

1 THE PRESIDENT: Yes. If there are any future witnesses,
2 I would direct that they leave the hearing room at this
3 time until called.

4
5 CMDR RUSH: Sir, Mr Eagles is sitting at the back of the
6 hearing room, and the order specifically relates to him.

7
8 THE PRESIDENT: Mr Eagles, would you mind leaving, please.

9
10 (Mr Eagles left the hearing room)

11
12 THE PRESIDENT: For those who do not understand why such
13 an order is made, it is for this reason: when witnesses
14 give evidence, it is best that their evidence be unpolled
15 by the evidence of others, so that I can make a proper
16 assessment of the integrity and merit of the information
17 they give me.

18
19 Yes, CMDR Rush.

20
21 CMDR RUSH: Thank you, sir. I call Mr Karlov.

22
23 <GEORGE KARLOV, sworn: [9.44am]

24
25 THE PRESIDENT: I should place on the public record that
26 I know Mr Karlov. He and I were at school together.

27
28 Yes, CMDR Rush.

29
30 <EXAMINATION BY CMDR RUSH:

31
32 CMDR RUSH: Q. Mr Karlov, would you state your full name
33 and address to the Commissioner?

34 A. Before I do that, I would like to read a brief,
35 two-page opening statement, if that's possible.

36
37 THE PRESIDENT: Q. Do you have it in writing?

38 A. Yes, I have it in writing.

39
40 Q. Perhaps you might hand it to CMDR Rush.

41 A. Well, it's the only one I have, so if it goes, I can't
42 read it. (Document handed to CMDR Rush).

43
44 THE PRESIDENT: I will have some copies made of it.

45
46 CMDR RUSH: It might be convenient, before I read it, sir,
47 if we could have some copies made.

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THE PRESIDENT: We might go ahead with the formalities.

CMDR RUSH: Q. We still need your full name and address, Mr Karlov?

A. It's George Karlov, [REDACTED]

Q. And your occupation?

A. I'm a semi-retired company director and literary agent.

Q. What is your background as a company director?

A. I have been a company director of our marketing company, Karlov Marketing Services, for 20 years. Before that, I was the sales and marketing director of two of Rupert Murdoch's publishing companies, so I have some background to it.

Q. Perhaps while we're waiting, Mr Karlov, I can get some preliminaries.

A. Okay.

Q. You provided a statement to the Commission of Inquiry by email on 24 May 2008?

A. My submission is the one that I sent by postal courier at the beginning of this month. The information that I had before was part of the worksheets which were part of a work in progress, uncompleted research and completed research. The 16-page statement which I have here, which I gave the Commission, is the submission I would like to be questioned on, because the others have some work in progress.

I drew very few conclusions. I want the evidence to speak for itself. What I want to do is basically to refer to facts and information, and this latest submission has 65 back-up documents, which cover everything I want to speak on and everything I am able to speak on.

Q. Mr Karlov, that may be the case, but you provided to the Commission of Inquiry in your document of 24 May 2008 a submission where you set out a great number of matters going to the account of the battle, going to documents that have been lost or deliberately destroyed and going to the conduct of various Government instrumentalities and the like. Do you want to withdraw from what you --

A. No, no. Most of these are covered in the submission

1 I put in at the beginning of January. I withdrew these
2 points where research wasn't sufficiently strong enough in
3 my mind to come to a conclusion. These were worksheets.
4 Also, there has been backwards-and-forwards email traffic
5 between the Commission and myself on various points. The
6 document of 22 May, or whatever it was, included the whole
7 shebang at the time and was not and is not a summary of
8 what I can produce and what I can give evidence on.
9

10 The document of 5 or 12 January is, so if you want to
11 cross-examine on the document you have, I can talk on some
12 points, but I will not answer questions on some other
13 points because I don't think there is sufficient evidence
14 for me to come to a conclusion.
15

16 Q. As we go through the matters, Mr Karlov, you can
17 indicate those for which you say there is no evidence or
18 there is insufficient evidence to support --

19 A. Well, would you rather take --
20

21 Q. -- your conclusion, or you can answer the question and
22 put forward any assumption you wish to make as
23 a consequence of it.

24 A. Would you rather have a look at this document which
25 you have, which has everything in it that I can speak
26 about?
27

28 THE PRESIDENT: I don't think I have seen the 16-page
29 document, have I?
30

31 CMDR RUSH: I haven't seen it, either.
32

33 THE WITNESS: It was sent to the Commission I think
34 probably by email and by Express Post. I have a copy of it
35 here, which again is marked up, but I have another copy
36 here, thankfully.
37

38 CMDR RUSH: Q. Mr Karlov, you were aware, of course,
39 that submissions to the Commission of Inquiry closed at the
40 end of October?

