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Sanitized - Approved For Release : CIA-

STATINTL

Eerik Heine

First of Two Parts

# A CANADIAN VERSUS THE U.S. SPY MASTERS

Eerik Heine, of Toronto, is fighting the C.I.A. which has branded him a Soviet agent.

And he has launched a slander suit to save his name

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By Robert McKeown  
Weekend Magazine

JUDGE Roszel C. Thomsen, of the Federal District Court in Baltimore, Md., is a grey-haired man with a kindly appearance and a reputation as a scholarly and thorough jurist. To him fell the task of making a decision of international importance in a slander case that has drawn more comment than any he has dealt with.

At issue is whether a Canadian citizen may have his reputation damaged by being branded a Soviet spy and without having a chance to clear his name in court.

On the one side is Eerik Heine, a Toronto man considered by many Canadians and Americans of Estonian origin to be one of Estonia's great anti-Communist partisans and war heroes.

On the other is the United States Central Intelligence Agency (C.I.A.) and its agent, Juri Raus, an Estonian-American who is Heine's accuser.

Heine has asked a judgment of \$110,000 from Raus for the damage done to his reputation by the alleged slander. Raus has claimed absolute privilege to make the statements because he is a C.I.A. agent.

There have been strong comments on the Heine-Raus-C.I.A. case in the Canadian House of Commons, the **Sanitized - Approved For Release : CIA-RDP75-00001R000400180035-7** and magazines. It has provoked speeches and editor-

ials highly critical of the C.I.A.'s claim that it has the privilege to commit slander in the course of duty.

It has split the Estonian communities in Canada and the U.S. into those who believe firmly that Heine has been falsely accused and those who claim the C.I.A. would never make such a charge unless it were soundly based.

It has also caused critics of the C.I.A. to cite numerous occasions in which it has appeared guilty of faulty judgment, irresponsibility and acting as if it were above the law.

It has also brought to light Heine's personal story of his war against the Soviet Union — a narrative that can have few equals in the annals of World War II. This story will be told in Weekend Magazine next week.

Without a complete revelation of the grounds on which the spy charge was made it is impossible to state whether or not the C.I.A. has secret information that would injure the reputation of a Canadian citizen. But a close study of all available documents, such as I have made, leads to the conclusion that this case may go far beyond the truth or falsity of

For one thing, it may involve the long-standing

Continued

Investigation (F.B.I.). This has been so intense that it is said members of these organizations have been subpoenaed and interviewed.

It is well known that the C.I.A. has been forced reluctantly into the suit after misjudging the outcome of its decision to have Raus charge Heine before Estonian organizations in the United States with being a spy for the Russians.

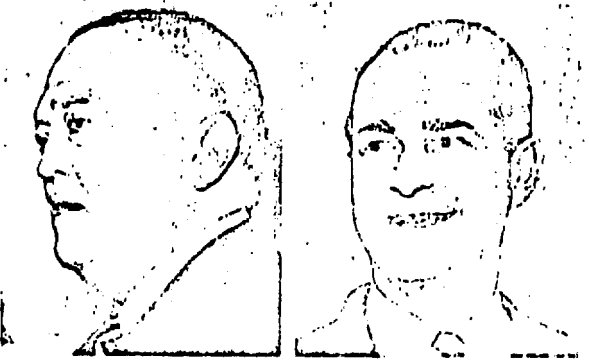
There are many signs that the C.I.A. has been uneasy over the case. Heine filed suit for slander in November, 1964. Yet it was not until late December, 1965, that C.I.A. director William F. Raborn, now retired, admitted in an affidavit that Raus had been acting on the C.I.A.'s instructions.

No cause for the delay has been given. Raus's lawyers have told the court that they wished to establish earlier the C.I.A.'s connections with Raus to claim absolute privilege in the suit, but the C.I.A. would not agree.

