

BREAKING THE CODES

This page is based on a book of D. Ball and D. Parker "Breaking The Codes" published in Australia in 1998 and telling the story of the Soviet espionage in Australia in 1940-50-ties.

In January 1945 the Australian military command informed the Government of the country about a leak of classified information: operation plans of the Allied troops in the Philippines and estimations of defense potential of the Japanese army in areas of anticipated military engagements. In some cases the source of the information had been named "the Soviet resident in Canberra". The information had been obtained through decoding of the Japanese radio transfers by the American special service. Signals about the leak had been coming from the Americans before. In 1943 the Allies found out, that a year earlier the Japanese had had in their hands the exact data on a number of Allied troops operating in the areas of Guadalcanal and Port Moresby.

In October 1944 the Chinese (Cuomintang) military attaché in Australia Vong Chi was named as a possible source of information. He studied in America, later, during the time of cooperation between the Chinese communists and nationalists (1938), participated in subversive operations behind the front line along with the communists. He was a Mao's countryman, and at that time the latter unsuccessfully tried to convince him to join the Communist Party. Vong had come under suspicion of the Australian military personnel in December 1942 when a radio interception had specified him as the source of information on the operation plans of the RAN. By then the Allies had already known from radio interceptions, that the commander-in-chief of the Kwantung army in Manchuria had access to classified information through the Soviet ambassador in the capital of the National China - Chunkin. Vong explained the leak by an assumption that his code had been probably broken by the Japanese and informed about the termination of its use. Vong was constantly under surveillance of the special services as the circle of his acquaintances and his behavior contradicted the character of his mission. His accusations of the Australian government in "semi-communism and leftism" as well as his anti-British statements were noticed. In February 1944 the decoding of the Vong's radio transfers to Chunkin showed, that the information passed by him had contained top secret data theoretically inaccessible for him. After that Vong was deprived of access to any classified information (in particular, to calculations of possible number of the Japanese troops in areas of anticipated engagements). However, incomprehensibly, the classified information continued to reach the Japanese and, undoubtedly, influence operation redeployment of their troops. Thus, in November 1944 the Japanese obtained data about the planned operations of the Allied forces in New Britain, on Solomon Islands and in New Guinea. This time the sources of information were named as "the Soviet ambassador in Australia" and "the Soviet resident in Australia". From this moment the Australian special services took a decision to commence surveillance over the Soviet diplomats and the Australians who were having friendly contacts with the first. The information continued to leak to the Japanese through Harbin, more precisely, through the Soviet consul in the puppet Manchuria. Sometimes it was so highly classified that the primary source of it might have been only in the nearest encirclement of ministers of the government. Sometimes valid data went along with misinformation. The source and the way of passage remained constant: the Soviet ambassador in Australia - the Soviet consul in Harbin. It was established later, that the Japanese deciphered codes of general Vong, however, the Soviet codes remained closed for them. Thus, it became clear, that the information flowing from the Soviet embassy in Australia was destined to reach Tokyo.

Diplomatic relations between the USSR and Australia were established in October 1942. A Soviet diplomat Semen Makarov and a TASS correspondent Vladimir Mikheev were very active. They did not waste their time and quickly found contacts with the Australian communists and amongst them with Katharine Susannah Prichard, Walter Clayton, Rupert Lockwood. Vladimir Mikheev got also acquainted with Alan Dalziel – the secretary of the Minister for Foreign Affairs of Australia [Evatt](#). Since 1943 the Soviet espionage activity was connected with a TASS correspondent Fedor

Nosov. He maintained friendly contacts with Dalziel, with a friend of the latter Frederick MacLean (a journalist, a member of the Communist Party of Australia since 1945), with a writer Katharine Susannah Prichard and her son Rik Throssell. Forbs Miller - a member of the press group of the Communist Party of Australia was also amongst the people familiar to Nosov. In 1951 a friend-communist warned Nosov that he was under surveillance of the security service. Moscow immediately called Nosov off as he had no diplomatic immunity. Apart from him, a group of five KGB workers headed by the resident Sadovnikov left Australia. Nosov was replaced by a TASS correspondent Ivan Pakhomov and later, in 1952, by Vladimir Petrov, who in 1954 would give himself up to the Australian authorities, entered the scene.



