**SECRET** 

## INTELLIGENCE BULLETIN

#### ROYAL CANADIAN MOUNTED POLICE HEADQUARTERS, OTTAWA

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#### NAZISM

# CORRUPTING SUDETEN SETTLERS (St. Walburg, Sask.)

Despite internment of many enemy aliens and registration of thousands of German birth or origin, pro-Nazis continue their insidious plotting on Hitler's behalf. The following report gives a vivid glimpse of their methods in certain small towns in northern Saskatchewan:

The atmosphere of hate in Goodsoil and Flat Valley is fiendish. The leaders are daily fostering discontent and hatred against the Canadian Government. The growing up boys are being educated by their parents to despise the Government and flag and look to the German nation to rectify their troubles. Fully 90% are dissatisfied and only listen to the LO: PM news which comes from "Salt Lake City". As Von Massow said: "It is the German truth put in the English tongues for diplomacy sake." They are converting the Sudeten colony to their cause by showing them how Hitler has always kept his word to the people whilst the Canadian Government has always let them down. They use the line that the railway did not come through, no prices for all farm products on top of high delivery costs. 60% of those talked to all claim they will return to Europe as soon as the war is over. There are five large trucks at Goodsoil and one at Golden Ridge and from observation these always have from six to ten Germans in them whichever way they seem to travel. Two were observed carrying men from Pierceland, Monday, Wednesday and Friday. These have high sides on and are covered by tarpaulin so exact number of men inside are not visible. I was told a meeting place was at "Blue-Bell" on the Meadow Lake-Goodsoil road.[1] [Page 2 is missing.]

### NAZISM IN HIGH CIRCLES (Regina, Sask.)

Professor Watson Kirkconnel, formerly of Manitoba University, now associated with Dalhousie, on the eve of his departure from Winnipeg recently gave an address on the subject of the non-English groups living in this country. Now Professor Kirkconnel has made a reputation for himself in the literary world based largely upon his sympathetic studies of the New Canadian and his problems of adjustment to a none too friendly environment. While favorably disposed towards all who are genuinely loyal to the land that has given them shelter and a chance to be somebody, the noted Canadian scholar has little use for the enemy within, and this is what he has to say of the nazi press and its devotees:

"While the ratio of penetration of the German Nazi press is smaller than that of the Italian Fascist press, it nevertheless suggests a circle of Nazi fifth column sympathizers, ominously much wider than the 500 individuals thus far interned at Petawawa and Kananaskis. To those who know the facts, the dimensions of this pro-Nazi group and the intimacy of its contacts with high circles in our national life are really alarming."

Professor Kirkconnel estimates the number of readers which formerly subscribed to the 'Deutsche Zeitung fur Canada' as having been around 7,600.[3]

# WAR PROFITEERING IN GERMANY

(Quoted from United States foreign-language press)

The "Neue Volks-Zeitung" (New People's Journal), published in German in New York, gave a survey of war profits in the Third Reich in its issue of October 5. The article stated that since 1937, German stock companies have not needed to include all their gains in their financial statements and that since the outbreak of the war the financial statements no longer appear in the press, but are sent to the "Reichsanzeiger" (The Gazette) which is not published. Finally, the financial statements themselves can be "prettied up" at will for they are not subject to inspection any more.

Typical examples included the I.G. Farben (International Chemical Industry) which estimated the value of its plants and machinery at 432 million Rm. on January 1, 1937. In the two years preceding the war the capital was increased by 173 million Rm. and 243 million Rm. were written off—so that the amortization was over a third of the capital assets; the Klockner, Hoesch & Hanich Works in the Ruhr which increased their capital assets by 192 million Rm. between 1933 and 1939 and wrote 216 million Rm. off; the Heinrich Lanz Mannhein Machine Works, with a capital of 7 million Rm., which increased its plant by 4.2 million Rm. and wrote off 4.3 million Rm. in a single year, declaring only a 4% dividend, a fact which was used by the Nazi authorities to prove to the Mannhein workers how small were the profits made by the German war industry. Meanwhile, the actual earnings of the Heinrich Lanz Co. were stated to be at least 60% per annum and these were duly invested.

