mother. Reason—she does not like Canada.

Prior to the war he worked at the Bell Telephone Co. On 25.1.45 he informed Brent about his demobilization. He is going to the Bell Company. Regular meeting (arranged) for 24.2.45 at 20:30 at the corner of Elgin-McLeod Sts.

At the meeting of 24.2.45 he gave the address:—
Montreal, 1671 Sherbrooke 57(51) Maps. Telephone 1-16-84. Regular meeting 24.3.45 at 20:30 Metcalf-Somerset. He will give the coasts RAF and listening-in on the telephone.

Task— { 1. Recruiting.
2. Materials of the Company.
3. Dubok—GINI—how.

Another entry in one of the notebooks is as follows:—

LEADER

1. **Biography, photo.**
2. **Possibilities.**
3. **Meetings, letter.**
4. **Recruiting.**
5. **Money.**

Of Nightingale, Gouzenko said in his evidence:—

- Q. Then you have referred to Nightingale; you have translated the word as Nightingale although it is written slightly differently, is it not? It is written as Nantingale?
- A. Yes.
- Q. Is there any doubt in your mind as to what the writer intended, whether he intended Nightingale?
- A. That is just writing and that is a mistake.
- Q. Do you know who Nightingale is?
- A. Oh, yes.
- Q. Who is he?
- A. It is the real name of some agent.
- Q. It is the real name of some agent?
- A. Yes.
- Q. Do you know whether the agent Nightingale has a nickname or cover name?
- A. Yes.
- Q. What was it?
- A. Leader.
- Q. How did you learn that?
- A. From telegrams.
- Q. Do you know who Nightingale was; what was his position; what was he doing?
- A. Squadron Leader in the Air Force and he worked in the Bell Telephone Company.
- Q. How did you learn that?
- A. From telegrams.
- Q. At that time was he a Squadron Leader or was he working for the Bell Telephone Company? Is he working for the Bell Telephone Company?
- A. When I saw his name the first time, when it was mentioned in telegrams, he was at that time working in the Bell Telephone Company.

Q. So he was out of the Air Force?

A. I understand that.

Q. He was previously in the Air Force before that?

A. I can only guess at that.

Q. How long have you known of Nightingale? When did he first appear in the telegrams? When did you run across his name first?

A. The end of 1944, the beginning of 1945.

Nightingale has associations with Durnford Smith, Agatha Chapman, Scott Benning, Dave Shugar, Freda Linton, Fred Poland, and H. S. Gerson. He also knew Fred Rose, and while he lived in Montreal before joining the R.C.A.F., he had met Sam Carr at a study-group meeting. It was at the time when the Communist Party was banned and Carr was introduced to him under the name "*Walter*" which he then knew was a cover-name. Nightingale attended many study-groups in Montreal, Pointe Claire, and Ottawa, and was definitely a Communist. Speaking of himself and of his friends, Nightingale says:—

Q. You yourself at that time had Communistic leanings?

A. I had Communistic sympathies.

Q. Would it be correct to say that all the persons in those groups had Communistic leanings?

A. Absolutely, probably, yes.

Q. You knew and understood that at that time?

A. I would say so.

Q. That was really what brought you together?

A. Yes.

.

Q. You have been in Ottawa?

A. Not since 1944.

Q. What time in 1944?

A. I imagine the fall or summer; I do not remember. I only went two or three times.

Q. Those study groups would be made up of the same kind of people?

A. Yes.

Q. People with Communistic leanings?

A. That would seem to be the case, yes.

Q. But you knew that some of them were full-fledged members of the Communist party?

A. I would think there might be yes.

Q. And you think that might be true at the time?

A. Yes.

Q. When did they become Communistic?

A. Gradually. I would say sympathies, rather than leanings, or maybe they are the same thing. Over a period, I imagine, from 1939 to 1940-41.

Q. After your attendance at those study-groups began?

A. Yes.

It was Rogov, the assistant to Zabotin, who first contacted Nightingale. They had several meetings, the first one being "on a train" between Ottawa and Montreal. Nightingale tells us in his evidence how he happened to meet Rogov and he relates the conversation he had with him on that first occasion:—

Q. You told us you knew Jan?

A. Yes, as Jean.

Q. That is the cover name for Rogov?

Q. Where did you meet him?

A. I met him on a train to Montreal.

Q. To or from Montreal?

A. To Montreal.

Q. He was travelling a lot as several people seemed to have met him on the train?

A. I have no idea. All I know is that I met him. I met many people on the train because I used to go to Montreal practically every week-end.

Q. Who introduced you?

A. We just sat down together in the same seat. There was no introduction. I used to talk to whoever I sat beside. One or other of us opened the conversation and we would have a haphazard conversation, about things in general.

Q. Where did you get the name of Jean?

A. He introduced himself to me on the way to Montreal.

Q. As who?

A. As Jean something or other. I do not remember the last name.

Q. Was he in uniform?

A. No, he was in civvies.

- Q. He introduced himself to you as Jean?
- A. Yes, Jean and some other name, some long name.
- Q. A Russian name?
- A. No, at the time I thought it sounded French.
- Q. Did you ever hear the name Jean being given to a man before?
- A. Yes, it is usually called Jean (*French pronunciation*).
- Q. Jean would be —?
- A. It would be the English pronunciation of the French.
- Q. Will you tell us what took place then?
- A. We had a general discussion about —
- Q. You were sitting close to him?
- A. In the same seat, yes.
-
- Q. You travelled together from Ottawa to Montreal?
- A. That is right.
- Q. Which is a trip of about how many hours?
- A. Normally it is about three hours, but as I remember it took place at the end of 1944 or the beginning of 1945, and at that time we were not busy, so usually I could go to Montreal on a Friday on a forty-eight, so it was probably Friday afternoon, and those trains usually take about two hours.
- Q. And during those two hours or three hours you were sitting with him?
- A. That is right.
- Q. All right. Will you tell us what took place?
- A. Oh, we had a general discussion about various things. I was in uniform —
- Q. What do you mean by “various things”?
- A. I was going to go into that. I was in uniform, and I forget how the conversation came up. Usually it comes up about the weather, or something of the sort, and all I remember, though, is that during the conversation I gathered that he was in one of the legations or something at Ottawa, and he of course knew I was in the Air Force, and somehow or other in the conversation I mentioned that I was expecting to leave the Air Force in the near future.
- Q. He found out, or he could see, that you were in the Air Force?
- A. That is right.
- Q. As you were in uniform?
- A. Yes.

Q. And he told you he was in a legation in Ottawa?

A. Yes.

Q. And he asked questions about what you were doing?

A. Probably; yes.

Q. Well, he did?

A. Yes.

Q. And you must have asked him a question about what legation he belonged to?

A. No, I didn't, as a matter of fact.

Q. Did you see by his accent that he was a Russian?

A. No. I realized that he was not a Canadian, as a matter of fact, because he had a very bad accent. It was hard to understand what he said.

Q. Then will you explain the various topics that were discussed during that two hour trip?

A. The subject of my leaving the air force came up somehow. I probably mentioned it, and in fact I did tell him that I was expecting to go back to the telephone company as an engineer. Sometime during the conversation I gathered, or he intimated to me, that his country might want telephone engineers after the war; and very vaguely — the whole subject was vague — I gathered he wanted to know whether I would be interested in such a job. Also, just shortly before leaving Montreal he asked me if I would be interested could he see me again.

Nightingale agreed to see Rogov again, although he says that at this first meeting he did not know whether Rogov was a Russian or not, and he did not know either in what country Rogov was offering him a position as a telephone engineer. Nightingale said:—

Q. Shortly before leaving Montreal?

A. I am sorry; before reaching Montreal; he asked if he could see me again sometime in Ottawa, and we arranged to meet at some date or other, a week or so after.

Q. Where?

A. At my apartment, my room. He was to come over at some time during one evening and discuss the matter further. At the time I was not very interested in a job outside of Canada in a foreign country, because I had a good job to go back to in the telephone company.

Although "not interested" in the offers made by Rogov, Nightingale kept his appointment and met Rogov in his apartment:—

Q. You were living at apartment No. 1, 155 O'Connor Street, Ottawa?

A. That is right.

Q. And the meeting was to take place a week after?

A. I would say about a week after.

Q. What time?

A. Oh, sometime in the evening. I had thought when I was asked that it was 8 o'clock. I have since been told it is shown as 9 o'clock. I don't know.

Q. But he told you that he wanted to meet you?

A. We arranged some specific date.

Q. A specific date was arranged?

A. Yes.

Q. And what was the purpose of arranging a specific date? You knew at the time he was living in Ottawa?

A. Yes.

Q. He knew you were living in Ottawa?

A. That is right.

Q. And he could have reached you by telephone, because you had the phone in Ottawa?

A. That is true.

Q. And he has the phone, also, presumably?

A. Presumably.

Q. What was the reason for fixing a definite date there?

A. It never crossed my mind before, but I don't know. It seemed the reasonable thing to do, that was all. If you are going to meet someone or something, you set a date.

Q. And what were you going to meet him for?

A. Well, I gathered, as I remember now, that he was going to discuss the matter with his people.

Q. With his people? What matter was he going to discuss with them?

A. As to whether they could use my services as a telephone engineer.

Q. Where?

Q. In their country?

A. That was my understanding, after the war, not at that time.

Q. In their country?

A. Yes.

- Q. The country must have been named to you?
- A. No, definitely it was not. It seems silly, but I am inclined to take people at their face value and not ask things.
- Q. He was inviting you to go and work in a country, and you never inquired what country it was?
- A. No. That is true.
- Q. It is a good thing you did not go or accept?
- A. Well, I had not accepted. I was not particularly interested, as I was —
- Q. You were not interested, but you made a date with him to meet him a week after, at a definite time and a definite place?
- A. That is true. I was curious.
- Q. Why did you not try to satisfy your curiosity immediately, and ask him what the country was?
- A. Well, I don't know. It is just the way it happened. It does sound silly, I admit, but it is the truth.
- Q. I don't know whether it sounds silly. You had accepted up to that time, without too much questioning, the fact that you had met this man Carr under an assumed name?
- A. Yes.
- Q. At all events you kept that agreement?
- A. Yes; I did meet him.
- Q. You kept that appointment?
- A. Yes, I did.
- Q. And he met you there?
- A. Yes.
- Q. The following week?
- A. Whatever the date was set.
- Q. At the very time?
- A. That is right.
- Q. Did he arrive alone?
- A. Yes.
- Q. And what took place? How long did the meeting last? It was in your room?
- A. Yes, it was in my room.
- Q. He arrived at what time, approximately?
- A. I think it was sometime around 8 o'clock.