Left - Fedor Nosov - a TASS correspondent in Australia in 1943-1950; right - Walter Clayton during a session of the Royal Commission on Espionage in 1954

From 1943, simultaneously with Makarov, Mikheev and Nosov, the interests of GRU (The Head Intelligence Department of the USSR) in Australia were represented by a colonel Victor Zaitsev. In 1940-41 he had worked in the Soviet embassy in Tokyo and was in close contact with the Sorge group. In 1943-45 in Australia he maintained a very active lifestyle, traveled a lot, had an opportunity to move around freely in the office of the Ministry of Foreign Affairs in Canberra, where there was no secrecy at all then. He also had contacts with Dalziel. In one of the ASIO reports (29.12.1942) it is advised, that [Dalziel](#) had shown Zaitsev some classified documents when the latter was visiting his office. In 1947 Zaitsev left for the USSR and then took the position of press attaché of the Soviet embassy in the USA.

How was the information transferred? There were two ways – cables and diplomatic mail. The latter way was less expeditious. In 1943-48 290 cables per year in average were sent from Moscow to Canberra. 530 cables per year went back. By 1947 the Soviet codes were partially deciphered by the American and British special services. The Americans were the first to have suspected a leak of classified information from the high government circles of Australia. In this connection on June 11, 1948 an interdiction was imposed on transfer of military secrets from the USA to Australia.

A proof of existence of the Soviet espionage network in Australia was received during the Venona operation - decoding of the Soviet cables in 1940-48 (the decoding lasted till 1980). The prehistory of this operation is interesting. From 1918 to 1927 a Russian migrant in Great Britain – a cryptographer Felix Feterlein was occupied with decoding of the Soviet cables. His activity helped expose the subversive activity of the Soviet trade delegation in 1920. The texts of its telegrams were used in the famous Curzon ultimatum (1923). However, from 1927 to 1940 the Soviet codes

remained inaccessible to the Americans and British. By 1940 the ice had been broken, and from then almost 200 British experts were involved in decoding of the Soviet cables. On the 22nd June 1941 Churchill suspended this activity, but soon the decoding was resumed. Special attention was given to the cables sent to the communist anti-fascist groups. In 1943 the extensive and "disturbing" Soviet plans of a post-war reorganization of the world became obvious. At the end of 1944 Churchill reminded his Minister of Foreign Affairs Anthony Eden: "Never forget that the Bolsheviks are crocodiles". The updating of the anticommunist files was resumed, the counter-espionage anti-Soviet activity began to grow - for this purpose a special department was created. However, it was headed by nobody else than a famous Soviet agent Kim Philby.

In September 1945 the Americans revealed, that a spy group KLOD was operating in Australia. In the beginning of 1946 the group transferred to Moscow copies of classified documents "Safety of India and the Indian Ocean Zone" and "Safety in the Western Mediterranean and the East Atlantic".

Numerous high-ranking Soviet agents in intelligence services of the USA and Great Britain informed KGB about deciphering of the Soviet codes. After 1951 the Western cryptographers managed to decipher the Soviet cables sent after 1948 very rarely due to a massive change of the KGB codes. The Australian materials of the Venona operation encompassed only 5% of the information transferred between Moscow and Canberra in 1943-48. Nevertheless, it appeared to be sufficient to have evaluated secrecy of the transferred data and outlined a circle of persons directly involved in gathering of it.