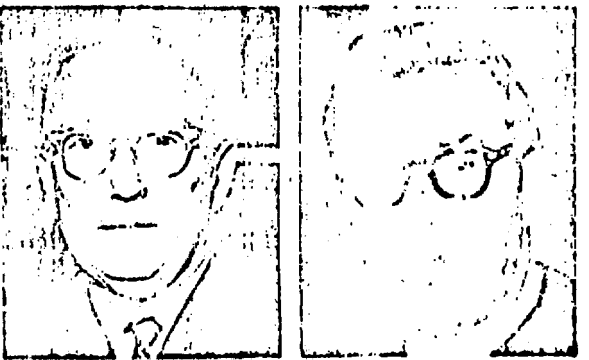
Also, Raus's lawyers have admitted that an effort was made to settle the case out of court. No explanation has been made as to why a man accused of spying should receive a financial settlement from his accusers.

Nor has any reason been given for the employment of private detectives to interview Heine's acquaintances, friends, and relatives. One of these investigators, Thomas W. LaVenia, of Washington, D.C., was questioned in court and admitted the assignment.

However, Raus's counsel successfully parried ef-



The case may involve a long rivalry between the F.B.I., headed by J. Edgar Hoover (L), and C.I.A., led by its director Richard Helms (R).



The case is in the hands of Judge Thomsen (L). Heine is seeking \$110,000 damages from Raus (R) for loss of reputation in the alleged slander.

Times report suggested that the employment of a private detective "raises questions regarding the validity of the C.I.A.'s charges."

Perhaps the calmest person in all of these proceedings is Heine, 47, a serious man, who confesses, "I can't make much." He also says, "I am not a person who frightens too easily." He seems to be finding satisfaction in facing his accusers and trying to obtain vindication.

Heine (pronounced Hay-neh) emigrated to Canada from Germany in 1957 after being released from a Russian labor camp the previous year. According to a deposition taken by the lawyers for his accuser, he had spent the previous 16 years either fighting for the liberation of Estonia, or under interrogation, torture and slave labor in Soviet prisons.

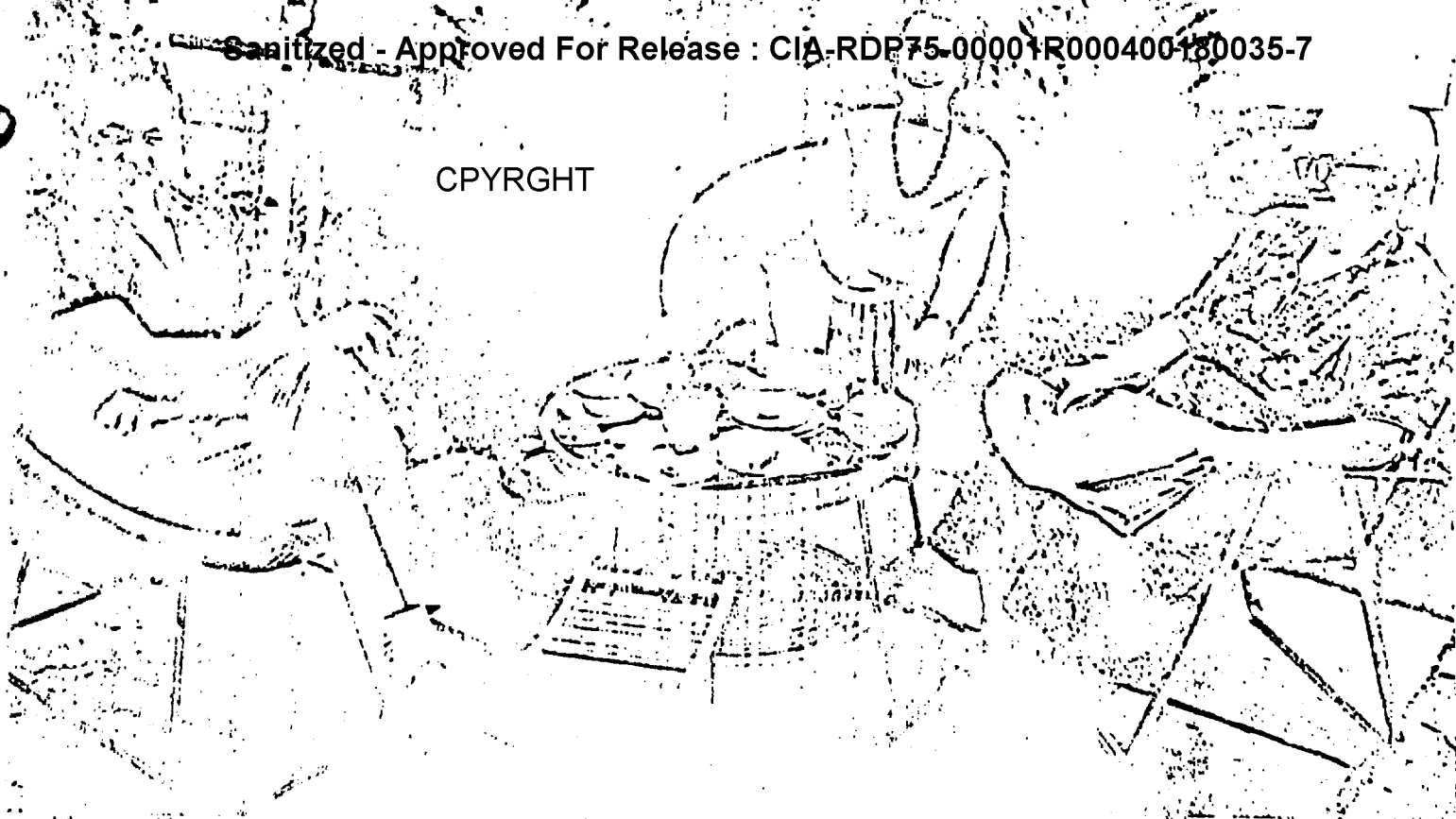
Today he has the scars of wounds on his body. He has lost all but five of his teeth as a result of beatings and near starvation. On first coming to Canada he had a sore on his leg which delayed him in obtaining his permanent status.