- Q. That was the time set when you left him on board the train?
- A. I don't know. It was sometime in the early evening.
- Q. And he left at what time?
- A. It lasted only about half an hour.
- Q. And what took place during that time?
- A. There was again, from my point of view, a very unsatisfactory discussion concerning my experience and what I was able to do as a telephone engineer.
- Q. You say it was unsatisfactory from your point of view?
- A. Because I did not understand a lot he said or tried to say. I had difficulty to make him understand.
- Q. You knew at that time that the last discussion was on his request to have you work in his country as a telephone engineer?
- A. Yes.
- Q. And would you consider that the second meeting was on the same subject?
- A. Well, I thought he would come to my place and give me some sort of definite information as to whether they needed me or wanted me, and if so, what the job would be.
- Q. Did he not tell you the first time that his country needed you?
- A. No, not definitely. I gathered that he had to discuss it with his people in Ottawa here, his superiors.
- Q. How much information did you give him that he would be able to discuss with his superiors in Ottawa, on the first meeting?
- A. On the train? Practically none, except that I was a telephone engineer and going back to the telephone company.
- Q. You told him about your experience with the telephone company?
- A. On the train? Only vaguely.
- Q. All right, then. With all this information, what took place at the second interview?
- A. Well, he went into more detail as to what my actual experience had been, or he tried to; and, as I say, I tried to explain to him the jobs I had done, without very much success because he didn't seem to understand me. This went on for about half an hour. We discussed what I had done in the telephone company and vaguely what I had done in the Air Force, not in detail but that I had been a telephone engineer, and it was decided — he asked me

then if I would meet him again and he would bring a friend along, and I assumed that the friend would be there so he could speak English to me.

Q. Who suggested that a third party should be brought to the meeting?

A. This fellow Jean.

As will be seen, at this second meeting Rogov not only insisted on Nightingale accepting the position, but was definitely much more inquisitive:—

Q. What in the second meeting was discussed that was not discussed at the first meeting?

A. I went into more detail as to my experience.

Q. Your experience with the Bell Telephone Company?

A. Yes.

Q. Or the R.C.A.F.?

A. Yes, only in general terms.

Q. But in more detail than the first time?

A. That is right; that I had done certain types of engineering work, and so on.

Q. Was the question of tapping lines discussed at the first interview?

A. It may have been.

Q. Was the question of the land-line connection system in Canada discussed in the first interview?

A. I don't remember, to tell you the truth.

Q. Was it discussed at the first or second interview?

A. By "first" do you mean the first interview on the train?

Q. Yes.

A. No, there was nothing specific like that discussed on the train.

Q. When were the methods of tapping lines discussed first; was it on the train or at the second meeting?

A. It was at the second meeting at my room.

Q. And you gave him some explanations on that?

A. As I remember it, he asked me if I was able to design telephone equipment, and for an example he gave this question of monitoring systems.

Q. Of what?

A. We call them monitoring systems.

Q. Which you would translate for us as meaning what?

A. Oh, listening-in devices.

A. Well, as I say, I tried to give him my experience with the telephone company, and what I was able to do, and he asked questions about this and that and the other thing. I don't remember, but it was that sort of discussion, and during the discussion this question of whether I could design telephone equipment came up, and I told him that I could, to some extent. He brought up this specific item of monitoring or listening-in devices.

Q. When you learned at the second interview in what country you were invited to work — ?

A. Yes.

Q. And that your employment agent, or whatever may be the term, was Rogov — ?

A. Yes.

Q. You knew that he was a Russian from the Soviet Embassy here in Ottawa at that time?

A. Yes.

Q. Well, did he not give you his right name then?

A. No; definitely not.

Q. And were you still satisfied to use this fake name Jean there?

A. I was quite satisfied, because I was not interested in his last name.

Although the two first meetings had been quite "unsatisfactory", Nightingale agreed to meet Rogov a third time:—

Q. All right. When did you agree to meet the stranger the third time?

A. Well, at the second meeting he asked if I would meet him again, and he would bring a friend along; he would like me to meet the friend. I said I would do so, and he set a place. I don't remember the place; it was some street corner.

Q. What was the place agreed upon?

A. I don't remember the name. It was some street corner.

Q. Then the next meeting was to be on a street corner?

A. I'm sorry; he told me he would pick me up there in a car with a friend.

Q. And he agreed a week in advance that you would meet, both of you, on a corner of a street, at a definite date and at a definite time?

A. That is right.

- Q. What impression did you get from that ?
- A. I got the impression that he did not want this friend of his to be seen talking or coming into my place. I may be an innocent ass, but that is the impression I got, and it did not raise very much question in my mind.
- Q. You said the reason would be, or the reason you suspected, would be that he did not want his friend to know where you were living?
- A. No, no.

Unfortunately, this meeting did not take place, so Rogov telephoned to Nightingale at his office and arranged for another meeting a few weeks later, at the end of January, 1945. This meeting did take place, and Nightingale relates it as follows:—

- Q. At the same place?
- A. No, it was another place, I think.
- Q. On the street?
- A. Yes. He said he would pick me up.
- Q. Then what about this appointment? Did you keep this one?
- A. I did keep this one.
- Q. That is, at the time set and the date set you arrived at the corner agreed upon for the meeting?
- A. That is right.
- Q. And who did you find there?
- A. I waited a few minutes, and he came along the street on foot, walking.
- Q. Alone?
- A. Yes. So we walked a few blocks, and by this time I was getting — well, he didn't seem to be bringing his friend along, as I had expected, and again we went over whether I was a telephone engineer or not, though not in those terms, and we did not get any further, as a matter of fact.
- Q. What do you mean when you say you did not get any further? As to what?
- A. As to this proposition which he seemed to have vaguely in front of me, as to whether I would take some job or other as a telephone engineer.

- Q. How did you end that meeting on the street with Rogov?
- A. I think I intimated to him, in fact I definitely told him I was leaving Ottawa, because I was expecting to leave very shortly thereafter, I do not know how long, and that I did not — I was going back to work for the Telephone Company and did not — well, I was no longer interested in this proposition he seemed to have, but had never put to me.
- Q. Anyway, you told him at that meeting, as far as you remember it, that you intended to leave, that you were leaving for Montreal?
- A. That is right.

Nightingale left shortly after for Montreal where he joined the Bell Telephone Company, and this is what he said:—

- A. He called me again at the telephone company.
- Q. He called you at the telephone company in Montreal?
- A. That is right.
- Q. At the place where you were working?
- A. That is right.
- Q. How long after your departure from Ottawa did he call you?
- A. Oh, I guess a month or more.
- Q. You guess a month or more?
- A. Because I was away after leaving Ottawa, I was away three weeks skiing and then I went back to the telephone company, so it would be somewhere around a month.
- Q. He may have called you in between but you would not know?
- A. That is correct.
- Q. When you came back to work he called you?
- A. He called me.
- Q. What was the conversation you had with hem?
- A. As I remember he called me up and asked me if I would like to go over to his room and have a drink with him. This was, I believe, to take place after work. I was busy that night so I was unable to do so.
-
- A. I told him unfortunately I was busy. So he asked me if I would give him my home address and telephone number, which I did. That would be the Sherbrooke Street one. As I remember, he asked me to make a summary of my experience, to write him a summary of my experience.

Q. Why? Would you tell us what experience you had that he was interested in?

A. Well, I do not know exactly what he was interested in, but I did write him.

Q. You did write a summary?

A. I did write a summary.

Q. And the summary you wrote was the summary that he was asking for?

A. That is right.

A fourth meeting was arranged. Nightingale said:—

A. Finally he did give me a call at home one night about supper time. He asked me this time to again go down and meet him at his room. He asked me to meet him, as a matter of fact, outside the Ritz Carlton Hotel. So I told him I would do so. It so happened that night I had an appointment to play bridge and I met him somewhere around seven o'clock. I went down to meet him.

Q. How long after the meeting when you gave the summary did you meet him outside the Ritz Carlton?

A. This was the meeting I had. I had the summary with me. I had not given it to him as yet.

Q. How long after the meeting when he asked you for the summary did you give him the summary?

A. He asked me for the summary over the telephone at the office, when I was at the office.

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A. This time he asked me to meet him outside the Ritz Carlton Hotel. When I got there he was waiting and he said he had not been able to get a hotel room but had got a room in a rooming house, somewhere down on Mountain Street, I think. That seemed quite reasonable to me because I had tried to get hotel rooms myself in Montreal and never had very much success.

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A. So we went down to his room. I was only with him for about fifteen minutes at the most because I had an appointment at eight o'clock to play bridge. He offered me a drink at his room which we had, and he asked me if I had the summary, that he would like to have it. He also asked me if I had a picture. It just so hap-

pened that in my billfold I had several old chauffeur's licenses and one of them had a picture on it which I tore off and gave to him. It was an obsolete license so it did not matter. At that time I told him I was working at the telephone company. I was not interested in his job because I was quite satisfied, but I gave him this thing sort of thinking that maybe he will come to the point and give me some sort of an offer so I will find out after all this time what his proposition is.

The document in Rogov's handwriting already set out above contains information that Nightingale obviously gave to Rogov. His address, his telephone number, the nature of the work done by Nightingale at the R.C.A.F. and at the Bell Telephone Company; his matrimonial status, and the reference to the giving of information on telephone listening devices, all of which are mentioned in this document, leave little doubt on the matter.

Among Nightingale's "*possibilities*" listed in the document we see "*network of the aerodromes in the country*". Nightingale's knowledge on the subject was complete, he having been partly responsible for providing the land-lines between the airports. On this matter Nightingale says:—

- Q. How did Rogov know that you had some experience or some knowledge of the aerodromes in the country on both coasts?
- A. Well, it would be probably because during the discussion of my experience in the telephone company and at the Air Force I had indicated to him that I was partly responsible for providing the land-lines for the airports.

As the possibility of Nightingale furnishing maps of the coasts, he says:—

- Q. While you were in the Air Force did you have maps of both coasts?
- A. I had drawings of the east coast network, the east coast land-lines network and there were maps of the coasts on the wall of the officer in charge of land-lines.
- Q. And you had access to those maps?
- A. Oh, yes, we had access to the maps.

Some of the information that Nightingale obtained while in the R.C.A.F. was secret, and Nightingale was aware of this fact:—

- Q. So that the knowledge that you acquired while you were with the R.C.A.F. would represent most secret knowledge that you obtained while working there?
- A. I would think so, yes. I do not know whether it is most secret, but it was my function in the Air Force to provide those land-lines.
- Q. You seemed to have some hesitation about most secret. Would you say that the knowledge you had of the network of aerodromes on both coasts was not more important than the knowledge that one would have of the aerodromes inland as far as the security of the country was concerned?
- A. I would say so, yes.
- Q. And you would consider that as secret?
- A. Yes.
- Q. So when Motinov wrote this note for Rogov, "*Possibilities: 1. Network of aerodromes in the country (both coasts)*" and "*2. Map of the coast,*" that was true?
- A. How do you mean true?
- Q. As a possibility?
- A. Yes, I had that information at the office.
- Q. Up to now everything I have read from the beginning of the exhibit has been true?
- A. Yes.