Initially the following members of the group KLOD were known to the American and British counterspies only by nicknames and more often were mentioned in materials of the Venona operation: Walter Clayton (KLOD), Fred Rose (PROFESSOR), [Wilbur Christiansen](#) (MASTER), Francez Berny (SISTER), [Ian Milner](#) (DRILL), Jim Hill (TOURIST), [Alfred Hughes](#) (BEN), Dorothy Jordan (GIRLFRIEND), [Rik Throssell](#) (FERRO), [Katharine Susannah Prichard](#) (ACADEMICIAN). The main link between Moscow and the agents was Walter Clayton who had been collecting information since 1943. He was involved in recruiting new agents, handed the tasks and always informed KGB about the sources of information. The majority of the agents were employees of the Ministry of Foreign Affairs. Alfred Hughes worked in the security service. Due to the efforts of the KLOD group in 1946-47 Moscow knew all details of strategic cooperation between Australia and her allies and many confidential aspects of the foreign policy of the West.

Short history of CPA

The majority of the KGB agents were communists or people of the left political orientation. As well as the majority of foreign communist parties, in the 1930-ties the CPA stood on firm Stalinist positions. In 1939 CPA declared anti-fascist slogans, but after the conclusion of the non-aggression pact between the USSR and Germany it declared the World War II as "imperialistic" and took a defeatist anti-British position despite the fact that Australia had joined Great Britain in the war against Hitler. Thereof in 1940 the CPA was declared as an outlaw organization by the authorities. After the 22nd of June 1941 the CPA again rapidly changed its policy and called for a close union with the USSR in the war of democratic nations against the fascist aggression.

In December 1942, the interdiction on the CPA activity was cancelled. The successes of the Soviet Army greatly increased popularity of the CPA and by December 1944 the number of its members had increased up to 23-24 thousand people. Four thousand communists served in the Australian army, party cells existed even in staff units. However, at the confidential meetings of the top of the party its anti-imperialistic views were still expressed, the preference was given to the Russian victory, not necessarily to the victory of the allies. Firm communist pro-Soviet positions played a main role in the turn of some communists to espionage in favor of the USSR.

We shall get acquainted more closely with some heroes of this story. Walter Clayton (born in 1906 in New Zealand) became a communist in 1933 in the hardest period of the Great Depression. Not

so many people might have been compared with him in creative energy. He actively participated in the party activities during the period of interdiction of the CPA, and in 1943 became a member of its Central Committee. In 1943 he got acquainted with Vladimir Mikheev, by the end of 1944 he was already in a close contact with Nosov. Initially the information transferred by him to Nosov, consisted of political rumors (including the ones advised him by Katharina Pritchard). Later, with the increase of the number of agents working in the Ministry of Foreign Affairs, the information became more and more serious. There were cases, however, of refusal of communists or their relatives to supply Clayton with any information. Thus, the workers of the Ministry of Foreign Affairs Jack Legg (in 1948) and June Barnett (in 1950) refused to cooperate with him.

Katharine Susannah Prichard (born in 1883 in Fiji), a world famous writer, was one of founders of the CPA. Her first book "The Pioneers" was published in 1915 and won a premium as "The Best Australian Novel of the Year". In 1915 in London she met a Victoria Cross bearer captain Hugo Throssell, who distinguished himself at Gallipoli. In 1919 they married, and in 1922 their only son Rik was born. In 1933 Pritchard visited Russia. During her trip her husband, ridden by business misfortunes, committed suicide. The personal tragedy only strengthened the Prichard's political predilection, and she got fully involved in the party activities. Her later books, including, the famous trilogy "The Nineties ", "The Golden Miles" and "The Flying Seeds" are very interesting, but her political preferences are already felt in them. (The last book of the trilogy is generally hard to read). Many people including her son wrote about her extremely strong pro-Soviet sympathies. During the pre-war period (in 1932 and 1940) she was already under surveillance of special services, her house was rummaged around, papers and books confiscated. In 1942 Pritchard moved from Perth to Sydney. In 1943 she was elected to the Central Committee of the CPA. Rik Throssell wrote later, that in 1943 he saw, how the war had strongly changed her political positions: "My kind and gentle mother became ruthless and was ready to justify anything, that was useful for the cause of the Soviets". Her personal contribution to the activities of the group KLOD was that that her apartment was the group meeting place. Besides, she advised the frequent visitors - Mikheev and Nosov of political rumors and conversations she had been told about by her son, which in 1944-45 years was a cadet in the Ministry of Foreign Affairs. In 1947 she returned to Perth, where she lived until her death in 1969. Up to the end of her days she had remained a true believer in her principles, even contradicting the CPA political line. When its Central Committee stood against the arrest and trial of Daniel and Siniavsky, she supported Moscow, having declared, that "protection of the first socialist state is more important, than popularization of writers and intellectuals with the left-bourgeois concept of freedom". In September 1968, soon after the Soviet invasion into Czechoslovakia, she again stood against the CPA Central Committee line, which was criticizing the Soviet intervention. She declared: "I am completely sure, that the Soviet Government may take any measures for protection of socialism". Even during her funeral her coffin was wrapped up in the Soviet flag... (It's interesting, that Pritchard patronized a young pianist David Helfgott and even tried to inspire him to go to study in Moscow. The Helfgott's story had become a basis of a well known Australian film "Shine" and Prichard is one of the characters of it).

