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CONTACT REPORT

1. I met AEMARSH/15 in his car from 1100 to 1200 hrs. on 10 August 1961. We drove ~~KNEE~~ into Djurgarden and parked in the alle' opposite the Nordiska Museet.
2. A/15 was in good health and spirits and said that everything went well with his family and the new apartment. In general he seemed much less bitter than at our last meeting just before Christmas. I explained that I would be leaving Stockholm shortly and had therefore wanted to take this opportunity to say thanks and farewell and also to discuss one or two items of unfinished business. I acknowledged to A/15 that I had promised to meet him early in the new year in order to discuss whether or not we should attempt to continue any sort of regular contact. That I had not seen him for over six months now was for reasons I would not or could not discuss, but would simply say that they were as much in his own interest as my own. This A/15 accepted without questioning. As for the question of a regular contact with him, more precisely between him and a successor to me, I told A/15 I had really pondered this and had concluded that ~~KNEE~~ it was best not to think in terms of a regular contact, but rather of simply arranging a means of contact in both directions. He had by this time a reasonable idea of what our interests and capabilities were and we of his. In the event that either side in the future should have a specific proposal or case on which cooperation might be mutually advantageous then there would at least exist a means of getting together for a discussion.
3. A/15 said he was willing to follow my recommendation in this, but that he had always tried to speak frankly and hoped I would not misunderstand his motives if he did so now. Without raking over the past unnecessarily, he saw that there had been a distinct change in our attitude towards him from the time   came into contact with him. He had tried to speak openly with   they had obviously not gotten along well on the personal level, there had been a great deal of

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misunderstanding on both sides. He had finally written his letter of criticism to [ ] [ ] This may have been ill-advised, but what he said then was true and he still stuck by it and felt no need to apologize for it. If it was this letter which had brought about our change in attitude then that was unfortunate, but he had never pretended to be other than a beginner in the intelligence business ~~SHOULD~~ <sup>not to be able to</sup> perform any great feats. Most especially he had not sought to become our agent in the first place and he was not seeking to be one now.

4. I put A/15 at rest about the letter being the cause for our break in contact. I assured him that while the letter might have been foolish, it was viewed I was sure as a symptom of a larger problem and not overly important in itself. I characterized our business as one which was constantly searching, trying, rejecting many avenues of approach to the target. I had arrived in Stockholm and met him with high expectations that we might do great things together. This had not been precisely the eventuality and by the time [ ] [ ] began meeting with him we had more or less reached the point where a cutting back of activity was indicated. I did not intend to rake over past history either, but it was clear from the standpoint of compatibility on the personal level it had been a mistake to hand him over to Ross. This was not to criticism either one of them but was merely a fact of life.

5. As an illustration of why I felt it was best, if A/15 were willing, to visualize any future cooperation as occurring on a case by case basis I brought up the case of [ ] [ ] Quite apart from how [ ] [ ] had turned out after he left Stockholm, I viewed the cooperation between A/15 and ourselves in getting him in hand as having been effective. We had had a concrete case to deal with, there had been a minimum of misunderstanding as to our respective motives and when it was finished we were each satisfied. There would not necessarily be a repetition of such a case soon, but it did represent the kind of situation

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in which future cooperation might prove most satisfactory to both sides. A/15 admitted to seeing my line of reasoning. He repeated an old theme of his though to the effect that he was not a person who could work sporadically. What he did was for ideological reasons, not for material benefit, and if he was going to continue fighting the Russians he felt he must engage himself fully to the best of his time and talents. After a good deal of back and forth on these same general lines, I suggested to A/15 that we leave it so: I did not know at this point who would succeed me here. Moreover I did not know what ideas he might have concerning work in the Latvian field, but it seemed to me well to allow for the possibility that my successor and he could get together for a discussion. I emphasized that I was promising nothing, simply that a means of contact should be agreed which either side might or might not choose to initiate. A/15 agreed to this, but made clear from his part that if he had not been contacted for by someone by the end of 1961 he would then assume that the subject was dead and that no future contact would occur.

6. If A/15 had some urgent information or reason he knows that he can call to the Embassy Ext. 200, announce himself as Hr. Petterson and leave a message for [ ] to call him. It is understood then that my successor will ring A/15 at home ( in the evening preferably between 1900 and 2000 hrs. on working days) and a mutually agreeable time for a meeting can be set. The meeting place need not be named, but is understood to be on VästtraTrädgårdsgatan. The case officer will wait on the sidewalk on the side of the Blanche Teater, in front of the last bill board of the Teater as one goes down V. Trädgårdsgatan away from Nordiska Kompaniet. A/15 will pick the CO up in his car which is a gold BMW ( 1958) License No. AA45464. For identification there is attached a portion of a 40 öre Swedish stamp; A/15 has the matching portion which he will be prepared to show.

7. I told A/15 there was a question regarding [ ] which he might clarify by first giving a physical description of the man. This he did as reported in STOC-2098 ( 10 Aug 1961). He then readily identified first the pictures of Boris GRANOVSKIS and next then of [ ] A/15 could not explain how the confusion between the two had come about, but merely knew that he had given the pictures of GRANOVSKIS to [ ], he thought, in 1958 and had so identified the pictures to him at that time. A/15 said it had been the only picture of G. he had and asked if he could have the copies which I had brought. This I agreed to (inasmuch as HQS has the original and can make other copies if needed.)