The taxes on industry are high, but the profits in war industries have been so fantastic that taxes have been easily met, idle industries subsidized and tremendous gains re-invested. Although the Bureau of Statistics (now a branch of the Ministry of Propaganda) published a decrease of 5.4% on the profits made by German industries in 1938, the "Frankfurter Zeitung" estimated an increase of 13% over 1937 and a further increase of 12% in 1939 over 1938.[4]

Further, German Big Business demanded that the increases in income tax introduced at the outbreak of war be rescinded and Hitler once more yielded. The increased taxation was side-tracked. In the meantime the Nazis are increasing their pressure on salaries paid to German workmen and employees.

"Grow rich, ye barons of industry, bank, and a stock-market"—That is the slogan of unmasked National Socialism, according to this article. [\* blank][5] [Page 6 is missing.]

## EXTRACTS FROM PRIVATE LETTERS.

A letter to Canada written in Denmark and smuggled into Sweden for posting says of the Danish attitude towards the Germans in Denmark: "We don't see the German soldiers. No, we just look right through them, and it's getting on their nerves." The writer refers to British bombing raids: "There are British bombers over Denmark every night especially. Nyborg Fredericia and Aalborg aerodromes have received a severe shellacking on bombs. Even here in Bogense (Fyen) have the British bombers been, the last time was 2 a.m., so in the cellar we go not losing any time. The British seem to know where the benzine tanks are hidden and they sure made a mess of Kiel. We could both hear and see them, also Flensberg got it . . . The people in Denmark figure the British bombers coming over as their own and wish them good luck on their journey. The bitterness here is high, but we hope and wait, patience is necessary and we have it: the Police are having a hard time at the Danish-German border as everybody from Germany is trying to cross."

Speaking of Portuguese opinion of the Axis powers, in a letter from

Portugal to Montreal, dated September 20, the sender writes: "So far as the masses of the people are concerned, the Hun is more and more unpopular every day. Forty Hun lorries came through the Oporto a few weeks back to fetch soap, so they said, but they took food and petrol as well I believe, and the drivers were hissed by the crowds and villagers around, and there were cries of 'Viva Inglaterra'".[7]

# JAPANESE OUR JAPANESE AWAIT EVENTS (Vancouver)

The Japanese "problem" in Canada is at present more conspicuous by its absence than by anything else. Japanese leaders, from the beginning of the war, have been openly advising their race to mind their own business pursuits and remain loyal to the land of their adoption.

Last June the Japanese Consul at Vancouver, Mr. Nakauchi, made a tour of Japanese settlements in British Columbia, addressing gatherings on the topic "Guide to Japanese residents in Canada in relationship with the European War", in which he stressed the necessity of Japanese in B.C., particularly the Nisei, of "living as Canadians". Although he made references to the Sino-Japanese War and the establishment of a new order in Asia, it was believed that he did this in order to placate the older Japanese who, though few in number, are still, and will always be, "Japanese". That same month a report from Vancouver stated:

Amongst the Vancouver Japanese, and particularly the Nisei, nothing but loyalty to Canada is expressed both by word and action. They have subscribed generously to the Red Cross Fund, have purchased quite heavily war bonds, and their women are very busily engaged in speeding up voluntary production of clothing and comforts for the European refugees, to send to England. One of the leading Japanese women in this City at a recent meeting said:

"We are making a special appeal to our Red Cross Workers. Our unit, with thousands of other units across Canada must rally to the emergency call from London, England. In our comfortable homes far from the battlefields of Europe we cannot fully realise the terror and destruction, the hunger and privations of the millions of civilians who have been driven by bombs out of home and country, but as women you can appreciate [8] the urgency of this appeal . . . . . we do not ask the impossible, but bring in your garments as quickly as possible to the office of the Nippon Club, your group leaders or myself. Members of the Japanese-Canadian Unit, the Empire needs you."

An extract from a recent issue of a local Japanese newspaper dealing with the Nisei effort in connection with Canada's part in this war stated "Many Japanese are anxious to fight in this war. They only await the opportunity to enlist. The Japanese in British Columbia are definitely patriotic to the Allied Cause."