Nothing in the document just referred to shows that the information Nightingale was able to furnish was forwarded to Moscow, but Gouzenko says that information was obtained and sent to "*The Director.*" Gouzenko testified as follows:—

- Q. You did know that at some time or other he had worked for the Bell Telephone Company?
- A. In the telegrams wherein he was mentioned it was stated that he worked for the Bell Telephone Company and that he gave information concerning the tapping of telephone wires for listening in to conversations.

The first meeting on the train between Rogov and Nightingale, and the later meetings they had in Ottawa and Montreal, are more than sufficient to arouse one's suspicions. Nightingale's explanations are far from satisfactory. It would be conceivable, although very doubtful, that Nightingale might

have met Rogov casually on board the train and might have given him information about his experience as a telephone engineer only, had there been but one casual meeting; but it is hard to accept the astonishing explanations given by Nightingale for the series of meetings he had with Rogov.

All through his evidence Nightingale maintains that he was not interested in the proposition that Rogov made to give him a position in Russia, but although not interested he agreed to meet him four times to discuss, every time, the same subject.

After the meeting on the train, Nightingale, according to his own story, met Rogov the first time in his apartment in Ottawa, a second time on the corner of Elgin Street also in Ottawa, a third time on a street in Montreal and a fourth time in Rogov's room also in Montreal.

Nightingale knew at the second meeting that Rogov was a Russian who was connected with the Embassy in Ottawa, and the secrecy under which all these interviews were held suggests to us that Nightingale did not tell us all the truth and that he discussed with Rogov matters which he did not care to mention in his evidence. His interest in seeing Rogov so often, in giving a summary of his life and handing over a picture of himself, was not solely connected with the position offered in Russia, if in fact any such offer was made. There was, surely, some other interest which he has not revealed frankly.

Nightingale further admitted having discussed with Rogov listening-in telephone devices, linking of airports, land-lines communications, network and allocations of aerodromes, maps of the R.C.A.F., and possibly the Gander project in Newfoundland. All this corroborates to a certain extent what the documents of the Embassy reveal.

The following documents were found in Nightingale's apartment in Montreal on the 15th February, 1946:—

- (a) A technical manual of Common Battery Telephone Equipment issued by the United States War Department.
- (b) A book entitled, *R.C.A.F. Landlines Construction and Maintenance*. This publication was issued by the R.C.A.F. for the information and guidance of construction engineering officers in the preparation of new submissions and the maintenance of Landlines facilities.
- (c) A book entitled *Construction Engineering Division*.

(d) A memorandum relating to the Pacific Coast Programme with Appendices.

(e) A list of test equipment turned over to the R.C.A.F. by Telephone Communications, Limited, on the 24th February, 1946.

These documents, which were improperly retained by Nightingale in his Montreal apartment after he had left the R.C.A.F., did not have equal importance, but some of them were "Secret" or "Confidential".

The document — *R.C.A.F. Land-lines Construction and Maintenance* — was, a short time ago, still a restricted document, and the memorandum relating to the Pacific Coast Programme with Appendices is particularly a document which should not have been in Nightingale's possession after he left the Service.

The fact that Nightingale retained in his possession some of these documents would appear to be a clear violation of *The Official Secrets Act*, 1939. Section 4 (1) subsection (c) says:—

If any person having in his possession or control any secret official code word, or password, or any sketch, plan, model, article, note, document or information which relates to or is used in a prohibited place or anything in such a place, or which has been made or obtained in contravention of this Act, or which has been entrusted in confidence to him by any person holding office under His Majesty or which he has obtained or to which he has had access owing to his position as a person who holds or has held office under His Majesty, . . .

(c) retains the sketch, plan, model, article, note, or document in his possession or control when he has no right to retain it or when it is contrary to his duty to retain it or fails to comply with all directions issued by lawful authority with regard to the return or disposal thereof;

that person shall be guilty of an offence under this Act.

Being required by the provisions of Order in Council P.C. 411 "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”, and having regard to Nightingale’s association with Rogov and the burden of proof thereby thrown upon him by *The Official Secrets Act, 1939*, together with his lack of frankness before us, which was manifestly an endeavour to hide his real conduct, we are of the opinion that he not only agreed to furnish unauthorized information to the Russians but actually did so. He admits the improper retention of R.C.A.F. documents.

SECTION III. 8

DAVID SHUGAR, Ottawa

This man's name was first brought out in evidence before us by Gouzenko, as follows:—

Q. Then who is Shugar?

A. That is the real name of an agent who was suggested by Sam.

Q. The real name of an agent suggested by Sam?

A. Correct.

Q. Do you know what his initials are?

A. I don't know.

Q. Do you know what he was doing, who he was?

A. He was working in the Naval Department. He is a specialist in anti-submarine detection; Asdic.

Q. And are you aware that he also had a nickname or a covername?

A. Later he was given a nickname, Prometheus, or Promety in Russian.

Q. That would be the Greek Prometheus?

A. Yes.

Q. So he was known as Promety or Prometheus?

A. Yes.

The "SAM" referred to is Sam Carr, and from the above it is established that Carr suggested to the Russians that Shugar would be suitable material for employment as an agent.

Shugar, who on his discharge from the Navy, entered the employ of the Department of National Health and Welfare in 1946, had entered the Canadian Navy on February 5th, 1944, as an Electrical Sub-Lieutenant R.C.N.V.R. He had been born in Poland in 1915, coming to this country at the age of four or five. He received his B.Sc. in physics from McGill University in 1936 and his Ph.D. in 1940. For a short time he was employed in the Department of Physiology of that University and then entered the employ of Research Enterprises, Limited, a Crown Company, at Leaside, near Toronto, in January, 1941, where he remained until he joined the Navy as above mentioned. While with Research Enterprises, Limited, Shugar took the following oath on January 17th, 1941:—

**I, David Shugar, solemnly and sincerely swear that
I will faithfully and honestly fulfil the duties which
devolve upon me as a Director, Officer or Employee of
RESEARCH ENTERPRISES, LIMITED:**

That I will not ask or receive any sum of money, services, recompense or matter or thing whatsoever directly or indirectly in return for what I have done or may do in the discharge of any of the duties of my said offices except my salary or what may be allowed me by law or by an Order of the Governor-in-Council;

And that I will not, without due authority in that behalf, disclose and make known any matter or thing which comes to my knowledge by reason of my association with or employment by RESEARCH ENTERPRISES, LIMITED.

SO HELP ME GOD.

D. SHUGAR.

He also signed a document in the following terms on February 12th, 1944:—

I, David Shugar, fully understand and agree that leaving the employe of Research Enterprises, Limited does not in any way relieve me of my responsibility concerning the oath of secrecy which I signed at the commencement of my employment with this company.

Shugar was thus in Toronto, which city was Sam Carr's headquarters, for approximately three years.

On arrival in Ottawa in March, 1944, he was assigned to the staff of the Director of Electrical Supply. The purpose of this branch was to produce anti-submarine equipment in Canada for the British and Canadian Navies. He became a technical assistant to the Deputy Director and was chosen because he was a physicist. On entering the Navy Shugar also took the usual oaths including the oath of allegiance.

One of the first matters with which Shugar became connected was a difficulty being experienced in the paper used in Asdic equipment on surface ships and in harbour defences to record the location of submarines. In the United States the name used for their equipment corresponding to "Asdic" is "Sonar". The problem with the paper itself was a question of chemistry, not physics, and this problem was given to the University of Toronto, with Professor Beamish in charge. Shugar was, with Lieutenant-Commander Anderson, made liaison officer between the University and the Navy. In connection with this matter, Shugar went to England and was away from October 26th to December 3rd, 1944. In the United Kingdom he visited a number of Admiralty establishments and commercial firms whose chemists were working for the Admiralty. He also had had occasion to visit a number

of establishments in the United States both before and after his trip to England. All this was, of course, secret work.

In the dossier kept by the Embassy on Sam Carr, which was produced before us by Gouzenko, there is the following document:—

TASK No. 1 of "16-12-45"

To Sam for Shugar

1. Tactical and technical facts of the naval and coastal hydro-~~phonic~~ acoustic stations working in ultra-sound diapason. Common review on the "Caproni's" stability of the U.S.A. and Great Britain. *
2. Stability, type of "Asdic" which is used in a new submarines and other ships.
3. Sets of the "Sonar's" type, working on the radio direction finding principle so-called hydro ~~directional~~ location finding sets. *
4. Situation of hydrophonic sets in the ships of different classes.
5. Plants, workshops, Scientific Research Institutes and laboratories in England and in the U.S.A. which are making and planning the hydrophonic apparatus.
6. Passing of the planning and the test of examples of new types of the hydrophonic apparatus.
7. Knowledge of the battle utilization of the hydrophonic means.

The heading of "*Task No. 1 of 16-12-45*" and the sub-heading "*To Sam for Shugar*" is in Russian. The balance of the document is typed in English. The English is quite evidently that of a person not completely familiar with the language. The figures "45" obviously are a mistake for "44". This document, of course, had not been in the Embassy since September 5th, 1945 as it was brought away by Gouzenko. "*Task No. 2*" assigned to Carr, herein-after referred to, is dated "15-6-45". The words "*acoustic*" in paragraph 1 and "*location*" in paragraph 3 are written in by hand over the typed word, which is struck out.

There is another document in the same dossier entirely in Russian and it must be remembered that Carr, as stated in his dossier, "*knows Russian perfectly*". This has a typed heading, which, as translated, reads:—"Task No. 2 of 15.6.45". The remainder of the document is in manuscript written

* Faint type indicates words crossed out in original documents.

by Rogov. It consists of three pages and contains a number of paragraphs, one of which on page 2 reads:—

2. Inform us where does the matter stand in the execution of the previously assigned tasks for Lieutenant Shugar.

Opposite this paragraph in the left hand margin of the document Rogov wrote the following:—

He works at present in the Naval Staff. He agreed to work for us but with special precautions. He has been under observation.

On the first page Rogov had endorsed "At present he works in the capacity of a scientist in the Naval Staff. Agreed to work". This is struck out, evidently because the paragraph in the document containing the question relating to Shugar was on the second page, and the fuller endorsement, set out above, was then entered on that page.

In Shugar's evidence he says that all his time from May, 1944 until January, 1945 was exclusively devoted to the problem in connection with the detection paper referred to above, and that while this work continued after that time, he then began work on another problem relating to oscillators. His evidence is:—

- Q. As far as the paper is concerned, it is the distance only that is recorded there?
- A. That is right.
- Q. And how long did you work on that?
- A. I worked full time on that, all my time was devoted to that problem until January of 1945.
- Q. Would you say from May, 1944 to January, 1945?
- A. Approximately, yes. My full time was devoted to that during that period, but subsequently to that, in January, 1945, I began the study of another project; but at the same time I used to be called upon for advice in connection with this same problem.
- Q. The other project you are referring to is the oscillators, is it?
- A. Yes.
- Q. Did you not start to work on that subject in December, 1944, and continue until October, 1945?
- A. I thought it was the beginning of January.
- Q. I am just asking you; and if it will help your memory on that, my information is that you started in December, 1944, and that you carried on that work until October, 1945?