Alfred Hughes (born in 1900 in Sydney) was a worker in his younger years, then studied in a technical college. Later for four years he studied medicine, but in 1924 because of financial problems in the family he joined the police force. In 1932 he joined the CPA and remained its member for 40 years. In 1940 Hughes was transferred to the Military Police. In 1942, after formation of Security Bureau (SB), the Military Police was disbanded, and he joined the SB. Here he became the chief of the counter espionage group involved in surveillance over subversive activities and the Communist Party affairs. According to colleagues, he was a real expert in his business. In 1945 he returned to the New South Wales police where he worked for the next fifteen years. In the beginning of 1945 Clayton recruited Hughes. Due to this Clayton got his hands on copies of the SB files with the data on the Soviet diplomats and TASS correspondents, the data on the structure of the Australian security service, the information of operation value. By the way,

Hughes never named his agents in the CPA to his colleagues in SB, or, later, to the inspectors from ASIO.

Francez Berny (born in 1922 in Sydney) joined the CPA in 1941 and till 1944 actively participated in its work in various youth subdivisions of the party. Since November 1944, after her acquaintance with Clayton and interview with Dalziel, she began to work as a typist in the Ministry of Foreign Affairs. It is known for sure, that a lot of classified documents came into the Clayton's hands through Berny.

Wilbur Christiansen (born in Melbourne in 1913) in 1940-70-ties was one of the leading Australian radio physicists. By 1959 he had received international recognition as a radio astronomer. Already in the mid-1930-ties he was an active member of the left wing of the Labour party. In 1938 he married Elsa Hill - a sister of the prominent communists Ted and James Hill. ([Ted Hill](#) in 1963 was excluded from the CPA and later formed a pro-Chinese "Marxist-Leninist" CPA. Jim Hill by the end of 1945 had become one of the most active members of the group KLOD). During the war Christiansen worked for the largest Australian company manufacturing radio equipment for the armed forces (AWA). In 1948 he moved to CSIRO (Central Scientific Research Organization). In 1948 the counter espionage service received a message about his excessive interest in the channels and frequencies used in radio communication by the Australian army. For several years he was a suspect, and under the ASIO recommendation his access to classified information in the CSIRO was limited. Christiansen's nickname was repeatedly mentioned in the cables, however, the extent of his involvement in the group KLOD activities remains unknown.

Ian Milner was born in 1911 in New Zealand into an extremely conservative, monarchist and religious family. Already in the university Milner, as it is remembered by people who knew him, began to be concerned of "the horror and disgust" to the imperialism and British Empire. He was strongly influenced by the Great Depression, which had stricken New Zealand very hardly. Milner took a great interest in Marxism and became a member of the Society of Friendship with the USSR. In 1934 he received a prestigious Rhodes grant and left for Oxford. On the way to Oxford Milner spent three weeks in the USSR and was greatly impressed by the "successfully working construction of socialism". After the graduation from Oxford (a degree in the Politics, Philosophy and Economy) and several years of work in the USA, in 1939 Milner returned to New Zealand. Here, after signing of the Soviet-German non-aggression pact, he actively conducted the Comintern's anti-war policy and participated in the anti-conscription company. Thereof Milner received a warning at the work place (Ministry of Education) about the subversive character of his activity. In the beginning of 1940 Milner received an invitation to become a lecturer in the Melbourne University and moved to Australia. In September 1940, Milner married Margaret, a French teacher and a "fanatical communist".