At the same time it must not be overlooked that about 75 per cent of the Japanese born in this country are registered with the Consulate in Vancouver. This registration makes them subjects of Japan, and they are considered as such by the Government of Japan to whom they owe allegiance. This is verified by the fact that their Government recently published an edict whereby those Canadian born <u>not registered</u> in Japan must obtain Canadian passports when travelling to that country. For those who are "registered" the Canadian certificate of birth is sufficient. Several hundreds of these Canadian-born Japanese travel to Japan annually and out of these the percentage obtaining Canadian passports is indeed small.[9]

## **COMMUNISM**

#### "PROBLEMS OF PARTY ORGANIZATION"

(Excerpts from "The Monthly Review" of August, 1940—an official and illegal organ of the Communist Party—give interesting insight into the Party's present struggles and ambitions under adverse conditions.)

The new situation created by the Imperialist War confronts the Communist Party of Canada with tremendous responsibilities and a series of new, complex problems. We are the only party that has characterized this war for what it is—a criminal, imperialist war: the only party which strives to mobilize and organize the Canadian people in opposition to the war. . . . Our party bases itself upon the scientific teachings of Marxism-Leninism ....

We study Marxism-Leninism, not as a dogma, but as a guide to action. To fulfill the great tasks before our party---we must master the art of concretely applying the principles of Marxism-Leninism in the given situation that confronts us ....

We have fought, and continue fighting, to become a party of a new type, a genuine Bolshevik Party, able to organize and lead the Canadian working class and it s allies forward in the struggle against this imperialist war, forward to the fulfillment of their historic mission . . .

The organizational policy of our party is determined by its tasks and aims . . . Our tasks are to arouse, mobilize and organize the Canadian working people in the struggle against the imperialist war, for peace, for the rights and interests of the people. Our aim is to win the majority of the working class, to rally the masses of Canada around the working class, in the struggle for socialism . . . The bourgeoisie has been compelled to cast aside its "democratic" mask, to throw away the kid-gloves, to rule by the most unbridled methods of police-military dictatorship. Concentration camps, the death penalty are the weapons taken up against the Canadian working class by [10] Mackenzie King, Holt, Coldwell and the rest of the

#### war camp.

Our party is faced with the urgent task of organizing its work on a basis that will guarantee that we will meet the new, sharpening situation, that no matter what the bourgeoisie will do, our party will continue to fulfill its duties to the workers and common people of Canada, and will continue to grow ....

The failure to draw the political organizational conclusions from the above principles and facts of life are responsible for the amateurish methods of party work and the slowness in reorganizing the party on a "war footing". Once the politics of the problem are understood we can acquire experience ....

Some comrades until recently suffered from illusions, and in practice held up and hindered the reorganization of the party. They underestimated the sharpening political situation and "argued" that we were failing to take advantage of all possibilities for wide, legal mass work, insinuating that the measures being taken to create and strengthen the "underground" apparatus signified the acceptance of "voluntary illegality". These are dangerous "theories" and can find no place in the party. The heavy blows of the bourgeoisie in the recent period settled the question, also serving as serious reminders that we must continue along the path of applying Marxist-Leninist organizational principles, and eradicate all remaining weaknesses and illusions ....

Our party is not a conspiratorial clique. We are the vanguard party of the Canadian workers. It is the bourgeoisie which tramples upon legality and tears to shreds the established constitutional liberties of the people. Democracy and legality have become impediments in the path of the warmongering Canadian bourgeoisie and are destroyed by them. They are unable to rule in the old way. They are afraid that the people will utilize the limited, pre-war democratic forms in their own interests; hence they enacted the War Measures Act to rule in a naked, vicious, dictatorial fashion.

Under such conditions, a working class party, if it be a serious party determined to do its duty, must answer the bourgeoisie by reorganizing it, by combining legal and illegal work to guarantee that the struggle for the interests of the working class will go forward.

"Entrench the party deeply among the masses!" That was the advice given us by Lenin. At all costs, at all times, the Communist Party must maintain and continually strengthen its roots and connections among the masses. Separation from the masses, from the Mother Earth [11] of Communism, would be fatal for our party. To guarantee that this will never happen we have taken measures, and will do everything that is necessary to protect the party membership, organization and cadres from the terror and violence of the capitalist state....

To fulfill our vanguard role, to be able to adequately combine legal and

illegal work, it is necessary to pay more attention to another basic question—that of the party and its relationship to other forms of working class organization.

"The Party is not merely an organized detachment, but the highest of all forms of organization of the working class, and it is its mission to guide all other organizations of the working class .... the party is an embodiment of the connection of the vanguard of the working class with the working class millions"....