- A. That may be true.
- Q. Would that be correct?
- A. If one put it to the end of 1944, I think that would probably cover it.
- Q. What function is carried on by the oscillator?
- A. The oscillator is a device used for sending out the beam with which you detect the submarine.
- Q. You would get the depth with the oscillator?
- A. The particular type of oscillator we were concerned with, that was the one for recording depth.
- Q. That is what you were working on in those two laboratories?
- A. That is right.
- Q. Depth oscillator, would that be the correct term?
- A. I think that would probably cover it.

Returning to "*Assignment No. 1*", of December 16th, 1944, as has been seen, it relates entirely to "Asdic" and "Sonar", anti-submarine devices, with the exception of the reference to the stability of the Caproni. Whatever knowledge Shugar may or may not have had or been able to obtain on Caproni, he was in a position where he either knew or had available to him at Naval Headquarters the fullest knowledge as to the latest developments in anti-submarine equipment. He had access also, as already mentioned, to naval establishments in the United Kingdom and the U.S.A. Accordingly, he was well qualified to supply the information required by "*Task No. 1*" He himself testified:—

- Q. What is the name you give to it in Canada?
- A. The paper, or the system?
- Q. The system?
- A. Asdic.
- Q. And in the United Kingdom?
- A. Asdic.
- Q. And in the United States?
- A. Sonar; the United States use both terms, but Sonar is the one that is more definitely used.
- Q. Am I right in saying that they all refer to the same thing, if I understand you correctly?
- A. Yes.

- Q. How many laboratories did you visit all told in connection with your work?
- A. On paper?
- Q. In connection with both of them. You might deal with paper first, if you prefer, and then with the oscillator.
- A. You mean everywhere?
- Q. Yes?
- A. Shall I rattle them off by names or give the number?
- Q. By name if you prefer, and if it will assist you in answering the question?
- A. There were the ones mentioned previously in England. In the United States there was the Bureau of Ships, the Naval Research Laboratory, the laboratory at Orlando, Florida, and at Fort Lauderdale. There was one laboratory at Mountain Lakes, New Jersey. Then there was the one at Sagam and in Springfield, Illinois. There was the University of Toronto, Department of Chemistry, and the Montreal Pulp and Paper Research Institute. Do you want me to include places like Halifax and Cornwallis?
- Q. Were there laboratories at those places?
- A. Not laboratories.
- Q. Or research institutes?
- A. If I wanted to try something on a ship I would go to Cornwallis or Halifax.
-
- A. I imagine it would be difficult to find any one person who has visited the specific places that I have.

Referring to the document "*Task No. 1*" itself, he said:—

- Q. How do you judge this, then, in Exhibit 19; that your name should be mentioned there in an official document of the Russian Embassy? What is your impression on that?
- A. My impression of this would be that somebody was presuming that it was possible to get these facts from me.
- Q. And you have already testified that in fact it was possible to get these facts from you?
- A. No, sir; it was not.
- Q. Well, in the sense that you had most or all of the information, either you had it personally or you could have obtained it. It was possible in that sense, apart from any consent on your part?

A. I would say that it was possible for me to have obtained most of this information.

Q. That, I think, is what Mr. Fauteux meant by his question?

A. Yes, it was possible for me to have obtained this information, or most of it.

Q. And do you not know of anybody else by the name of Shugar?

A. No, I do not.

Q. Who would be in a position to give that information?

A. No.

Q. Well, what is your reaction, then, on this exhibit which comes from the Russian Embassy, with your name on it, and the subjects dealing with the work that you were doing? What is your reaction on that?

A. I do not know what to make of it, sir.

Q. You do not know what to make of it?

A. No.

Q. You must have given some thought to it?

A. Obviously someone was under the impression that they could get that information from me.

The Deputy Director, Operational Intelligence, Navy, who was not called as a witness with relation to Shugar, gave the following evidence however which is relevant here:

Q. Now let me ask you a similar question as to equipment. What during the war in the way of equipment would you anticipate that the Russians would be particularly interested in?

A. I would think undoubtedly in anti-submarine equipment, including both what is known as Asdic equipment, which is the underwater sounding device for detecting submarines, and also Radar, with the particular application of Radar to the spotting of submarines on the surface. In addition there would be offensive weapons for use against submarines, certain types of depth charges and other projectiles which were used.

Q. First of all take Asdic and Radar. Where would a Russian agent who was working through somebody in the services be likely to find information as to the equipment of the Canadian built vessels in regard to Asdic and Radar?

A. Well, taking Asdic first, it would be extremely difficult to get any information on Asdic other than from a naval officer who was familiar with the equipment, who worked with the equipment, or

from some technical agency responsible for the building of some of this equipment. The Asdic is not visible on the ship; in other words, you cannot photograph it the way you can a Radar aerial, and therefore you would have to have somebody who was in close touch with this particular equipment. There is no question, of course, or there has not been a question, of the equipment being captured. It cannot be photographed easily, and therefore I think you would have to obtain the information directly from somebody who was using it or who was working on development of it.

Q. There would be no central office in Ottawa where all that information about Asdic would be collated?

A. Only in the navy there would be. The Anti-submarine Division—there are two Directorates concerned, the Directorate of Scientific Research and the Directorate of Warfare and Training.

Q. And they would have records giving all the information that they had gathered about Asdic?

A. Yes; all developments would be available there.

Shugar met Sam Carr in Toronto, as he says, in or about October, or November, 1943, while the former was with Research Enterprises, Ltd. Shugar says that the last occasion he met Carr was July, 1945. Between those dates he admitted having contacts with Carr "perhaps two or three times." One of these occasions was at a party which Shugar said was "to raise funds for the *Canadian Tribune*". This was shortly after Shugar's return from England in December, 1944.

With regard to his conversations with Carr, whom Shugar described as an "inquisitive" person, he testified:—

A. I am not sure, but I think that when I first met him he asked me what kind of work I did.

Q. Where would that be?

A. That was in Toronto. That was when I was out to lunch with him.

Q. That was in Toronto, when you were out where?

A. When I met him at lunch down town with one trade union man.

Q. While you were at Research Enterprises, Limited?

A. That is correct.

Q. While you were working for Research Enterprises, Limited, or while you were working with the navy?

A. It was just before I was going into the navy. I was still in the employ of Research Enterprises, Limited.

Q. What did he ask you?

A. He asked me what kind of work I did, and I told him I was a physicist and did research and development. That is all I would tell him.

Q. Did you tell him you were going into the navy?

A. At that time I believe I had just received the notice that I would be going into the navy, and I very likely mentioned it.

Q. To Carr?

A. Yes.

Q. Were you not asked by Carr to give information to him as to what type of work you were doing while you were in the navy department?

A. Do you mean whether I was doing research or something else?

Q. Yes?

A. That is possible.

Shugar says the last occasion he met Carr was in Toronto on a Sunday night in July, 1945. He says he was at that time leaving for Ottawa and met Carr by appointment in a restaurant on Spadina Avenue. The official record kept in the Navy of Shugar's movements shows that he was in Toronto from July 14th to 17th, 1945, not having been there since the previous June 4th. On July 24th he left Ottawa for Halifax, and did not return to Ottawa until August 3rd, leaving again on August 13th for New York and Washington where he visited a number of naval establishments. As shown by the "Notes of Meetings" kept by Rogov (set out in full in Section V--*The False Passport*), Rogov met Carr in Toronto at Harris' apartment on July 17th and met him again in Montreal on August 1st. On August 2nd, Zabotin cabled *The Director*:—

232

To the Director

1. Have agreed with Sam on handing over to us Shugar the connections with Prometheus. At present the latter is in Florida. The handing over will take place in the city of Sam on his return from Florida. I regard it expedient to entrust to Brent the connection with Prometheus. *

*Faint type indicates word crossed out in original documents.

2. Sam promised to give us several officers from the central administration of the active forces. At present it is pretty hard to do it, in view of the fact that ~~a reshuffle of personnel~~ a filling of positions in the staff with officers who have returned from overseas is taking place. *

Grant. *

3. We have received from Gray the whole correspondence on the question of the theory of the deformation of the shell in the channel of the barrel. Altogether about 150 pages. We shall send them in rote.

2.8.45

Grant.

In the original Russian the name "Shugar" appears in the first sentence but is struck out and the name *Prometheus* substituted. Toronto is "the City of Sam".

Accordingly, on either July 17th or August 1st, Carr reported to Rogov on his conversation with Shugar on July 15th and the endorsements made by Rogov in the margin of the copy of the document dated June 15th, which he had kept, is the consequence. It is altogether likely, and it would be the probable course of events, that Carr's report was made on July 17th. The document itself concludes as follows:—

P.S.:

1. Regular meeting ~~in your city~~ in 17.7.45. *
Emergency meeting 24.7.45 at 9.30 in the evening
in your city in the same place (near the hospital),
the doctor knows.
2. After reading through, burn.

In the margin of the first page Rogov had also endorsed "2 copies", and "assigned 15.6.45" indicating that he had given one copy of the document out for Carr on that date, keeping the other in his file. In section V of this report on "The False Passport" the documents there set out show that Rogov met Harris in Ottawa on the evening of June 15, 1945.

At the meeting of August 1st Rogov handed Carr another "Task" dated that day which contains no reference to Shugar, the reason being, no doubt, because Carr's report had been received on July 17th and duly noted by Rogov on the document of June 15th.

As to the statement in Rogov's note that "*he works at present in the Naval Staff*", Shugar did not leave for Halifax until July 24th, but it is

* Faint type indicates words crossed out in original documents.

altogether likely, by reason of the nature of his work, he then knew, as would appear from the contents of the cable of August 2nd, that he would have to go to the United States. He himself deposed:—

“If I wanted to try something on a ship I would go to Cornwallis or Halifax.”

Q. It could mean that you were in Halifax at that time?

A. I guess it could: yes.

“I recall Sam Carr asking me at the time I met him I would have had no hesitation in telling him where I had gone to or where I was planning to go to.”

At this period he was engaged on experimental work in connection with the oscillator.

The document in Naval Headquarters signed by Shugar himself with reference to this particular trip sets out that he had “been directed to proceed on Public Service, namely, A/S Trials at H.M.C. Dockyard, Halifax, N.S.” The letters “A/S” mean “Asdic”.