Left - Ian Milner in 1971; center - Jim Hill in 1954; right - Vladimir Petrov leaves the session hall of the Royal Commission on Espionage. In the background - an ASIO agent Ern Redford

The Australian special services had received information on Milner's political views from the New Zealand colleagues even before his arrival in Australia. In Australia Milner continued his anti-war activity till June 22, 1941. Immediately after the German invasion in the USSR he turned by 180 degrees and became a furious anti-fascist and a prominent figure in the Civil Defense organization. In 1944 he became a vice-president of the society of the Soviet-Australian friendship. All these years he kept his membership in the CPA in secret. According to the Venona operation data, by March 1945 Milner had come into contact with Clayton, and not later than in September he began to hand over classified information on the British post-war planning to the latter. In October 1945 Milner received a position of an official in the department of post-war planning the Ministry of Foreign Affairs, and in autumn of 1946 he began to work to the Security Council of the United Nations in New York. For three years Milner worked in the UN in the Committee on Palestine and in the Provisional Commission on supervision of "free elections" in North and South Korea. All these years the information from him kept flowing to Moscow. At the end of 1948 the Americans identified his name in deciphered cables and FBI commenced surveillance over him. The 400-page Milner's file in FBI has not been unclassified yet.

Jim Hill (born in 1918 in Hamilton, Victoria) joined the CPA in 1937. In February 1945 he was employed by the Ministry of Foreign Affairs. In 1946-49 years he was responsible for communications between the Ministries of Foreign Affairs of Australia and the United Nations, military affairs and problems of utilization of nuclear energy. Numerous documents regarding the secret aspects of the Great Britain's policy in various regions of the world reached Moscow from his hands. However, in 1949 he was banned of access to classified documents because of his membership in the CPA.

Rik Throssell - Katharine Susannah Pritchard's son is the most tragic and intriguing figure in the history of the group KLOD. He was born in 1922 in Greenmount (Western Australia). In 1940 he graduated with distinction from a teacher's college. He began his drill military service in 1941 and in July 1942 he arrived to New Guinea. After one year of service as a signalist he returned to Australia, left the army and received a cadetship in the Ministry of Foreign Affairs. In 1944-45 years he took part in preparation of the Australia-New Zealand military pact and in the development of direction of the Australian military policy. According to many cables, a part of the information transferred by Katharina Pritchard to Clayton, had been obtained from Throssell. In September 1945 Throssell received an assignment to the USSR. The information about it was sent to Moscow, and Clayton received a task "to find out more about this assignment and Throssell's character". It is known, that Prichard had used her influence in this assignment, and that Clayton sharply objected it. In a year he returned to Australia and started to work in the department of the United Nations of the Ministry of Foreign Affairs. As the authors of the book "Breaking the Codes" believe, Throssell, most likely, was not a conscious agent, and the information from him had fallen into the Clayton's hands as a result of his conversations with his mother.

Creation of ASIO was connected with a visit of high-rank British MI5 counterspies Persy Sillitoe and Roger Hollis to Australia in February 1948. They had brought with them the Venona operation data indicating the existence of the Soviet espionage network in Australia and the leak of highly classified documents from the Australian Ministry of Foreign Affairs. The Cold War by then had become fiercer. The British government concerned of the facts of espionage amongst members of the British Communist Party in favor of the USSR, had banned the communists of work in state institutions. The Labor government of Australia headed by [Ben Chiefly](#), refused to follow this example. On the 17th of February 1948 Sillitoe and Hollis met with Chiefly, a little bit later – with the Defense Minister Deadman. Despite obvious holes in secrecy of work of the Australian Ministry of Foreign Affairs and indirect proof of Milner's fault in the leak of classified documents, the government of Australia did not want to hurry with conclusions. As a result in May 1948 the