41 A. I realise that, but when I was asked to provide some
42 documents, in my reply I told the Commission that there is
43 a submission coming. I asked for an extension of time
44 first, until I think 2 January, and in my email to the
45 Commission I said that the submission will not be ready
46 until I think 5 January or 12 January; I don't know the
47 date.

1
2 THE PRESIDENT: Q. Let me try to cut through all this.
3 What I have seen is an email that you sent on 24 May,
4 a subsequent request from this Commission to you for more
5 material dated 20 June --

6 A. Yes, sure.

7
8 Q. -- a response from you of 8 July and a subsequent
9 response dated 24 September. Now, if there is some other
10 and new document which I haven't seen or considered, and if
11 CMDR Rush hasn't seen or considered it, perhaps the best
12 course would be for copies of that to be made and for
13 Mr Karlov to come back perhaps on Friday when everyone has
14 had a chance to read what it is that he wants to talk
15 about.

16 A. I'm not in a position to come back on Friday, Mr Cole.
17 Next week, yes, but this week I'm not in a position to do
18 so.

19
20 THE PRESIDENT: At some later point of time, anyway. Is
21 that a sensible course or not? I don't know what is in the
22 16-page document.

23
24 CMDR RUSH: Sir, obviously I don't either, except for
25 this, sir: there are a number of matters that Mr Karlov
26 has put forward to the Commission of Inquiry, and I intend
27 to put those matters to him, and if there is any matter
28 that I do not put to Mr Karlov and give him an opportunity
29 of indicating as to whether he still supports the
30 proposition or does not, then Mr Karlov could speak to
31 those propositions.

32
33 THE PRESIDENT: Yes, all right.

34
35 THE WITNESS: Can I give my opening statement now?

36
37 THE PRESIDENT: Q. Just one minute, please. I think
38 that the preferable course is if you just answer the
39 questions that CMDR Rush directs to you.

40 A. I would still like, your Honour, to make a very short
41 statement, because this will give you the basis of my
42 replies. If you say that I can't do that, that will
43 basically damage what I have to say, because it will give
44 a meaning to it that's not there. I think I need to have
45 maybe five minutes to say a couple of things --

46
47 Q. Mr Karlov, you may not be familiar with the way in

1 which Inquiries are conducted, but the usual course is that
2 witnesses normally make a statement. You were asked to
3 provide a submission. You did provide a submission.
4 Apparently, you have now produced a new one which hasn't
5 been seen, and now you want to make an opening statement.
6 I have the opening statement. I have read it. I shall
7 mark it as an exhibit, but I don't think we need waste time
8 with you reading it.

9 A. Okay.

10
11 THE PRESIDENT: The document that Mr Karlov has just
12 handed up, of which we have just made copies, said to be
13 his opening statement, will become exhibit 133.

14
15 **EXHIBIT #133 OPENING STATEMENT OF MR KARLOV, HANDED TO THE**
16 **COMMISSION OF INQUIRY**

17
18 THE PRESIDENT: Yes, CMDR Rush.

19
20 CMDR RUSH: Q. Do you have the nine-page document that
21 you provided to the Commission of Inquiry of 24 May 2008?

22 A. No, I do not have it with me.

23
24 Q. Okay, I'll provide you with a copy.

25 A. Thank you.

26
27 Q. Mr Karlov, I want to go through this as quickly as we
28 can point by point.

29 A. Sure.

30
31 Q. In the paragraph under "1941", you say:

32
33 *Kormoran was prowling the Indian Ocean,*
34 *hoping to trap largely unarmed merchant*
35 *ships. She was being supplied from Japan,*
36 *and a British merchant seaman held prisoner*
37 *on her has described in detail how she once*
38 *rendezvoused with a Japanese submarine.*
39 *The British Admiralty had her under*
40 *surveillance from at least the beginning*
41 *of November.*

42
43 Do you have any evidence to support that proposition?

44 A. Well, if you look at the letter from Robert Stinnett,
45 who is the author of "Day of Deceit", which of course
46 doesn't appear there. Much more information came
47 since May, but Robert Stinnett said, firstly, that Japanese

1 ships resupplied German raiders in the Pacific Ocean. We
2 have evidence here of a British sailor - excuse me for
3 a minute.

4
5 Q. I beg your pardon. I want to direct your attention
6 perhaps to the last sentence there.

7
8 *The British Admiralty had her under*
9 *surveillance from at least the beginning*
10 *of November.*

11
12 A. I believe both the British Admiralty and the
13 American Navy had. The American Navy comes from Robert
14 Stinnett; the British Admiralty comes from records of
15 Michael Montgomery. No, I didn't go to the
16 British Admiralty to find out.