While Zabotin’s cable of August 2nd states that Shugar was at that time in Florida, he was in fact on his way back from Halifax but left for the United States on August 13th. Shugar testified:—

Q. Would you please listen to my question and answer it? I asked you what you told Carr, not what you may have told anybody else. Please put your mind on that question?

A. I told him where I went to and what places I visited.

Q. What places did you tell him you visited?

A. Springfield, Washington, Florida.

The above does not relate to his talk with Carr in July 1945 but merely sets out that Shugar had no reticence as to where he went in the course of his duty.

The statement in the cable of August 2nd, 1945, is explainable either on the basis that Shugar, as far as he then knew, did expect on his return from Halifax to go to Washington and on to Orlando and Fort Lauderdale, where he had been the previous January and February, and so told Carr, or that what Shugar said as to his intended movements got garbled in the transmission from Shugar to Carr to Rogov to Zabotin. The cable shows, how-

ever, that Zabolin, on the basis of Carr's report of July 17th, was so satisfied with Shugar's agreed status as an agent that he proposed having *Brent* (Rogov) make direct contact with him in the future and dispensing with the intermediaryship of Carr.

However, Moscow, without whose approval no one could be used as an agent and whose approval in detail was also necessary for the method of operation and contact, did not approve of this suggestion. On August 10th *The Director* cabled Zabolin:—

11437
14.8.45

To Grant.

Your telegram No. 232.

1. In my telegram of 19.7, I have advised that until the receipt from Prometheus of information material and the establishment of his possibilities in the Navy Department, the 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 the contact to Brent. If you have no objection, it is better to transfer him to Chester for contact.

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

2. We are definitely interested in obtaining people from the departments mentioned. Let Frank, after the staffs have been set up in final form, recommend one or two candidates for our study.

10.8.45. Director

Grant
14.8.45

On this cable Zabolin put his name on August 14th as above. "*Chester*" is Captain Gourshkov, Zabolin's "driver". "*Frank*" is one of the cover names given to Sam Carr.

Following this we find in Carr's dossier "Task assigned 16-8-45", reading as follows:—

Assigned personally 16.8.45

The Task

1. To write a report on the technique of making up passports and other documents, indicating precisely who on your side (Frank's) is engaged in this activity.
2. What documents can be made and can be received through you.
3. To give a complete character outline of Prometheus, indicating his position, the department in which he works in the navy and also to write down his basic biographical facts, his home and office addresses and telephones.
4. The proposed place of work of Prometheus in the event of his demobilization.
5. Your possibilities regarding the selection of people in the General Staffs of the armed forces.

Paragraphs 3 and 4 relate to Shugar and carry out the above instructions in the cable of August 10th. The Embassy documents leave the matter here, but leave it in the position that Shugar had agreed to act as an agent, Rogov and Zabolin being completely satisfied that such was the fact.

The remainder of the marginal note on "Task No. 2" with which we have so far not dealt reads:—

"He agreed to work for us but with special precautions. He has been under observation".

We deal with the last sentence first. The presence of this statement in the note, in the light of the evidence to which we will now refer, establishes the complete genuineness of the whole note.

Dr. Beamish, who is Director, Analytical Research Division, University of Toronto, testified that the research work on the recorder paper reached such a stage in or about September 1944, that the Navy suggested that it might be advisable to reveal its composition to Great Britain. He said that Shugar came to him and suggested that he and Professor Beamish should go to England, take the composition with them, and discuss it with the British naval authorities. Dr. Beamish did not think he would be able to go but he arranged that one of his assistants, Dr. Currah, would take his place. It was therefore arranged that Shugar and Currah should proceed to England with the paper. A few days before Shugar left he went to Toronto, saw Dr. Beamish and told him that he had not been able to make arrangements for Dr. Currah to go with him, but that when, having regard to the

other matters he had to attend to, the matter of the paper came up, he would cable for Dr. Currah to come. Shugar however, did not cable and Dr. Currah did not go. It will be remembered that Shugar was a physicist, not a chemist, and that any discussions in England with persons engaged on the corresponding work there, would have to be with regard to a matter of chemistry. Dr. Beamish said:—

Q. Having given to you and your department the requirements, it then became a problem in chemistry?

A. It did, entirely.

Q. Had Shugar any chemical knowledge?

A. Well, I would say practically none.

Q. And he did succeed in going to the United Kingdom alone, although it was considered that you or Dr. Currah would and should have gone with him?

A. It was a very foolish thing, to send him alone.

Q. Assuming that you or Dr. Currah had made the trip to England, you would have been in a position to discuss with the chemists of the United Kingdom the formula?

A. Yes. It was almost ridiculous that a man with so little knowledge, almost no knowledge of the detecting paper, should go to England and discuss the paper. It was ridiculous.

Shugar arrived back in Canada December 3, 1944, and the record shows that he reported to Naval Headquarters at Ottawa that he went to Toronto University on December 6th following. Shugar repeated to Dr. Beamish some oral discussions he had had in England, and then after reminding Dr. Beamish that delay had been experienced in getting paper tested at sea as improvements were developed in the course of the research, and stating that paper which Dr. Beamish had sent to England was still in storage there, he put forward the following proposition:—

“He said he had made some personal contact—it is difficult to say just how he described it—he said he had made a personal contact with a laboratory and he would like from me interim reports so that they could be sent to this laboratory and it would facilitate having the testing made. This was unofficial. I cannot recall what I said to him, but I certainly did not agree. I sent a letter then to Ottawa pointing out that this suggestion had been made and objecting to it.”

The letter referred to by Dr. Beamish is dated January 9, 1945, and addressed to Lt. Comm. Anderson at Naval Service Headquarters. The relevant paragraphs are as follows:—

I recently had a request from Shugar for information on the latest impregnation solution which we have developed. As you know we only revealed our first formulae on the assurance that our compositions would be given adequate protection. At your suggestion we felt that the patenting of the detector would give us the necessary security. We have asked Shugar for information as to the steps which have been taken toward this end, but up to the present we have not been informed of the progress that has been made.

Our most recent paper will require further work before we are satisfied with its performance. Until this stage has been reached we do not feel that the composition can be revealed. I do not wish to provide other laboratories with good ideas only half developed. Lieut. Shugar informed me recently that one British Laboratory is now working on our formula, and it was his hope to send on to them whatever information we made available. I must emphasize that, should the Navy consider this co-operation desirable, I shall authorize sending information on the condition that it proceeds directly through the regular Chemical Warfare channels.

As I mentioned to you during our last telephone conversation I believe that we should have a meeting to discuss the situation as a whole. We would like to have Shugar, Cowan from the Eddy Co., and yourself come to Toronto for this meeting because Currah and I are engaged in other researches and cannot leave Toronto. Could you arrange to come here around the final week of January?

Dr. Beamish followed his letter by a personal visit to Naval Headquarters in Ottawa as to which he said:—

- A. I pointed out that I objected to this kind of behaviour. I requested that Shugar be removed from his liaison position, which meant that he could not visit the laboratory. I recall the statement I made was if he could not be removed, that he not be sent to me unless I requested his presence, and I never would do that. There-

fore, I felt he should not appear in my laboratory at all and Anderson agreed to that.

Q. Why?

A. It is difficult to answer that; it is based on suspicion. I never trusted him after the first few months' experience with him. Little things which were raised, difficulties between him and Anderson which I checked up and found out some things. As a result of the discussions and Anderson's explanations, whatever they were, the sum and substance of the whole thing was that I distrusted him and I did not want him in the laboratory because I felt I could not trust him. That trip to England confirmed that, at least strengthened that suspicion. From that time on I did not want him around at all.

Q. Suspicion of what?

A. Suspicion and distrust, that is all. I can say quite definitely that I had no suspicion that he had any connection such as he has been accused of. I think I can say that. I do not know what the distrust was. I can cite several instances to bear out that feeling. I told the boys when they came to Ottawa, to Hull, to prepare these papers—on each occasion I warned them that they must not under any circumstances reveal anything whatever to Shugar; they must not get into discussions.

Q. That is your own laboratory staff?

A. My own laboratory staff. You may ask me why, but I do not know.

Q. This conversation that you had with him on his return from England in which he referred to a proposition; what was that concrete proposition, as best you can put it?

A. I will repeat what I said before. I am not just quite so sure of what he said, but he called to my attention something, and I knew that there was delay in having our papers tested on sea trials. To avoid that delay he said he had made contacts with certain laboratories, which he did not mention and would not mention, through which reports could be sent and requested interim reports from me, that is, reports having to do with unfinished work which was promising work. Specifically asked for certain formulae which we had never revealed because we felt they were not complete, but they were promising. We refused to give him that.

Q. Was that in relation to this detector paper?

A. It was all related to the detector. We had no other relationship. That strengthened my suspicion. To emphasize that, I wrote to

Anderson and said—I forget just what I said, but it is there. I certainly intended to suggest that I could not agree to that kind of thing.

Q. You have told the Commission about your conversation with Anderson and your suggestion, either that Shugar should cease to occupy his liaison position or, alternatively, that he should not come to your laboratories until you requested that he do so?

A. That is right.

Q. What stand did Commander Anderson take in respect to that?

A. As I recall, he agreed to it. He could not do anything else, he had to agree to it.

Q. From then on you did not see Shugar?

A. No, that is not so. We did not see him officially but he called in, at least on two occasions, and on discussing this with my own assistants they said that he called more often than that, but I can recall two occasions. On both occasions I warned the assistants that he must not get past the office door. The office is set aside from the laboratory and the laboratory is kept locked. They must go into the laboratory through the office and I refused to have him in the laboratory and insisted the door must be kept closed. During that period we had taken over work, certain branches of the work on the atomic energy project and I stressed that to the boys.

Q. That was at what time?

A. It was in 1945.

Dr. Beamish further testified with respect to the matter mentioned in the letter:—

Q. But what I want to get at is, this was written in January of 1945?

A. Yes.

Q. At that time you had a third or fourth formula. The formula that Shugar referred to would not be the latest formula, as it was in January, 1945?

A. I would say no.

Q. Because he did not have it?

A. No.

Q. That was the one he asked for and did not get?

A. He asked for our latest developments on that paper, and in addition he asked for the formula of another paper which we have not recorded, which offers great promise. He wanted that, and that

was the basis of the suspicion in the laboratory that all was not well, because there was no good reason for asking for that.

- Q. Was this other paper also submarine detector paper?
- A. Yes, and it offered very considerable promise under certain conditions; and he didn't know anything about the formula, except he knew it existed.
- Q. How did he know?
- A. Because we told him we had it.
- Q. You told him you had one?
- A. Yes.
- Q. Are you still working on that one?
- A. No, we have a better one; but it remains for future research in case certain alterations are made in the Asdic recording machine. That is the very point—I recall that now—that we were suspicious when he asked for that particular formula, because the Navy was not interested in it.
- Q. The Navy was not interested in it?
- A. No. The Navy did not know anything about it.
- Q. Then your suspicion would be that he had in mind something outside his duties?
- A. Something outside his duty. I can say that, yes; and that might have involved, in my mind, making use of it to some personal advantage.