As a decisive political task we must improve and raise the quality of the mass work of our comrades in the trade unions, in all the mass popular organizations of the workers and their allies. The raising of the Socialist class consciousness of the workers, the spreading of Marxist-Leninist teachings among the masses—that is decisive in the present period. It is essential to strengthen the ranks of the workers, to fit them for the difficult struggles of today and the bigger battles tomorrow, decisive too for the building up of the ranks of the party which is a key task of the day for the working class movement.

At the outbreak of war the party took a number of very important organizational measures to bring our forces on to a proper "war footing". Political discussions on the new situation, the new policies and tactics, the new organizational problems were held from the top to bottom of the party. To guarantee the functioning of the party, to provide all possible safeguards for its membership and sympathizers, its organizations and its cadres, we revamped our entire organizational setup. Forms and methods of organization which correspond to the tasks and political situation of the pre-war days did not suit the new war situation. Our party in pre-war days had ten provincial and regional committees. We increased the number of districts. Now our district committees have much smaller areas to look after. The party branches were reorganized. The large mass branches, built up in the pre-war days, were done away with. The number of party branches has been greatly increased. They are relatively small, flexible bodies today. A reorganization of the party section committees was carried through in all districts to broaden the leadership, to give greater political assistance to the branches and the mass work. The work of the Central Committee and the Political Bureau was reorganized. Experience shows that these measures were timely and correct .... [12]

The conditions of imperialist war demand even more political attention and guidance from the leading committees and cadres to the party branches, the closer study of their work, achievements and problems. For the activity of our party branches, and each individual comrade, assumes greater political importance than ever before. The pre-war methods of work—the holding of mass meetings, the spreading of the "Clarion" and legal literature, the house-to-house canvassing—these activities formerly carried through by the branches are no longer possible. The appearance of outstanding national and district leaders of the party before big audiences, the utilization of the C.B.C. and privately-owned stations, these are also banned today. This does not mean that, in conditions of illegality as imposed upon us by the King government, leading party figures will not find ways and means to speak to the masses. We have found, and will find ways to do this. But it does add emphasis to the work of our party branches, to the work down below among the workers, on the job, in the trade unions, in the working class neighbourhoods, in the barracks and camps ....

Our branches will develop only if they tackle live political jobs, the current problems of the masses in their factory, union or locality, if their work is activity that contributes to the strengthening of the struggle and consciousness of the working class. Our branches must pay more, not less, attention to the current needs, moods and sentiments of the masses, must react faster than ever to anything and everything that is agitating or affecting the masses. Our branches must be encouraged and inspired to develop their own initiative, to become active political bodies which influence the life and struggles of the people ....

The most effective base of a party branch is the factory, mine or mill, the places of proletarian work. In the reorganization of the party we must do everything possible to maintain and strengthen our bases in the factories, mines and mills, in the big industrial enterprises. "Face to the industries, to the factories, mines and mills!"—that is the slogan of the party. We must entrench our Party deeper and deeper among the proletariat of the main industries, we must do more than ever to strengthen the struggle for their demands, to build up their trade unions, to raise their class consciousness and fighting ability. Our section and district committees must devote their concentrated attention upon these branches of our party, upon these sections of the Canadian proletariat....

Our party has already sustained severe blows and some of our best comrades are languishing in prisons and concentration camps, the victims of the ferocious King-Holt-Coldwell war camp. We will learn [13] from the lessons of the past ten months and strive to prove this in practice.

## OUTLAWING REDS

Sacramento, Cal., Sept. 22 (AP).—A bill to outlaw the Communist Party in California was passed last night by the State Assembly. The vote was 66 to 3. Approval by the Senate and signature of the Governor are necessary to make the measure effective.

#### "WITNESSES" SUPPRESSED

Auckland, New Zealand, Oct. 24.—(C.P. Cable)—An order was published in the official gazette today suppressing the religious sect, Jehovah's Witnesses.

### WOMEN LEADERS TO TAKE OVER

A change has been noted in the policy followed by the Communist

Party of Canada, in that in some districts preparations are being made for women to take over the leadership of District Committees. There appears to be a twofold reason for this: first, that women are less likely to come under suspicion; secondly, that the Party would not lose responsible leadership and become disorganized if the leader were interned.[14]