17
18 THE PRESIDENT: Q. So you have no evidence to support
19 that proposition?

20 A. I have no evidence to support it and no evidence to
21 deny it.

22
23 Q. You also say in the preceding sentence:

24
25 *... a British merchant seaman held prisoner*
26 *on her has described in detail how she once*
27 *rendezvoused with a Japanese submarine.*

28
29 A. I'm just looking for the letter now.

30
31 Q. The reference you subsequently gave is wrong. You
32 gave a reference in your subsequent email to the book,
33 "Prisoner of the *Kormoran*".

34 A.

35 *WA Jones on the SS Mareeba described the*
36 *transfer of whiskey, cigarettes, et cetera,*
37 *from a Japanese freighter in the Indian*
38 *Ocean in early July 1941. Milk bottles*
39 *recovered from the survivors picked up by*
40 *Trocas on November 24th - the milk was*
41 *liquid, not condensed and pasteurised.*
42 *Technology was fairly primitive. It had*
43 *Japanese marking on the milk bottles.*

44
45 Obviously, the milk must have come from a Japanese source.

46
47 Q. It plainly did. Everybody knows that.

1 A. Well, that's what I'm saying.

2

3 Q. That is not what you are saying. Would you please
4 listen to what you I'm saying to you. What you wrote is:

5

6 *... a British merchant seaman held prisoner*
7 *on her --*

8

9 that's *Kormoran* --

10

11 *has described in detail how she once*
12 *rendezvoused with a Japanese submarine.*

13

14 You were asked for particulars of that. You said that the
15 particulars are contained in the book called "Prisoner of
16 the *Kormoran*", written by Mr Jones.

17 A. I'm sorry --

18

19 Q. Please just listen to what I'm putting to you. What
20 Mr Jones described was not an occasion when there was
21 a meeting between *Kormoran* and a Japanese submarine; do you
22 agree?

23 A. Yes.

24

25 Q. So the statement is wrong?

26 A. Well, the information comes from "Somewhere Below"
27 where --

28

29 Q. Mr Karlov --

30 A. That's where my information comes from.

31

32 Q. You wrote "rendezvoused with a Japanese submarine".

33 A. That's where my information comes from, from
34 "Somewhere Below".

35

36 Q. From Mr Samuels?

37 A. Yes.

38

39 Q. Were you here yesterday?

40 A. No, I wasn't. I was outside.

41

42 Q. Mr Samuels had no basis of fact for anything he said.

43 A. Well, I don't know. I wasn't here to comment on that.
44 But you asked me where I got that information. I'm telling
45 you where I got that information.

46

47 Q. Just let me remind you that you were asked where you

1 got the information from. The information you gave was
2 said to have come from Mr Jones' book. Mr Jones said
3 nothing about any --

4 A. Sorry --

5
6 Q. Please. He said nothing about any meeting between
7 *Kormoran* and a Japanese submarine.

8 A. Sorry, that was a mistake. It came from John Samuels'
9 book.

10
11 Q. So you have transposed --

12 A. Yes.

13
14 Q. -- a freighter to a submarine?

15 A. Well, that's why, in the latest submission, I have
16 corrected everything and made it very straightforward.

17
18 CMDR RUSH: Q. If I can take you to the next paragraph,
19 please, Mr Karlov, and the last sentence of that paragraph,
20 which reads:

21
22 *On November 18, according to the ship's*
23 *official Vessel Service History, he was*
24 *specifically instructed by C-in-C China in*
25 *Singapore to intercept her and put her out*
26 *of action.*

27
28 You say you referred to the "official Vessel Service
29 History".

30 A. Yes.

31
32 Q. What's that?

33 A. As far as I understand, it's a document prepared by
34 Royal Navy, and this is a Royal Navy document, information
35 on which came to me from Michael Montgomery. If you don't
36 know what the vessel service history is, I can't help you,
37 because I don't know, either. I just took it to be an
38 official document.

39
40 Q. I will have to ask you to slow down for the purposes
41 of the transcript, Mr Karlov.

42 A. I'm sorry, I'll try to.

43
44 Q. Sir, could COI.006.0050 be put on the screen, please.
45 Did you check the source of that, Mr Karlov?

46 A. It came from Mr Montgomery. I didn't go to the
47 Admiralty on this point.

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Q. How did you get it from Mr Montgomery?

A. He emailed me.

Q. So when you write that it is the official vessel service history, you rely on Mr Montgomery for that?

A. Correct.

Q. What you have on the screen before you is the website from which it comes, "Service Histories of Royal Navy Warships in World War 2" by LCDR Mason.