- Q. The last sentence in the paragraph above, Dr. Beamish, refers to this:

I must emphasize that should the Navy consider this cooperation desirable, I shall authorize certain information on the condition that it proceed directly through the regular chemical warfare channels.

Now, what were those channels; what was that channel?

- A. The normal procedure was this. The reports would be sent in to Dr. McIntosh, who was secretary to the Director of Chemical Warfare, and he would have a list, a distributing list. They would go out from his laboratory to the various centres.
- Q. You have referred to the submarine detector papers, the formulae for them, and the formula for the other paper you were working

on, for which Shugar asked. Did Shugar ever try to get from you any information about any other matters that he should not have had?

A. No. We were on the lookout for that. We rather expected that. I don't know why we expected that, but when we took over the atomic bomb work I did feel like watching out whether or not he would ask for any information; and while he did mention the subject, there was no indication of a request for information.

Q. At that time he was not allowed past the laboratory doors?

A. Nobody was permitted in. We particularly would not have Shugar in. The subject was just not discussed at all with anyone. I don't think I ever discussed fully with Anderson my suspicions of Shugar, because I felt that to a considerable degree my suspicions were not founded on actual data that I could put my fingers on.

Q. Quite so; but you at least told him you did not want Shugar in the laboratory?

A. Very definitely told him that.

This evidence fully satisfies us of the accuracy of both parts of the statement in the note

(1) "*He agreed to work for us*"

and

(2) "*. . . but with special precautions. He had been under observation.*"

No one could possibly have given either Carr or Rogov the information that Shugar had "*been under observation*" except Shugar himself.

The order of events would appear to be as follows: Shugar, on his return from England went to Toronto on December 6, 1944, remaining there until December 11th. Here he saw Carr, as he himself says, and he also saw Dr. Beamish. We think that "Assignment No. 1" of December 16th was prepared as a result of Carr's report. We think it incredible that such a document could have been prepared directed specifically to Shugar as it was, and asking in detail for so much information as to which Shugar himself says:—

A. *Yes, it was possible for me to have obtained this information or the most of it.*

Q. *And do you know anybody else by the name of Shugar who could be in a position to give that information?*

A. *No.*

—had not Shugar given Carr the facts as to the work he was engaged in, and the establishments he visited in the course of his work, and indicated his willingness to answer such questions as the Russians might put to him with regard thereto.

It should be borne in mind that according to Rogov's notes of meetings in connection with the false passport matter, set out in Section V of this Report, it is stated that Rogov made Carr's acquaintance in July, 1945. Up to that time the person on the staff of the Embassy who was contacting Sam Carr or his alter ego, Henry Harris, was first "*Leon*" (*Koudriavtzev*) and then "*Lamont*" (*Motinov*) who in turn relayed these reports to Rogov. With respect to this Gouzenko testified as follows:—

Q. What I wanted to ask you is this. It looks to me as if Rogov would not have been able to make up a document like this for Shugar to answer if he did not already know that Shugar would be able to give that information. Would you agree with that?

A. That is right.

Q. In other words, that Sam Carr must have talked to Shugar, and found out that Shugar could furnish information of this type, and then Rogov prepared the document in detail?

A. That is right. It is absolutely right, and this happened. First of all Sam Carr proposed Shugar. He proposed Shugar, of course, knowing Shugar before. He knew what kind of information Shugar can give, generally at least. He knew that Shugar can give information about Asdic, so he told. If he told this only to Rogov, actually it would be enough for him to create this.

Q. That is Exhibit 19-C?

A. Yes, even without asking Moscow, just to confirm that; and this is actually what has happened. Sam Carr told Rogov about the possibilities of Shugar. Rogov, with the help of Pantzerney, this naval officer, who knew about Asdic and so on, gave this to Sam Carr, and Sam Carr furnished this to Shugar and Shugar looked at this, and he said, "This is too general. Give me more detailed request and I will give you it after, because there were so many books and reports about this Asdic, so give me more details of the request."

Q. I want to understand that. Do you say that after Sam Carr had given that, or had shown the document in front of you, Exhibit 19-C, to Shugar, that Shugar said that request was too general and that he wanted something more specific?

- A. That is right.
- Q. And how long after the date of that document, which is December 16, 1944, do you remember, if you do, when that information got back to Rogov?
- A. That is right. This came back to Rogov, which means that Sam Carr returned this request to Rogov asking more details. Then a telegram was written by Colonel Zabolotin to Moscow, asking for more detail. About a week after this, or I think maybe half a month, Moscow obviously confirming its technicians, sent a list with specific numbers of these Asdics, and this was given to Shugar again.
- Q. Just a moment. What do you mean by "specific numbers of Asdics"?
- A. As I remember this telegram, it was "Asdic Nos. 203, 204, 207." There was a big list, each Asdic obviously having a number. So Moscow knew this, evidently, and knew what kind of numbers are in the United States Asdics, and they requested these Asdics. Then there came another instruction about installing Asdics on naval cruisers of the United States naval forces, and so on; specific questions, and this was again sent to Sam Carr from Rogov and again given to Shugar. Obviously he had no time to reply and furnish this information. (That is before September 5, 1945 when Gouzenko left the Embassy.)
- A. These questions were written from the telegram and translated into the English language, and they were obviously written for Sam Carr to show to the agent. So I am sure that this particular list was in the hands of Sam Carr and maybe in the hands of Shugar. Afterwards it was glued to this page. During contact with Rogov, Sam Carr told him that he had shown the questions to Shugar and Shugar said that they were too general. Further than that on these questions there has been a great deal of material written. Therefore he asked for more detailed and technical questions on these questions, on these anti-submarine Asdics. Following this Moscow sent a long telegram showing in detail the questions, the numbers, the Asdic, No. 1 Asdic, No. 2 Asdic, and so on—not No. 2 and No. 1 but special numbers of Asdics. These Asdics appeared as separate inventions under definite numbers. So this shows that Shugar

agreed to work, and he was interested in receiving more detailed questions for the work he performed.

It is clear from the above that the numbers "203, 204, 207" are not actual Asdic numbers but are used by way of illustration only.

After Dr. Beamish had returned from his visit to Ottawa, Shugar began to realize the change in the atmosphere at the University of Toronto. We have no doubt that the reception accorded Shugar's request to Dr. Beamish and his exclusion thereafter from the laboratory produced in him the feeling that he was under suspicion and that he reported this in due course to Carr. Dr. Beamish, as he has said, did not suspect what Shugar's real object was. He thought Shugar was proposing to make some use of the information for his personal advantage. Shugar, however, was in fact suspected and realized it. In our opinion therefore Shugar did agree to communicate secret information and actually tried to obtain the above information from Dr. Beamish for that purpose.

It is altogether likely that Shugar would anticipate that Dr. Beamish would not fail to report his suspicion to Naval Headquarters and that this would put them on the watch. We think this is the explanation why the assignment of December 16th, later made specific as Gouzenko says, had not been fully complied with by Shugar by June 15th, 1945, and why Rogov, in "Task No. 2", required Carr to "*Inform us where does the matter stand in the execution of the previously assigned tasks for Lieutenant Shugar*". Shugar would naturally not be prepared to furnish any further ground of suspicion by trying to obtain at Naval Headquarters information asked for in the document but which he himself did not actually have.

We think that the inference which we have drawn from the Embassy document of December 16th, 1944, itself, that it was prepared from information given to Carr by Shugar, is supported by the evidence of Gouzenko, and confirmed by that of Shugar himself. He said:—

Q. On this page is pasted a typewritten document with an inscription in Russian translated 'Sam to Shugar'. You knew that the first name of Carr was Sam, didn't you?

A. Yes.

Q. Did you say yes or no?

A. That is correct.

Q. Do you know of any Shugar who is connected with the department in which you were working, when you worked in the navy?

A. No, I don't know of any other.

Q. You do not know of any other but you?

A. No.

A. He asked me what sort of places I visited.

Q. And with regard to paragraph 3; do you remember that?

A. I recall being asked about Radar; whether I was working on Radar.

Q. I am suggesting as a result of my investigation that Carr's curiosity was not idle but it was paid for curiosity. I am asking you if Carr ever tried to obtain any of this information from you?

A. Yes, of course. In terms of No. 6 or 5. When it comes to 5 my answer would be yes. With regard to the other questions I don't remember the terms. He may have asked general questions relating to that type of work but not in

Q. Not in those terms?

A. Not in those terms.

This last mentioned conversation with Carr, Shugar says, took place in December, 1944, or January, 1945.

Q. What did he ask you then?

A. Well, I recall vaguely having him and one or two other people around, and they were talking in bantering tones about my uniform and the braid, and wondering what kind of work I did; and it was just the same question. I had been accustomed to being asked by many people about my work, and all I would tell anyone was "research and development" although I did, I remember later on I may have said to people I was doing anti-submarine work.

Q. You said that to Carr?

A. I don't know whether I mentioned that to him or not, but I have mentioned to some people that my work was anti-submarine, or A/S work, as it is normally known.

Q. Were you not asked by Carr to give information to him as to what type of work you were doing while you were in the navy department?

A. Do you mean whether I was doing research or something else?

Q. Yes?

A. That is possible.

Q. Would you please listen to my question and answer it? I asked you what you told Carr, not what you may have told anybody else. Please put your mind on that question.

A. I told him where I went to and what places I visited.

Q. What places did you tell him you visited?

A. Springfield, Washington, Florida.

A. The only specific lab that I mentioned—I am sorry if I am a little vague—I do not remember specifically mentioning to Sam Carr or any particular individual the names, but I have mentioned to people that I visited the Naval Research Laboratory in Washington and the United States Navy Laboratory at Orlando, Florida, and Fort Lauderdale, but nothing very specific; saying that I visited Washington and that I was going to Florida.

Q. What I am not quite clear on is why you would tell Carr that you went to Springfield, Washington or Orlando; I cannot understand what his curiosity would be or why you would tell him about those places at all. Can you explain that a little better?

A. I did not think there was anything out of the ordinary about going to Springfield or what was at Springfield or what was at Orlando or what was at Washington. Everyone knows there are United States Naval Laboratories or factories in various towns that are making equipment. So that I really had no hesitation in telling anyone where I was travelling to.

Q. Yes, but why?

A. I think there was only one exception to that; I never mentioned to anyone going to Fairlie.

Q. You had gone to those places, Washington, Orlando, and Springfield, before you went to England, had you not?

A. Yes.

Q. You were not just back from those places when you had your talk with Mr. Carr. It was not just a case of telling Mr. Carr where you had been. I think you understand the purpose of my question much more clearly and much more quickly than you give the impression of doing. If you were just recently back from some one place, say England, Carr might be interested in inquiring and you might be interested in telling him about the places you had been, but these

were places you had been to before your trip to England. You understand my point?