### Why?

Though some Estonian-Canadians believe that "where there is smoke there is fire", others hold that Heine is the victim of some terrible mistake or plot. Here are some of the theories given to explain why a man believed to be an ardent patriot, has been called a spy:

- The C.I.A. has made a gross error and now is trying to cover up.
- Some of the details of Heine's story do not check with the information on the C.I.A.'s files, therefore the C.I.A. assumes that Heine is lying.
- Heine's personal story is so amazing that the C.I.A. has decided it is untrue and must have been fabricated for some sinister purpose.
- Soviet intelligence is expert at planting false information for its own purposes. In this case it has set up a situation which pits two anti-Communist organizations, the C.I.A. and the Estonian liberation forces, against each other. Whatever the outcome, it stands to gain.
- Heine admits to having tried to communicate secretly with some of the former guerrillas, still in Estonia, with whom he fought in 1946-50. His messages have been intercepted by the C.I.A. and their purpose has been misinterpreted.
- Heine's efforts aimed at the liberation of Estonia are opposed to ideas of peaceful coexistence, officially sanctioned by the governments of the U.S. and U.S.S.R. Accordingly this means has been used to try to silence him.

CPYRGHT



After reaching Toronto in April, 1957, he lived with his mother, who had come to Canada with her husband, now dead, in 1952. He first worked as a laborer for a firm making bottoms for chairs, later became factory foreman for a Toronto woodworking company. Late that year he married Elsa Varres whom he had known at school in Estonia.

Canadians of Estonian origin are not split into anti-Communist and pro-Communist organizations. Estonia was twice invaded by the Russians in World War II and is today part of the Soviet Union. Because of the jailings, deportations and executions of patriots which are known to all Estonians, it is nearly impossible to find a Communist among them.

Heine's rabidly anti-Communist views soon became well known. He became active in the Estonian War Veterans' Association and was its chairman in 1960. In 1959 he became a member of the Estonian Central Council, elected from all Canada; in 1963 he headed the council poll and was elected vice-chairman. He was active in the Estonian Boy Scouts, where he was a member of a group that built campsites for younger boys. And he was in demand as a speaker.

Word spread of Heine's accounts of guerilla activities in Estonia between 1946 and 1950, in which he was a leader. He also told of the bleak life he had led in Russian labor camps between 1950 and 1956. He was invited to speak to many groups in Canada and the United States.