USA imposed a complete interdiction on transfer of any classified information to Australia. In July 1948 Chiefly visited Great Britain. He was given new information on the leak of classified documents, and, eventually, he agreed to create a new special service. The leading British experts accepted an invitation to participate in it, and in March 1949 ASIO (Australian Security Intelligence Organization) was founded. By this moment the Soviet agents Ian Milner, Jim Hill and Francez Berny had been identified. The first 15 months of ASIO work were completely devoted to the investigation of the KLOD group affair. In three months the name of the agent "Academician" was identified – it was Katharine Prichard. It is interesting, that for a long while ASIO had been looking for an agent with this nickname in the university circles. The Clayton's name KLOD emerged in June 1949, however, it was impossible to find him - he had disappeared. In May 1949 ASIO identified TEKHNİK as the TASS representative Nosov and recognized Makarov under the nickname EFIM. However, surveillance and listening of telephone conversations did not result in anything...

Investigation of the Jim Hill's case.

In September 1949 MI5 offered to transfer Hill to London. In London Hill quickly found contacts with the British communists. Steadfast surveillance over him provided nothing, and it was decided to carry out an interrogation. Even the Prime Minister of Australia [Menzies](#) was advised about it, and the brass of ASIO hoped, that the disclosure of an espionage network in Australia was to happen in a few days. Interrogation of Hill on the 6th of June 1950 was conducted by a renown MI5 inspector [Jim Skardon](#). Six months earlier he had "cracked" a Soviet agent - physicist [Claus Fuchs](#) during an interrogation. Interrogation of Hill, however, provided nothing, in spite of the fact that all evidence had been thrown on the table. Hill's friends immediately advised Clayton with the detail of interrogation and the activity of the group KLOD was curtailed. Two more interrogations of Hill cleared nothing, and in September 1950 he was offered to return to Australia. Skardon's fame as a master of interrogation was, probably, strongly exaggerated, although [Kim Philby](#) himself named him "an amazing master of his trade". On the Skardon's account there were many unsuccessful interrogations of the Soviet agents. For example, [Ursula Kuchinski](#) in two days after her interrogation (1947), during which Skardon had come to a conclusion about her innocence, escaped to the East Germany where she lived the rest of her life. In 1952 he failed to achieve a confession from [Jim Cairncross](#), in the same year he interrogated Kim Philby for more than 10 times, in 1950-ties – [Anthony Blunt](#) for 11 times, but he did not manage to "crack" anybody from the famous "[Cambridge Five](#)".

After returning to Australia Hill received a temporary position in the Ministry of Foreign Affairs with a restricted access to the classified information. Later he moved to work in the Ministry of Justice, and in June 1953 resigned and began a career of a private lawyer in Melbourne.

The end of investigation on the KLOD group

By August 1949 all members of the KLOD group had been identified. In January 1950 the USA resumed transfer of the confidential information to Australia. The election of a Liberal Menzies as the Prime Minister played a big role in it as the Americans did not trust the Labor party members and personally Evatt. With the departure of Makarov and Nosov from Australia the KLOD group ceased to exist and the members of the group for a while were left alone. In 1953 ASIO for the first time interrogated Francez Berny in the connection with her request for granting the Australian citizenship. Berny told about her contacts with Clayton and the transfer to him of some information on the situation in the government. Later interrogations (there were 9 in 1953 - 1959) showed that in 1944-46 many copies of classified documents concerning diplomacy and foreign policy of Great Britain and Australia had come into the Clayton's hands from the modest typist.

In April 1954 a Soviet diplomat [Vladimir Petrov](#) gave himself up to the Australian authorities. Petrov confirmed the fact of the Makarov's and Nosov's work in GRU/KGB and the existence of

a group of the Soviet agents - members of the CPA - in the Ministry of Foreign Affairs of Australia in 1945-48.