8. Finally, I paid A/15 the sum of 280. S.Kr. representing 14 days room and board for [ ] @ 20, per day during that period 1 - 14 Dec. 1960 when [ ] had stayed with A/15 before he traveled to CABEZONE. I got a receipt for this from A/15.

9. A/15 said he had not seen [ ] recently, but had seen him twice shortly after [ ] returned from Germany. He understood that [ ] had recently had his pass renewed by the Aliens Commission and now had permission to live and work in Stockholm and that he had prospects of a job with the Swedish TV. Whether he had actually started work there yet he did not know, but understood that [ ] was certainly interested to take the job. A/15 claimed that most of his knowledge about [ ] time in Germany came from [ ] with whom [ ] apparently had talked more or less openly. This was to the extent that [ ] admitted that his American hosts in Germany had finally pressed him to admit that he was still working for the Soviets and threatened to turn him over to Pankov if he did not confess. A/15 said one, of course, could never be 100% sure of any man, but it was his opinion that [ ] had not been handled with enough patience. He was a psychopath ( A/15's term) in his distrust of people and even in Germany had been suspicious of one of the interrogators there who spoke Russian like a native.

I told A/15 that I simply did not have the facts of [ ] time in Germany at my disposal, merely the conclusions that had been reached there by people who were experienced in that kind of business and that in all objectivity I preferred to accept their judgment. A/15 said he could understand this and in any case had not meant to argue about it since it was over and done with.

10. Case Officer Comments: This meeting went in certain respects better than I expected it would. When I last met A/15 just before Christmas, [ ] had been sent off to Germany and A/15 felt we had reached a suitable place at which to break off our relationship or to put it on a new footing. He was quite bitter over what he considered to be our clumsy handling of him and his activity on our behalf. He felt that with the advent of [ ] as his case officer we had taken a sudden change in attitude in which everything which he had done before was taken as having been wrong and was cast aside. When nothing new was advanced we had put him on ice. He had in his view been degraded. He did not feel therefore there was really any basis for further collaboration.

I told him, in effect, that I felt on balance that it probably would be best if we did not plan to continue a regular contact. However I did not want to act rashly and would like to study the situation over the holidays and then discuss the matter more fully. A/15 agreed to this, though he made it clear that he was not committing himself in advance to any particular decision.

I did not attempt to meet A/15 as promised early in the new year because of security complications in the Kalas case which in the view of the station argued against any but the most urgent contact between it and the Baltic community.

Therefore in the most recent meeting I fully expected that A/15 would still retain his bitterness over the general situation as well as some resentment at my having waited so long to see him. In fact, A/15 ~~seemed~~ seemed most of all to appreciate the fact that I did choose to see him and bid him farewell. Basically he still maintained the same position regarding further collaboration with us, but

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it would no longer be accurate to describe him as bitter over the past. Wiser he is perhaps and probably not inclined to do our bidding unquestioningly, but after having put his position in quite rational terms (probably to maintain face) he was willing to accept my personal advice as to future contact.

My objective here was simply to keep a channel of communication between us open against the possibility that <sup>some future</sup> one-shot activity could at least be discussed with A/15 should the situation warrant. At the same time I made it entirely clear to A/15 that I did not know yet who my successor was or what his interests would be if any in meeting with A/15 and was therefore not promising anything.

As for my assessment of A/15's motives in the recent meetings and in any future ones: I think he is first of all interested in playing along within limits out of a sense of maintaining his own ego by being active with a big power in intelligence. He appears to me to be honestly seeking to work against the Soviets. At the same time I feel instinctively that his first loyalty probably lies with the Latvian migration here or most likely with a certain group within that migration. I do not know exactly how   figures in this but would guess that there is some more or less formal arrangement in which   figures as a kind of public front, specifically with the Swedish authorities, and that A/15 looks after the covert or intelligence aspects of the group. It certainly is not beyond possibility that there is an intelligence organization-in-exile to which A/15 owes first loyalty. In any case, I believe that his work for us is not viewed as an end in itself, but rather as a means. One by which his cooperation gains some information complimentary possibly to their own and the access to certain facilities and support which they themselves do not have the means to maintain. Finally there is always the possibility that A/15 also has contacts with Swedish intelligence. This I feel is unlikely, but is nevertheless a possibility.   on the other hand has been said by A/15 to have informal

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contact with the State Police arising out of his office in the Latvian National Committee.

As for my own personal view of the desirability of maintaining contact with A/15, I indicated this quite accurately in what I actually have said to A/15 as reported above. I do not feel the present climate is favorable to a regular contact with A/15 and to attempt one now would ~~probably~~ probably only lead to another disillusionment. On the other hand I would personally recommend that one of the Station officers meet him sometime before the end of 1961 simply ~~for~~ in order to preserve a channel of communication. One consideration in this is still the language requirement. A/15 speaks his native language, German and Swedish, but not English.

Above all if future contact with A/15 is contemplated there are certain rudimentary points to bear in mind:

- a. He will respond best to the maintenance of a certain dignity in the process. I do not mean stuffy formality or that he should be pampered. He is, however, an emigre and has the common need to preserve certain face-saving illusions, e.g. that he is an unpaid agent working for ideological reasons.
- b. Deal with him in a straight-forward manner. Tell him as much as he needs to know. If he asks questions which are none of his business, tell him simply that he does not need to know, but do not play games with him.
- c. Be scrupulous in keeping meetings and any commitments. A/15 can make a fairly good case of the poor handling he has had from us without, of course, being aware of the other side of the ~~making~~ story. Be that as it may, he is at this point sensitive about being stood up at meetings and unkept promises.

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