A. I understand your point, but as I said before—

Q. You make your answer.

A. I had no hesitation in telling anyone where I had been.

Q. All right.

A. With one exception, that was Fairlie and Slough.

Accordingly, Shugar says that he told Carr that he was doing anti-submarine or A/S work; that Carr asked him specifically the “plants, workshops, scientific research institutes and laboratories in England and the U.S.A. which are making and planning the hydrophonic apparatus” (item 5 on the document of December 15, 1944); that Carr may have asked him general questions with regard to the other items on the document; that he told Carr “where I went to and what places I visited”, and that he had no hesitation about mentioning and did mention to “people” (we have no doubt this includes Carr) that “I visited the Naval Research Laboratory in Washington and the United States Navy Laboratory at Orlando, Florida and Fort Lauderdale”. From our observation of Shugar and on all his evidence, including the above express admissions, we think the inference from the document of December 16, 1944 itself is correct, that it was from information about his work given by Shugar to Carr, that the Russians were enabled to draw up the document.

Shugar also deposed:—

Q. All the information that you obtained for the purpose of carrying on this research work was of a secret nature?

A. Yes.

Q. Equally, the results which you achieved were of a secret nature?

A. That is correct.

A. Because my work was of a confidential nature.

Q. And why was it considered of a confidential nature?

A. Well, any work at all in the navy or the army or the air force is considered of a confidential nature.

In his attestation on February 5th, 1944, Shugar had declared:—

2. That I am desirous of being enrolled as an officer of the Royal Canadian Naval Volunteer Reserve Force, and that I accept and abide by all the rules of the said Force.

5. On being enrolled as an Officer in the Royal Canadian Naval Volunteer Reserve I undertake and bind myself:

(a) To serve from the date hereof for as long as my services may be required, being subject to the provisions of the Naval Services Act, and of the regulations made in pursuance thereof for the governing of the Royal Canadian Naval Volunteer Reserve, and to the customs and usages of His Majesty's Canadian Naval Service.

By Section 45 of the Naval Service Act (Revised Statutes of Canada, 1927, cap. 139) it is provided that the Imperial Naval Discipline Act of 1866 and amending Acts and the King's Regulations and Admiralty Instructions shall apply to the Naval Service in so far as these Acts and Regulations are applicable and not inconsistent with the Canadian Act or any regulations made under it.

Section 925a of the above mentioned King's Regulations states that it is a breach of the Official Secrets Act to divulge any confidential information or "any information acquired by him as a member of the Naval Service" unless authorized so to do.

Again, by Section 101 of the regulations passed pursuant to Section 42 of the Canadian Naval Service Act it is noted that the Criminal Code makes provision for the prosecution and punishment upon conviction of persons in His Majesty's service, who being in possession of "knowledge etc." communicate or "attempt" to communicate the information to unauthorized persons. The provisions in the Criminal Code referred to above are now to be found in Section 4(1) of the Official Secrets Act, 1939, which provides that:—

4.(1) If any person having in his possession or control any . . . information . . . which he has obtained or to which he has had access owing to his position as a person who holds or has held office under His Majesty. . .

(a) communicates the . . . information to any person other than a person to whom he is authorized to communicate with, or a person to whom it is in the interest of the state his duty to communicate it; or

(b) uses the information in his possession for the benefit of any foreign power or in any other manner prejudicial to the safety or interests of the state;
that person shall be guilty of an offence under this Act.

(2) If any person having in his possession or control any . . . information which relates to munitions of war, communicates it directly or indirectly to any foreign power, or in any other manner prejudicial to the safety or interests of State, that person shall be guilty of an offence under this Act.

9. Any person who attempts to commit any offence under this Act or . . . does any act preparatory to the commission of an offence under this Act shall be guilty of an offence under this Act and shall be liable . . . to be proceeded against in the same manner, as if he had committed the offence.

The Deputy Director of Electrical Supply of the Navy testified as follows:—

- Q. You do not make public the existence or location of the various laboratories where research work is being carried on because that is considered to be secret in order to protect the nation?
- A. That is right.
- Q. You do not make public the location of plants or workshops?
- A. No.
- Q. Where this apparatus was being made?
- A. No.
- Q. And for the same reason?
- A. Right.
- Q. Would a man knowing the position that Shugar had and knowing the various places where Shugar would travel to in the course of his duties; if that were known that would defeat the measures of secrecy to a certain extent?
- A. Yes.
- Q. Because it would indicate the various places, or there would be a possibility of indicating the places where these things were being manufactured?
- A. At least the location.
- Q. Was he given instructions not to disclose the places where he went to during those trips?
- A. I would not say that. Perhaps we were not wary enough, but we never told any officer—

- Q. Without giving him those instructions, would you say that a man in his position should understand that he must not disclose those places to anyone?
- A. I should say so.
- Q. What about warnings about disclosing information?
- A. Well, in the course of his nominal duties any officer in that Directorate knew that Asdic was secret and he knew he was not to talk about it to anybody.
- Q. Did he know that from notices that were circulated?
- A. No. All the drawings are marked Secret. I know at the start every officer that came in, I used to personally tell them that this was a secret job and nothing was to be said about it, but I must say that in Shugar's case I did not do that. He came in toward the end and perhaps he was not specifically told it was secret, but there is no question or a shadow of a doubt that he did not know it was secret, because everything he handled was marked Secret.
- Q. All the documents were marked Secret?
- A. Yes.
- Q. This morning you referred to the oscillator and the record paper device. Am I right in saying that the record paper shows in effect what has been detected by the oscillator?
- A. That is right.
- Q. You said this morning that all that work was secret. Are we to understand that transmission of any information with regard to that work to unauthorized persons is considered to be prejudicial to the safety or interests of the state?
- A. Yes.
- Q. And you also explained this morning that the parts constituting these various devices are manufactured in different plants?
- A. Yes.
- Q. Rather than being manufactured in one place. What is the purpose of that?
- A. Well, there are two purposes, actually. Due to the nature of the equipment, it was first of all impossible to get it made in one place; and also because of the secrecy, it was decided wiser to spread it around through many manufacturers, so that no one had any definite idea of the complete set.

Q. And would that mean also that it would render very remote the chance of anyone knowing where he would have to go to seek the information?

A. That is right.

Q. In other words, if these parts are manufactured in several places, then it would take some time for someone to find out first where the various sources of information could be found?

A. That is right.

Q. And that is also part of the secrecy policy?

A. That is right.

In considering the evidence relating to Shugar, as well as that relating to other individuals, we think that it is to be regarded in the light of the presumptions established by the Official Secrets Act, 1939, and for that reason we have referred to that statute. In the present connection subsection 3 of section 4 of the statute is relevant:—

3.(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.

The evidence discussed above goes much further affirmatively than the requirements of the above subsection. The Embassy records, which were never intended to see the light of day outside the Embassy are clear. Shugar's admissions as to his intercourse with Carr are equally incontrovertible and we have no difficulty in finding that Carr was a Soviet agent. The evidence of Dr. Beamish, which became available as the result of the publication of our interim report of March 14th, 1946, confirms, but in a most cogent degree, the opinion there expressed. It also establishes that Shugar actually tried, subsequent to the date of "Assignment No. 1" to obtain information as to the formula used in the preparation of the detector paper, a fact we did not have at the time of our interim report.

Shugar was an evasive witness where crucial matters were concerned. As an illustration, he exhibited that same concealment and air of furtiveness

shown by other witnesses with regard to the question as to whether he was or was not a Communist. Dr. Boyer had said of Shugar:—

- Q. How long did you know him?
- A. I have known him since the fall of 1944.
- Q. And how well?
- A. No, I take it back, I met him once in 1943.
- Q. And again in 1944?
- A. Again in 1944; yes.
- Q. How well did you know him?
- A. Well, I know him well.
- Q. And do you know what his political ideology is?
- A. Yes.
- Q. And it is what?
- A. Labour-Progressive, or Communist.

Lunan's evidence regarding Shugar was:—

- Q. Was he also a member of the Communist Party?
- A. He may be. His views are not as completely known to me, but he has Communist leanings, I would say.

One may contrast Shugar's own evidence:—

- Q. And where do you stand?
- A. I am not a Communist. I have certain ideas about unions, about conditions, current conditions and the need for remedying them, which I believe are my right as a Canadian citizen.
- Q. Oh, unquestionably. All we are interested in are the facts. That is all we want to know. Nobody is attacking your opinions. All I am asking you about is, what are they?
- A. I merely have the impression that some of these questions do not bear on the subject under discussion here.
- Q. Is that why you are reluctant to answer them?
- A. No. As a matter of fact I find it a little confusing to answer such questions as, what is a Communist. I am not reluctant to answer anything that I can answer in a clear manner.
- Q. Any questions I have put to you, or any questions counsel have put to you so far you can be sure are all relevant; so if you want to go back over the ground and make any better answers or explanations, go ahead.
- A. No; I would let those answers stand.

Q. You stated that you were not a Communist; that is, if I understood you correctly, you said you did not share all the ideas of the Communists, or of Marx?

A. You understand what, sir?

Q. I understood you to say that if by a "Communist" I meant someone who shares all the views of Karl Marx, and believes in the necessity of world revolution, and so on, which includes the change of government, that you are not one. Is that what you meant?

A. I have not read much of Karl Marx's views. I have read some of his writings.

Q. Then the next question is, would it be fair to say that if you are not a Communist, you have Communist leanings or sympathies? Would you say that this is a fair statement, a fair way to put it?

A. (No answer).

Q. You understand my question?

A. I understand your question.

Q. Would you please answer my question?

A. (No answer).

Q. Why does it take you so long to answer these questions, Mr. Shugar?

A. I do not quite understand the point of it, Mr. Commissioner.

Q. You do not need to understand the point of it. Just answer the question if you understand it, that is all. You are trying to look ahead and see if there is some point involved, but that is not your function. You are here to answer questions. If you do not understand the question you can ask for an explanation. If you do understand it, go ahead and answer it.

Q. What do you mean by a Communist? What do you understand by the term 'Communist'?

A. I would take it that a man who called himself a Communist was one who—I don't know.

Q. When he said you had Communist leanings was he telling the truth or not?

A. I would say not, no, sir.

Q. Have you or have you not Communist leanings?

A. What are Communist leanings?

Q. I am asking you, Doctor.

A. I have been asked this before and I believe I made some statement on it. I ask you what is your opinion of Communist leanings?

With respect to certain discussions he had from time to time with brother officers in the Navy he said:—

Q. And did you, in any of those, from time to time express your own views?

A. I remember several very active discussions on unions and on the Ford strike.

Q. In which you expressed your own views?

A. Yes, Mr. Commissioner. I expressed my own views.

Q. And would it have been a fair or an unfair conclusion for any of the officers who heard you or who took part in those discussions to have concluded that you were either a member of the Communist Party or were at least sympathetic with that Party?