Rik Throssell's case

In March 1953 after returning from Brazil where he had served in the Australian embassy for two years, Throssell was interrogated by two ASIO officers. They came to a conclusion about full loyalty of Throssell, and the admission to completely classified documents was given him again. In the materials handed by Petrov to ASIO, there was a copy of a letter from Moscow to the residency of KGB in Canberra where it was specified, that "FERRO is an agent transferring to communists valuable information, which then comes to us". In December, 1952 Petrov received a telegram from Moscow in which it was specified, that "FERRO-Throssell – an important agent who during war transferred very valuable information to KLOD". It was proposed in the telegram to contact him, and Petrov tried to do it. However, in Petrov's opinion, "feeling freight" Throssell did not wish to contact. In May, 1954 under recommendation of ASIO Throssell was deprived of access to any confidential information. Later in July he was again interrogated. Throssell denied the acquaintance with Clayton, admitted, that he had met Nosov, but continued to insist that "he never transferred somebody any confidential information". In February 1955 he was called to the Royal Commission on Espionage. Here he gave inconsistent testimony and declared, that "is not quite sure if he has met Nosov". The Royal Commission did not recognize Petrov's testimony sufficient for accusation of Throssella of belonging to the KLOD group and conscious transfer of any information. Nevertheless, the Commission reported, that "it is quite possible, that in a circle of people amongst which Throssell lived in Canberra, he might have disclosed information which he did not count important but which was perceived as valuable by a group of communists and was transferred to Moscow". Throssell's diplomatic career was interrupted because of lack of admission to classified documents.



Rick Throssell in his older years next to his mother's portrait

Later he headed an International Subdivision of Australian Agency of Assistance for Development, supervised educational program of the Australian Colombo Plan of (the plan of granting of an opportunity of training in Australia to students from Asia). In 1983, after 40 years of service in the Ministry of Foreign Affairs, he retired. All his life he was occupied with literature – he wrote novels, plays, stories, essays. In autumn 1999 his letter in protection of the memory of his mother, still blamed for by different journalists for her communist ideals and benefits she had received from the Soviet authorities for her pro-Soviet books, was published in "The West Australian" newspaper. He died in 2000... Till now it is not clear if he transferred information consciously. But there is no doubt it had taken place. There were contradictions in his testimonies of different years, failure to admit his acquaintance with Clayton and many other things. Some ASIO officers till now

count him a conscious agent. In 1954 [Evdokia Petrova](#) informed, that in 1952 she had been told about Throssell's intelligence work for the benefit of Moscow in Brazil.

Walter Clayton after 1949

By 1951 Clayton ceased his activity in a role of the party functionary and disappeared from the scene. In July 1954 he failed to attend the Royal Commission on Espionage where to he had been called for explanations. The Search of Clayton turned into a national campaign including radio broadcasts with his description and newspaper announcements. The hero at this time disappeared to a remote farm on the coast of New South Wales. In March 1955 he voluntarily attended the Royal Commission on Espionage, having explained his long absence by remoteness of the place of his stay and lack of access to newspapers and radio. He also declared, that he had heard on the radio a "shocking slander about himself and would like to announce" his complete innocence. The interrogation of Clayton lasted four days. He persistently denied all accusations of reception and transfer of classified information and his acquaintance in the past with Hill, Milner and Throssell, and not only with Makarov, Mikheev and Nosov, but in general with any Russian. He failed to explain references to his name in the materials handed by Petrov. The commission recognized him as the main figure through which information from the Ministry of Foreign Affairs was transferred to the Soviet special services". It is surprising but no legal trial followed it. Although Clayton's life style did not cause any special suspicions, he remained in sight of ASIO. Surveillance over him was so intensive and frightening, that CPA decided to provide him with a bodyguard. After 1957 the attention to him became rather sporadic. By the beginning of 1960ties Clayton had almost has completely quit politics although occasionally he wrote articles in *Tribune* (CPA newspaper). Having built a small house on the coast, he became a fisherman. A troubled life had not influenced his health negatively - in 1997 he was still alive.