Using his savings and borrowing from his mother and the Estonian Credit Union, he made a 2 1/2-hour film depicting the guerilla's life. The film was shot, using amateur actors, at locations in Ontario's Mus-

keba woods and on the farm of an Estonian-Canadian. Indoor scenes were taken in the cameraman's basement. The total cost was between \$9,000 and \$10,000, of which Heine still owes some \$1,900.

Heine took his film on cross-country lecture tours here and in the U.S., partially defraying the cost by admission fees, though the bulk of the money raised went to Estonian charities. Finally he donated the film to the Estonian War Veterans' Association in Germany. But first he sent it to be used by Estonians in Sweden to act as counter-propaganda during a visit there by Nikita Khrushchev, then Soviet Premier.

Heine was one of the foremost conservatives in the Estonia community. He has been quoted as calling himself "a Goldwater man."

He helped raise money for Radio Free Europe and to publish books on the perils and dangers of Communism. He tried to get backing for his pet project — the floating of propaganda balloons into Estonia from Sweden.

It was during his visits to the United States in 1963 that Heine started to hear rumors that he was being called a spy. The first intimation came in Detroit when he received a letter from a friend in Lake Geneva, Wis. United States government agents, whom Heine's correspondent assumed to be from the F.B.I., had been in the area asking questions about him.

As time went by the rumors became more frequent. He heard them in almost every city he visited. But it was during a visit to Los Angeles that Heine learned that Raus, chairman of the United States Committee of the Legion of Estonian Liberation, was connected with the statements being made about him.

*Heine and his wife and mother relax on the patio of his home in Toronto suburb of Etobicoke. Heine says he doesn't frighten very easily.*

CPYRGHT

in 1949 at the age of 22. He had served in the U.S. Army, graduated from college in 1956, joined a reserve army and became a sergeant.

On May 29, 1963 — about the time Heine started to hear the rumors — Raus signed an oath of secrecy with the C.I.A. In the summer of 1965 he took a course at an intelligence school. For the past few years he has been employed by the Bureau of Roads in Washington, though this job may simply be the cover for his C.I.A. work.

It seems that Heine at first acted as if the rumors were the figments of someone's imagination and tried to ignore them. When he learned that Raus was the source, he wrote to a man named Krabbe in Washington, who was reputed to be Raus's best friend, and suggested he "put some sense into his mind."

When the rumors continued and Raus made the charges before a meeting of the New York branch of the Legion of Estonian Liberation, Heine sought legal advice. First a lawyer wrote to Raus giving him a chance to apologize and retract. When no retraction was obtained, a Toronto lawyer wrote to the F.B.I. in Washington denying the charges.

"Mr. Heine is willing to answer any questions under oath connected with the matter aforesaid and submit himself to a lie detector test if you so desire," the lawyer said.

At this point Heine thought the F.B.I. was behind the inquiries being made about him among Estonians. Raus on several occasions had told his listeners that if they doubted his word they should "contact the Federal Bureau of Investigation."

In his reply to the letter from Heine's lawyer, J. Edgar Hoover, F.B.I. director, said the bureau did not issue clearances or non-clearances. But he made it clear that the F.B.I. had not originated the charges.

"... you may rest assured that this Bureau has not released any information which could be the basis for the alleged charges against him," Hoover wrote to Heine's Toronto lawyer.

This may or may not have been intended as a rebuke to the C.I.A. But the F.B.I. director can not have been entirely happy to learn the C.I.A. had placed agents among immigrant groups where his men were already at work.

In the United States internal security is strictly the domain of the F.B.I. The C.I.A. is forbidden to get involved in it.

The suggestion that the C.I.A. had uncovered what it charged was "a K.G.B. [Russian secret] agent" in such a group despite the F.B.I.'s vigilance might be taken as a reflection on the F.B.I.'s efficiency.

C.I.A. director Richard Helms (then deputy director) seemed to take the trouble to establish a connection between Raus's denunciation of Heine and foreign intelligence. He did this in an affidavit filed with the court a year after Heine started the slander proceedings.