A. I would think so, yes.

Q. You think it would be a fair conclusion, deduction or inference that they could come to such an opinion?

A. No, that was not the way the question was put to me, sir.

Q. Then I will ask the reporter to read back the questions and answers. (Reporter reads):

Q. And would it have been a fair or an unfair conclusion for any of the officers who heard you or who took part in those discussions to have concluded that you were either a member of the Communist Party or were at least sympathetic with that Party?

A. I would think so, yes.

Q. Will you answer it now? Because I do not understand those answers. I am just asking you whether a person listening to those discussions and hearing you express your views would or would not come to the conclusion that you were either a member of the Communist Party or sympathetic with it? No, do you say they would come to such a conclusion or would not come to such a conclusion fairly?

A. That would of necessity depend upon the person involved.

Q. Dr. Shugar, may I ask you this. Is your wife a member of the Communist or Labour-Progressive Party?

A. I am not sure, sir.

On all the evidence we have no doubt whatever that Dr. Boyer's evidence regarding Shugar is correct. We think that Shugar is a convinced and ardent Communist, and realized, as did other witnesses, that Communism was the stream which furnished the agents which the Russians used in this country. For that reason, in accordance with the course he had determined to follow, he decided to keep his position secret if he could. Shugar was a member of at least three Communist study groups or cells in Montreal, Toronto and Ottawa. He characterized these as studying merely "socialism and trade unions." He refused to give the name of any of the members of the Toronto group except one.

In Lunan's office there was found a desk telephone directory containing Shugar's name and number. The diary of Nightingale had the same information. A book kept by Boyer also had Shugar's name and address, and Boyer, as he said, knew Shugar well. Shugar and Durnford Smith knew each other from undergraduate days and they were members of the same cell in Ottawa as was Mazerall. Shugar and Agatha Chapman were also well-known to each other in Ottawa. Shugar, Benning and Gerson were friends and visited back and forth at each other's houses. Shugar also knew Pavlov, the Second Secretary of the Embassy and head of the N.K.V.D. in Canada. He also shared living quarters in Ottawa with Poland.

The Official Secrets Act by section 3 (2) further enacts:—

3.(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; . . .

Looking at the evidence from this standpoint, we think that, from the circumstances disclosed in evidence including Shugar's conduct and character as revealed before us by him in the witness box, and in the evidence of other witnesses, Shugar did "agree to work for us" as Rogov recorded and did in fact furnish information which he had learned as a result of the post he occupied, and that his purpose was in furtherance of the objects of Zabotin's organization to the prejudice of the safety and interests of this country.

When the evidence of Dr. Beamish was adduced, as the result of the publication of our interim report referring to Shugar, we communicated with Counsel who had represented Shugar before us, and made the evidence available to him, advising him that his client would have full opportunity to be heard further or adduce further evidence should he desire to do so. In the course of Counsel's remarks on that occasion he took the position that a charge had been made against his client in the interim report and that this charge did not "stand up" later. It appeared that, following the interim report which dealt briefly with Shugar, among others, an information at the instance of the Attorney-General of Canada was laid against Shugar in the criminal courts and that the magistrate holding the preliminary inquiry with respect to this charge refused to commit Shugar for trial. As this matter has been raised before us we think we should deal with it.

We had before us the following evidence:—

- (a) Shugar's admission that he either knew or could inform himself of the information asked for in the document prepared by Rogov dated December 16, 1944.
- (b) Shugar's admission that he had talked with Carr in 1944 and 1945 and as late as July of the latter year.
- (c) Shugar's admission that Carr had questioned him on matters coming within items 3 and 6 of that document.
- (d) Gouzenko's evidence that the document itself had been prepared as the result of information given by Carr, received by the latter from Shugar. This would arise in any event as an inference from the document itself. We drew the conclusion from the document and Shugar's evidence, that he gave Carr information as to the establishments he visited, the kind of work he was engaged upon, and sufficient other information to enable Rogov to prepare the document.
- (e) Gouzenko's evidence that a further and more specific "task" was drawn up by Rogov, on instructions from Moscow, as the result of Carr's report that the questions asked in the document of December 16th, 1944, were stated by Shugar to be too general.
- (f) The statements endorsed on the document of June 15, 1946, that Shugar had 'consented to work for us'. The document was made by Rogov as a record of events for his information and future use and it was not intended for the eyes of anyone outside of the Embassy. All the other statements in the note

which embodies the statement 'he has consented to work for us' have been established to be true in substance and there is no reason to regard this particular statement differently.

No part of the information in the endorsements could have been obtained by Carr from anyone but Shugar himself. We have heard and seen Shugar and have heard all the evidence relating to him and we were and are quite satisfied that the statements referred to correctly reflect the fact of his agreement.

- (g) We also had the evidence of Shugar's background and associations.

We do not know what evidence was before the magistrate but it was on the above evidence that in our interim report of March 14, 1946 we expressed the opinion that 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., in other words, that Shugar had agreed to do something prohibited by the Official Secrets Act.

In considering the evidence and the effect to be given to it, it is necessary to understand the term "conspiracy" and by what evidence it is to be established.

By the Criminal Code "Conspiracy" is defined as an agreement between two or more persons to commit an indictable offence. In the present instance the indictable offence is violation of the provisions of the Official Secrets Act, 1939. As to the evidence by which it is to be made out, Kenney, in his *Outlines of Criminal Law*, 3rd Edition, Page 291, says:—

As to the evidence admissible, the principles are just the same for conspiracy as for other crimes. But, owing to the peculiarity of the circumstances to which they are here applied, there often appears to be some unusual laxity in the modes of giving proof of an accusation of conspiracy. For it rarely happens that the actual fact of the conspiring can be proved by direct evidence; since, naturally, such agreements are usually entered into both summarily and secretly. Hence they ordinarily can only be proved by a mere inference from the subsequent conduct of the parties, in committing some overt acts which tend so obviously towards the alleged unlawful result as to suggest that they must have arisen from an agreement to bring it about. . . . The range of admissible evidence is still

further widened by the fact that each of the parties has, by entering into the agreement, adopted all his confederates as agents to assist him in carrying it out; and consequently that, by the general doctrine as to principal and agent, any act done for that purpose by any of them will be admissible as evidence against him. Accordingly, evidence must first be given of overt acts committed by each individual, sufficient to show that he was a party to the conspiracy; and thereupon, as soon as the conspiracy has thus been brought home to them all, any act done in connection with it by any one of the conspirators will become admissible as evidence against each and all of the others. . . .

That there was an existing conspiracy between members of the Soviet Embassy in Ottawa and certain Canadians is overwhelmingly established. The question is: does the evidence before us establish that Shugar was a party to it? In the first place the Russian documents kept by co-conspirators in furtherance of the common design and necessary thereto do evidence "summarily and secretly" that he "*consented to work for us*". Zabolin's conviction both as to Shugar's willingness and reliability is so strong that in the telegram to *The Director* of August 2nd he recommends that Carr be eliminated as the contact between his organization and Shugar because it was "regarded to be in the best of interests to entrust the contact with *Prometheus* (Shugar) to *Brent* (Rogov)".

In the second place sub-section 3 of section 3 of the Act provides that the fact that a person charged with an offence under the Act:—

has been in communication with . . . an agent of a foreign power . . . 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.

Sub-section 4 of the same section provides that:—

- (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 . . . consorted or associated with such agent.

Clause (b) further provides that:—

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'.

We were and are quite satisfied that Carr was a Russian agent. The evidence before us as to that is overwhelming. By the terms of the statute then, Shugar's own evidence of communication with Carr on the very significant occasions when that took place, "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", Russia. Apart from this presumption, the information which the evidence affirmatively establishes was in fact given by Shugar to Carr in December, 1944, was, on the lowest basis, of use to the Russians in enabling them, as part of the operations they were carrying on, to prepare the document of December 16th, even if that document was regarded by Shugar as too general in its terms to be capable of specific answer.

Section 4 (1) of the Act says this:—

4.(1) If any person having in his possession or control any . . . information . . . which he has obtained . . . owing to his position as a person who holds or has held office under His Majesty. . . .

(b) uses the information in his possession for the benefit of any foreign power or in any other manner prejudicial to the safety or interests of the State;

that person shall be guilty of an offence under this Act.

The use of such information for the benefit of a foreign power is thus declared by Parliament to be "prejudicial to the safety or interests of the state". This is not a question which has been left to the judgment of anyone else.

Accordingly the situation before us resolved itself thus. The Embassy documents state that Shugar did conspire. What is the evidence from his conduct of any "overt act", the inference from which constitutes proof of that agreement? Even leaving out the affirmative evidence referred to above, there was the fact of his being in communication with "an agent of a foreign power" (Carr) which "shall be" evidence that he has obtained or attempted to obtain information for a purpose prejudicial to the safety or interests of the State. That which the statute makes evidence (its weight of course

being a matter for the tribunal concerned) cannot be regarded as no evidence, and as we did not and do not believe Shugar's denial there would seem to be, as we reported, "no answer on the evidence before us, to a charge of conspiracy to communicate secret information to an agent of the U.S.S.R." Not only so, but there was and is this additional affirmative evidence that Shugar gave to Carr the specific information which enabled the Russians to prepare the document of December 16, 1944. It may be that another tribunal might arrive at a different conclusion on the evidence, but it cannot be said that there was no evidence upon which the conclusion to which we came, could not properly be based.

The opinion we expressed is now confirmed by the evidence of Dr. Beamish and adds the additional fact that Shugar endeavoured, after meeting Carr in December, 1944, to obtain the composition of the new recorder paper, information to which he was in no way entitled. We are quite prepared to draw the inference, that this act of his was in order to enable him to pass on this information to Carr. We think that, in the circumstances, there is no other reasonable assumption.

Shugar was, through his Counsel, informed of the depositions of Dr. Beamish and invited to be heard with respect thereto, but elected not to do so. This, in our opinion, is an admission on Shugar's part of the facts deposed to by Dr. Beamish. Shugar's Counsel in his letter declining on behalf of his client, the opportunity to make any answer to the new evidence, took the following position: "I am prepared to answer any charge of misconduct against my client which the Commissioners may see fit to report upon. I do not propose to produce evidence to answer evidence in the absence of such a charge being made."

We think this position misconceives the provisions of the Inquiries Act. That position assumes that a Commission, under the statute, must reach a conclusion unfavorable to a witness before it, and thereafter hear evidence or argument on behalf of that witness directed to inducing the Commission to change its mind. We do not think the statute so irrational.

Having, therefore, been directed by the terms of Order in Council P.C. 411 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 thereto and the circumstances surrounding such communication", we are of opinion that Shugar not only agreed to communicate such information but that the evidence before us shows that he did so communicate.