Alfred Thompson Hughes

Much in his activities remains a riddle, as in materials of the Venona operation there is very little about a character of the information handed by him to Clayton in 1943-45. He was repeatedly interrogated in ASIO in 1949-52 and 1957, but during all interrogations he categorically denied acquaintance and contacts with Clayton, let alone the facts of transfer of information to the latter. Hughes was a skilled, first class policeman, it was uneasy to interrogate him as, as he being on a certain position, perfectly knew the contents of all police files on the CPA and its members. It was impossible to incriminate him anything, as ASIO, being a descendant of the Security Service, was not interested at all in a public condemnation of subversive activities of a person which in theory should have prevented that activity. Hughes served in police till 1960 and retired in a rank of detective-sergeant of 1st class. He died in 1978.

Ian Milner's escape

In July 1950 - in three weeks after the first interrogation of Hill in London, the Milners family left Switzerland where they were on their annual holiday. Milner went to Czechoslovakia, as he said, to enable the wife to treat rheumatism. He never returned to his work in the Secretariat of the United Nations, having submitted a year after his application for resignation. Then he began a career of an English language teacher in the Charles University in Prague. In the meantime, on the basis of Petrov's testimony and data provided by the Venona operation, the Royal Commission on Espionage recognized Milner guilty of transfer of classified information to the Soviet special services. On the 1st March 1956 Milner sent an application to the British embassy in Prague for its subsequent transfer to the Ministry of Justice in Canberra. In the application he denied all accusations, including membership in CPA. He wrote that working with communists and pro-Soviet public organizations he only wanted to develop friendly relations with Soviet Russia in interests of victory above the common enemy... In 1958 he has divorced his wife and married a Czech diplomat Jarmila Frauhovala. Together with her he devoted many years of his life to translation of Czech poetry and its publishing in the West. He died on May, 31, 1991 one week

prior to his 80th birthday. The recently declassified files of Czechoslovak special services confirmed, that the Milner's escape was carried out under the decision of KGB after receiving of the information from the Soviet agent in CIA about reprisals planned against him. And later on, parallel with his teaching activity in Prague, Milner continued to carry out tasks of Czechoslovak special services, regularly "reporting" about academicians and diplomats familiar to him. Up to the end of his days he had kept denying the facts of his espionage activity and only in 1985, in an interview, having heard about materials of the Venona operation, he told: "If it is true, Ian Milner's business is bad".

Epilogue

The Soviet espionage network created in 1930-40-ties in many countries of the world, was extensive, and its activity has to be recognized as rather fruitful. In a huge degree this was promoted by a plenty of voluntary, highly-principled, convinced assistants of NKVD-KGB-GRU - communists of Western Communist Parties. Being a minor participant of the major world events, Australia was not an exception. As we have seen, rather an easy access to classified information in Australia enabled KGB to keep abreast of many confidential aspects of foreign policy and military efforts of the West in the first post-WWII years. The regions it had managed to obtain information about had a huge value for Stalin's strategic interests - the Balkans, Palestine, Korea. In a result the Soviet leaders knew plans of the former Allies, anyway better, than the counterparts did. If it had been otherwise, the Americans would not have been overwhelmed by a sudden invasion of perfectly armed and trained army of Kim Il Sung into South Korea, where they miraculously managed to hold the front on small mountainous patch of land in the south of the peninsula in August 1950... Generally, political-military espionage is almost everyday business, all countries anyhow do it. But how to understand the facts of transfer of military secrets of the Allies to the Japanese during the war and is there any moral justification to this? Obviously, Stalin wanted to delay the war in the Pacific to have time to enter it and shake fruits of a victory. Let's assume he had managed to do that and the war was completed some weeks later during which the Soviet Army occupied Manchuria and Northern Korea. A result was the Korean war, which wiped out millions of lives, and four Japanese islands we do not know what to do with even now. There is no end to the list of Stalin's crimes...

And the last issue. None of the Australian agents of KGB ended in court, the investigation of the KLOD affair was conducted with a complete observance of legality, not a single hair fell from heads of the suspected. The Soviet agents in the USA and Great Britain were treated differently. Democracy is an amazing thing, especially in Australia.