A. Yes.

Q. Have you not corresponded with LCDR Mason?

A. No.

Q. Are you aware of Mr Samuels corresponding with him?

A. No.

Q. You've had no contact with him?

A. No.

Q. If I could ask for page 0054 to be put on the screen, please, sir. Have you seen this before?

A. No.

Q. This is from the document that you purport to say is the official service history of *Sydney*, and I want to direct you to November 17, 18 and 19 and what follows. It is the passage highlighted in the middle of the page:

17th After relief by HM Cruiser DURBAN returned independently.

18th Diverted to search for German raider KORMORAN.

19th Intercepted KORMORAN 300 miles off Western Australian and closed when identity given was known to be incorrect.

(Note: there have been a number of queries about these last two entries, but it has not been possible to identify the original source.)

Is that the position as far as you're concerned?

A. I don't know. I mean, you're asking me a stupid question. The British Admiralty hasn't been able to identify the last two points. I haven't been able to

1 identify, either. I know at November 17th and 18th it was
2 diverted to search for German raider *Kormoran*. Who
3 diverted it? Was it Admiralty? Was it Australian Navy,
4 whatever? These are the Admiralty records that the *Sydney*
5 was diverted to search for the German raider *Kormoran*
6 and --

7
8 Q. What are Admiralty records?

9 A. I don't know whether it is Admiralty - the vessel
10 records we referred to before. I don't know - was
11 Admiralty behind it, or a private organisation or where the
12 service history comes into play.

13
14 Q. You don't know that it was diverted?

15 A. November 18th, "Diverted to search for German raider,
16 *Kormoran*".

17
18 THE PRESIDENT: Q. So you just accept that as a fact, do
19 you?

20 A. Well, when *Sydney* was sunk, I wasn't in Australia;
21 I was a four-year-old boy. All my research in the past
22 three or four years has come from various records. If the
23 document purporting to be the official vessel service
24 history says that *Sydney* was diverted to search for the
25 German raider *Kormoran*, I can't say that's the truth or not
26 the truth. I accept it unless and until it's proved that
27 it's not so.

28
29 Q. What about where it bears a note saying, "We don't
30 know what the source of this is and we don't know whether
31 it is accurate"? What do you do then?

32 A. Well, you don't know the original source, but until
33 you get the original source either one way or another, you
34 accept it.

35
36 Q. Do you?

37 A. Well, doesn't the court? I mean, there are lots of
38 things which courts generally accept based on evidence,
39 circumstantial evidence, where the information may not be
40 able to be, kind of, pinned down. This is a record which
41 says that *Sydney* was diverted to search for the German
42 raider *Kormoran*. It either was or it wasn't. Who gave the
43 order? Two groups can give the order - British Admiralty
44 and the Australian Navy in Melbourne. I think Headquarters
45 was in Melbourne then.

46
47 CMDR RUSH: Q. What you said, Mr Karlov, was that

1 a court will draw an inference on evidence.

2 A. Mmm-hmm.

3

4 Q. You have no evidence of such an order of diversion?

5 A. Look, we're playing around with words.

6

7 THE PRESIDENT: Q. No, we're not. We're talking of
8 substance here.

9 A. No, we're not. "Diverted to search for German raider
10 *Kormoran*". There isn't a signature who diverted it, but
11 who could possibly divert it? Let's think logically.

12

13 CMDR RUSH: Q. This website purports to be nothing. You
14 have purported to describe it as an official history. It
15 is not, is it?

16 A. Well, it's official - that's what is put to me.

17

18 Q. That's what Mr Montgomery told you?

19 A. Yes.

20

21 THE PRESIDENT: Q. You see, the problem, Mr Karlov, it
22 seems to me, from the brief material I've had from you so
23 far, is that what you assert as a fact is something that
24 you have been told either by Mr Montgomery or by
25 Mr Samuels, and neither of those two, as presently advised,
26 I would regard as a remotely reliable source.

27 A. Well, that may be so, but I think if the Royal Navy
28 has accepted for 66 years that certain things took place
29 and they had no official assumption to do so, they had
30 German sailors who gave contradictory stories --

31

32 Q. What do you mean "the Royal Navy"?

33 A. The Royal Australian Navy, sorry. A lot of things are
34 accepted on say-so until proven one way or another. If you
35 want to pick on this one point, you can pick on this one
36 point, but also you have to understand that none of us were
37 old enough in 1941 to have a first-hand knowledge. Every
38 bit that we know has come from somewhere. We have on one
39 hand Royal Australian Navy saying in, I think, February
40 1942 that the *Kormoran* and *Sydney* had a fight; the problem
41 was CAPT Burnett's negligence, but also that a court of
42 inquiry had been held. We know now that no court of
43 inquiry had been held, but the Navy and everybody else in
44 Australia, including me, said "Yes", because the Navy said,
45 because a Government document said, that a court of inquiry
46 was held, therefore we accept that a court of inquiry was
47 held until such time as proof comes round that it was not

1 held.