"The purpose of this instruction [to Raus] was to protect the integrity of the Agency's foreign intelligence sources, existing within or developed through such groups, in accordance with the Agency's statutory responsibility to collect foreign intelligence," Helms said.

a series of affidavits establishing Raus's connection with the C.I.A., came late in 1965. Up to that time,

as far as the department is concerned, Raus appeared to have made the charges on his own initiative. Now it was possible to argue that Raus had made the statements he did about Heine in line of duty — and was privileged under law to do so.

This argument is based on a U.S. Supreme Court ruling of 1959 that officers of the government had immunity to libel suits that arose from their official duties. Raus could also argue that as a member of

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## The C.I.A.

The United States Central Intelligence Agency is almost as widely discussed and criticized today as are its Russian counterparts. From its start in 1946 as the Central Intelligence Group, it has had many notable successes — and several widely-publicized failures. They include:

The disastrous Bay of Pigs invasion of Cuba.

The support of Ngo Dinh Diem, later assassinated, as the head of a tyrannical and corrupt government in South Vietnam.

The support provided to Chinese Nationalist forces in Northern Burma, which have proved such a nuisance they have alienated the Burmese against the Americans and driven them closer to Red China.

The denials issued about a U-2 plane shot down over Russia, and the later revelation that it was on a spying mission.

*These are just a few of the occasions in which the C.I.A. has made mistakes. But it also has many intelligence coups to its credit.*

It detected the installation of Soviet missiles in Cuba.

It overthrew the pro-Communist Arbenz government in Guatemala.

It tapped the telephone lines to Soviet military headquarters in East Germany.

It had a C.I.A. man installed as a top adviser to Gamal Abdel Nasser in Egypt.

It had, in Col. Oleg Penkovskiy, a spy shared with the British, an agent with access to secrets in the Kremlin.

It cannot be assumed that the C.I.A. always blunders, neither that it is infallible.

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the authorized disclosures relating to his duties.

While Judge Thomsen pondered how these matters stood with the law as he saw it, there were many questions to which the answers were not apparent:

If the C.I.A. believed Heine to be a Soviet agent, why did it not have him followed to establish who his contacts were, and then make arrests and lay charges?

Alternatively, why was he not approached and asked to serve as a double agent, as is the custom in such cases?

Since Heine is a Canadian and lives and works in Canada, why was the case not handed over for action by the Royal Canadian Mounted Police?

It is interesting that when Raus was making his charges in the U.S., Heine was applying for Canadian citizenship.

There seems little doubt that the R.C.M.P. made its usual investigation for security clearance. At its disposal it would likely have information from both the F.B.I. and C.I.A. (It is sometimes said in police circles that the two U.S. agencies will give the R.C.M.P. information that they would not entrust to each other.)

There is no way of knowing exactly what were the R.C.M.P.'s findings. But Heine was granted Canadian citizenship in August, 1964, long after Raus had said he was a spy.

At one of the hearings, Heine's counsel wondered why, if Heine were a Soviet agent, he was not simply stopped at the Canadian border and barred from the United States. Heine has on many occasions offered himself for arrest in the U.S., but no action has been taken against him.

"The inference from the facts is irresistible — that there was not enough evidence even for an indictment let alone a conviction, and at least an indictment would have given the plaintiff an opportunity for vindication," said Ernest C. Raskauskas, Heine's counsel.

"Therefore, these slanders against the plaintiff were part of a deliberate and calculated design to destroy without proof, and no agency has ever been given such powers by statute in the history of the United States, unless it is ruled herein the C.I.A. has."

As this was written, Judge Thomsen in Baltimore had still to rule whether Heine's slander suit would go to trial. Whatever the judge's decision, the United States Supreme Court seems likely to have the final word.

**NEXT WEEK: The story of Erik Heine's personal war with the Russians.**



*Heine listens to lawyers Ernest C. Raskauskas, left, and Robert J. Stanford, right, after a pre-trial hearing in federal court at Baltimore.*

### Unanswered Questions

Why did the C.I.A. try to settle the slander suit out of court by making a financial settlement with Heine?

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Why has no one taken Heine up on his offer, made to the Federal Bureau of Investigation, to take a lie-detector test?

