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HEIN

30 January 1964

SUBJECT: 22 and 27 January 1964 Meetings with J. RAUS

1. BACKGROUND

a. During the week of 13 to 17 January RAUS phoned the undersigned on several occasions to transmit miscellaneous items of information which he had picked up about E. HEINE. On 16 (or 17) January he phoned to report that he had completed preparing his lengthy report on HEINE and suggested a meeting. He also asked whether his wife would be paid for the time she would spend on transcribing the Estonian language tape concerning HEINE's biographic data. As RAUS a bit "pushy" to me and because I was very busy, I suggested that the meeting wait until the following week (I also wished to cut off contact by having less frequent meetings with him per instructions from Chief, SR/OSG) and I further indicated that, since the HEINE matter was as much of interest to himself personally as to the Agency, we could not pay for the transcription.

b. On 21 January 1964 RAUS established contact with [] Security Officer, of the [] to request a meeting with an Agency representative. He indicated that he wished to speak to someone other than [] (the undersigned) implying that he was either dissatisfied with the undersigned or that he had something to pass on to the Agency about [] RAUS was told that someone would contact him.

c. [] of the Office of Security, relayed RAUS' message to SR Division. It was ultimately decided, after consideration had initially been given to having Chief, SR/OSG [] meet with RAUS, that the undersigned (with or without [] depending on [] availability) would meet with RAUS and that RAUS would be told that his channel of communication to the Agency was the undersigned, also that could convey any messages he wished to the Agency or to the undersigned's superior via a sealed letter.

d. Accordingly, undersigned contacted RAUS by phone on 22 January 1964 and a meeting was scheduled for later in the evening, primarily for the purpose of receiving RAUS' report. RAUS indicated by phone that he was not too anxious to meet with the undersigned and that his only reason for contacting [] had been to "offer his resignation to the Agency".

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e. Apparently immediately after receiving the undersigned's phone call RAUS again phoned [] who advised SR Division, through channels, about this.

2. The undersigned met with RAUS in Hyattsville on 22 January from about 1900 to 2130 hours. The following is pertinent:

a. RAUS was at the expected place when the undersigned arrived. It was obvious that he had done some drinking prior to the meeting and he immediately admitted that this was the case. He ordered beer and consumed some six bottles during the evening. However, in fairness to him, he seems to have a great capacity for liquor and, despite the fact that he usually takes little or no food, had good presence of mind throughout the entire meeting.

b. RAUS came to the point immediately and indicated that he "wished to resign" as he had now decided that he cannot go on fighting the Agency, the FBI, et cetera. He explained that both the FBI and the Agency seem to be against him and therefore, though he had made a good attempt, he was now willing to throw in the towel and "to let the chips fall where they may".

c. According to RAUS, he became dissatisfied with the undersigned after the 16 January 1964 phone call as RAUS felt that the Agency "had no right to exploit his wife". He further pointed out that, in his opinion, the undersigned had once promised to pay his wife for transcribing the tape but had now backed out of this promise. "This was the straw which broke the camel's back" and the reason why he contacted [] in order to have someone else to confide to. When [] advised him that the undersigned would still be the channel of communication, RAUS decided that he would fight no longer and would dissociate himself from the Agency. He explained that, while [] (with whom he met once or twice) was a fine straight-forward individual, the undersigned was too "sophisticated and too much of an operator with whom he (RAUS) could not speak heart-to-heart". He felt that this "mentality of intrigue" was too much for such a simple person as him and, as a result, he felt that there was no point to meeting with the undersigned.

d. RAUS admitted that he contacted a Mr. Baker, a high level aide or advisor to J. Edgar Hoover, to discuss the HEINE affair. Baker, to whom RAUS identified himself and provided a resume of the background, became very angry with RAUS and pointed out that the FBI could not confirm--or deny-- the existing rumours about HEINE. Moreover, Baker stated that RAUS "should not even know that HEINE was suspect". RAUS detected that Baker, as Payne (his regular FBI contact) before him, was most upset with RAUS. In appealing to the FBI, RAUS tried to establish whether the FBI had written to the RCMP concerning HEINE to give HEINE a clean bill of health. The FBI refused to give RAUS any reply in this respect.

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e. From his New York City sources RAUS learned that KERRD (HEINE's supporter in New York City) has reported that HEINE, on the basis of a letter which he has received from the FBI, plans to sue RAUS, VALLASTE, et al, for libel. However, because HEINE is a "good, generous, and kind-hearted man", he will not sue RAUS, primarily because RAUS is poor and has a wife and two children to support, providing RAUS apologizes officially and have this apology printed in the Canadian newspapers.

f. According to RAUS, his LEL comrade-in-arms, Antti KARJEL, 2934 Cloverbank Road, Hamburg, N.Y., the LEL chapter president in Buffalo, N.Y., has gotten into deep and hot water as a result of his strong anti-HEINE position. HEINE has recently visited Buffalo again where he had asked various questions about who had started the denunciatory rumours against him.

g. RAUS generally apologized for his behaviour, asked that the Agency not be "too spooky" vis-a-vis him, and promised to keep within channels in the future. However, though we parted as friends once again, he continued to press for a "promise of support" if and when he ever gets into any problems concerning the HEINE case. As RAUS admitted that the sky seemed to be brightening on the horizon, he agreed to my suggestion that we have fewer and less frequent meetings than in the past. He also agreed not to irritate or antagonize anyone.

h. RAUS admitted that he had hit the low in a depression fit during which he was flailing about for some form of support. He spoke about how frank, direct, and simple he was a "front-line trooper with the gun" and how unacquainted he was with our type of game. He indicated that he got along well with the DOD types (his ALREADY DOB activities) because they were all simple and ready to pick up a rifle and jump into the trench with him.

i. RAUS further promised to engage in no action which would exacerbate the HEINE affair. However, having said this, HEINE then admitted that he sent out his regular LEL letter in which, without mentioning names, he spoke about the "hidden enemy" (and generally stated enough for HEINE to realize what was being stated). Also, RAUS prepared another report on [] which he sent out and in which various allusions are made to individuals of the HEINE ilk.

j. RAUS turned over the attached report which he had prepared on HEINE.

3. As I had another commitment, I left first; RAUS remained to nurse his beer. However, by the time I got into my car, RAUS followed out and saw my car as I drove away. I do not believe that he looked at or saw the license number.

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4. On 24 January 1964 RAUS phoned the undersigned to report that his wife had received a registered letter from Harry LANDRA, a lawyer, in Canada. According to LANDRA's letter, HEINE indicated that he plans to file suit against RAUS unless RAUS apologizes. RAUS was instructed to take no action and a meeting was scheduled for 27 January. As PODRANG was mentioned by HEINE as one of the two who would be sued, RAUS stated that he planned to discuss this with PODRANG during the 25 January 1964 ESO assembly in New York City.

5. The undersigned met briefly with RAUS on 27 January from about 1210 to 1220 hours in order to pick up LANDRA's letter. RAUS had little else to report. He was anxious to learn whether the Agency planned to help him and to extend the necessary financial support to hire a lawyer if and when this became necessary. Undersigned promised to advise him about this at a later date.

6. The Estonian card files at DOSS contain the following cards on LANDRA:

a. Harry LANDRA, an attorney, Estonian, lives 60 Juliana Court, Toronto 9, Ontario, Canada, HO-7-8536. Source: Estonian Calendar 1963.

b. Harry LANDRA, born 10 October 1924, a student of the arts, lives 44 Church St., Richmond Hill, Ontario, Canada. Source: Member of Sakala, 1962.

[]
Chief, SR/OS/D

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