2

3

4 Well, now we know, according to Air Vice Marshal
5 Houston to yourself, that no court of inquiry was held, but
6 we all accepted for 66 years that there was a court of
7 inquiry, and I can't see the difference, that you say, "We
8 don't know where the source came from". We know where the
9 source about the court of inquiry came from, but that was
10 wrong as well, so you have to kind of back off a little bit
11 and look at it logically rather than try to maybe win every
12 point, that every point has to have proof. I have no proof
13 any more than you have proof, if it is a personal proof --

13

14 Q. I can assure you, I have a lot of proof. I have been
15 through the documents.

16

17 A. Somebody else's documents. You have no personal
18 proof. Every bit of information you have has come from
19 somebody else's documents, as has mine. Now, you say your
20 documents are right; my documents are wrong. That maybe
21 so, it may be not so. I don't know.

21

22 Q. That clarifies the matter well. What we would like to
23 get from you are your source documents - not Mr Samuels',
24 not Mr Montgomery's, the source documents.

25

26 A. If you allow me to present that and use that, it has
27 65 documents listed as my source documents.

27

28 Q. We are having some copies of that made.

29

30 A. It has 65 documents listed, and if I'm not allowed to
31 comment on this, it's just a waste of time, with all due
32 respect.

32

33 CMDR RUSH: Sir, may I have a minute to read this and then
34 reconsider the matter that you put earlier?

35

36 THE PRESIDENT: Yes.

37

38 CMDR RUSH: Sir, there are some matters there which we
39 haven't had the opportunity of properly investigating.
40 I believe that we could do it by Friday, and I know that
41 the Commission of Inquiry is sitting on Friday. I would
42 request that Mr Karlov's evidence be put over until then.

43

44 THE PRESIDENT: Q. Are you able to come on Friday,
45 Mr Karlov, or not?

46

47 A. I'll find it difficult, but I can shift things around.

1 Q. If you wouldn't mind.

2 A. No, no, I'd like to help the Commission. I don't want
3 to do anything which will make your job more difficult.

4
5 THE PRESIDENT: It is adequately difficult as it is. All
6 right. I shall mark this submission COI.005.0184 as
7 exhibit 134.

8
9 **EXHIBIT #134 16-PAGE SUBMISSION BY MR KARLOV, BARCODED**
10 **COI.005.0184**

11
12 THE PRESIDENT: Q. We will adjourn your evidence until
13 Friday.

14 A. I have some business appointments on Friday. Is it
15 possible for me to be called first thing?

16
17 Q. Yes. What time? 9.30 on Friday?

18 A. Yes.

19
20 THE PRESIDENT: 9.30. Thank you very much.

21
22 CMDR RUSH: Sir, I tender as a matter of completeness the
23 "Service Histories of Royal Navy Warships World War 2" by
24 LCDR Mason.

25
26 **EXHIBIT #135 "SERVICE HISTORIES OF ROYAL NAVY WARSHIPS**
27 **WORLD WAR 2" BY LCDR MASON**

28
29 THE PRESIDENT: I think we should also tender, as they
30 have been referred to, the previous interchanges between
31 the Inquiry and Mr Karlov, which I think are Mr Karlov's
32 email of 24 May 2008, CORR.003.0008; the Commission's
33 letter to Mr Karlov of 20 June 2008, CORR.005.0302; the
34 email from Mr Karlov dated 5 July 2008, EML.001.0017; and
35 a further email from Mr Karlov dated 23 September 2008,
36 CORR.016.0078. They will all together become exhibit 136.

37
38 **EXHIBIT #136 MR KARLOV'S EMAIL OF 24 MAY 2008, BARCODED**
39 **CORR.003.0008; THE COMMISSION'S LETTER TO MR KARLOV OF**
40 **20 JUNE 2008, BARCODED CORR.005.0302; THE EMAIL FROM**
41 **MR KARLOV DATED 5 JULY 2008, BARCODED EML.001.0017; AND**
42 **FURTHER EMAIL FROM MR KARLOV DATED 23 SEPTEMBER 2008,**
43 **BARCODED CORR.016.0078**

44
45 THE PRESIDENT: Thank you, Mr Karlov.

46
47 <THE WITNESS WITHDREW