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12 March 1966

MEMORANDUM FOR THE RECORD

SUBJECT: Contact with Juri RAUS

1. On 14 March 1966 RAUS called me to report briefly on the results of the 11 March hearing in the Federal Court of Baltimore on the defense motion for a summary judgment in this case. His account will be covered below. He also asked me how I felt about an Estonian emigre writer doing a story on the trial for a Toronto emigre newspaper. I told him that it would be far better if no publicity at all were to be given to this case, certainly for the present at least. When and if he wins the case will be time enough for any newspaper accounts, and we would far prefer that no publicity be given to it even at that time. Therefore anything he could do to prevent a story being written would be helpful.

2. On 18 March RAUS called me and asked for a luncheon meeting. I met with him at the Charcoal Hearth Restaurant for luncheon. His main purpose was to apologize for the fact that a newspaper story had already appeared on his case in a Toronto emigre publication. RAUS stated that the 11 March hearing had been open to the public and that a couple of his Estonian friends had asked whether they might attend. He had checked with C and found that there would be no objection from his part. Therefore at the open court hearing two fellow Estonians had been present: Mr. Hellar GRABBE and Mr. Gunnar PAANO. Both of these individuals are favorably inclined towards RAUS. GRABBE was taking notes during the course of the hearing and RAUS questioned him about it and learned that he intended to write up a story for the "Vaba Eesti" ("Free Estonian") which is a Toronto publication. Apparently this was important to Mr. GRABBE because he was going to get \$20 for the story. It was for this reason that RAUS had called me on 14 March and asked me how I felt about publicity. After I had told him that I was against it he had called GRABBE to ask him to hold up on the story but it was apparently too late since GRABBE had already forwarded his story to Toronto and it has appeared in the newspaper. RAUS will make copies for me and C and give us both the original and the translation. RAUS was considerably apologetic about the course of events and wanted me to be sure that he had not intentionally disobeyed my desires in this matter. I told him that it was unfortunate that anything should have appeared but that it was probably unavoidable, and I told him to forget about it.

3. RAUS then proceeded to brief me on the hearing itself. He emphasized that he had found it somewhat difficult to follow all the intricacies

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of the hearing and he was at no means sure that his understanding of it was accurate on all the points. He stated that [] had done the principal pleading and that the argumentation was primarily between [] and the judge. (He was not sure of his name.) The attorneys for the prosecution had played only a minor role in the proceedings. The most important points are covered below.

4. The judge had questioned the wording of Helms' affidavit which had apparently not been completely satisfying to him, because it was "conclusive." He asked whether Helms could not be subpoenaed to appear, but [] objected strongly that Helms was a Presidential appointee and undoubtedly a very busy official and could not be asked to come to Baltimore for such a hearing. The judge at this point stated that he would be willing to come to Washington to see Mr. Helms if necessary. Apparently nothing further came of this exchange.

5. The question of RAUS' "employment" by CIA was also raised. The prosecutor's motion had emphasized that RAUS was known to be an employee of the Bureau of Public Roads. [] argumentation was that it was perfectly possible for RAUS to be employed by one Government agency and working under cover for CIA. If he were in fact working for CIA in certain intelligence matters in connection with his Estonian emigre involvement, his actions and statements would be not in behalf of the Bureau of Public Roads but of CIA. RAUS believed that there had been no conclusive decision on this matter but that the judge might require us to produce something more substantial in the way of affirmation of his employment by the Agency. In short the term "employment" was not yet resolved.

6. The judge was puzzled as to why the motion for "absolute privilege" had been made only now rather than at the very outset of the case. In this connection the judge asked whether [] would go on the stand to testify on the circumstances of this motion, but [] called [] to the stand instead and the latter testified under oath. He stated that when they had first taken the case he had talked it over with Agency lawyers and had been told that RAUS' connection with the Agency and his activities were such that they could not be revealed to the public for legitimate security reasons. They had based their entire defense on that assumption. However, at the time when HEINE's attorneys served their very long interrogatories on RAUS he had again visited the Agency to go over the questions asked in the interrogatories. The Agency lawyers had decided that in view of the very searching nature of the interrogatories and of their inability or unwillingness for security reasons to respond to them, it would be necessary to resort to the claim of absolute privilege.

7. RAUS stated that the judge had made a big issue of the fact that the claim of absolute privilege had been presented by RAUS' attorneys instead of by the Government. He felt that the Government should have made this claim,

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or at least been represented in court through the Department of Justice or the Attorney General. [] argued with the judge on this point but RAUS seemed to feel that the judge was not fully convinced.

8. As RAUS understands it, the judge will now write an opinion of the case and he is not sure whether this will involve a decision on the motion for summary judgment or not. At the conclusion of the hearing [] told RAUS that while we were not yet "out of the woods", the judge was questioning all the elements which the prosecution might use in an appeal, so that if he finally decides in RAUS' favor the opposition's grounds for appeal will probably have been reduced or eliminated.

[C/SR/O/AC]

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