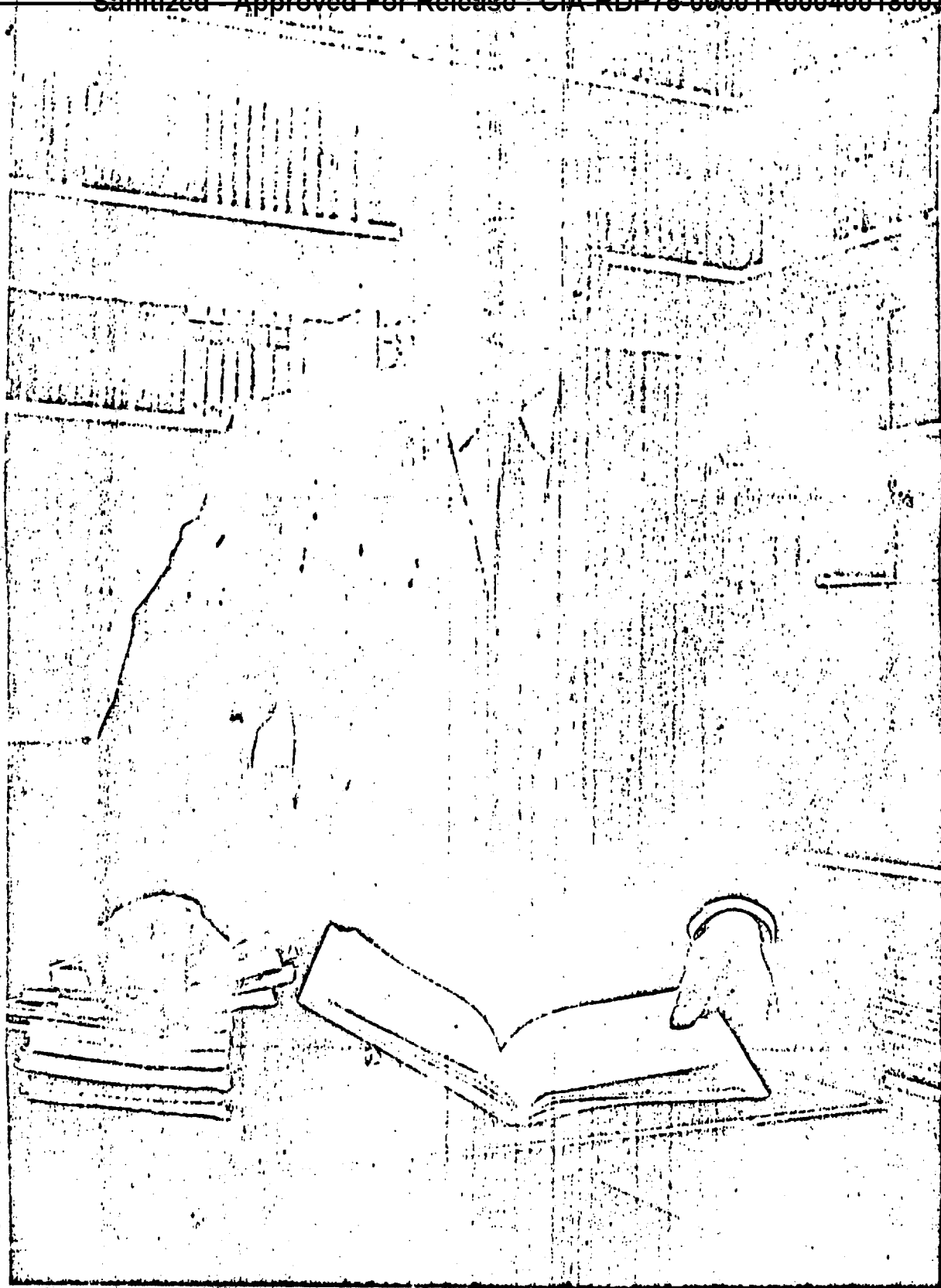
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Why did Heine receive Canadian citizenship, which involves a security check, after the spy charges had been made?

...

Why would he be allowed to move freely in the United States, if he were a Soviet spy, as the C.I.A. has alleged?

Vello Muzino



*Eerik Ilcine is considered by many to be a great Estonian anti-Communist partisan and war hero.*