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FROM

Chief of Station, Helsinki
RELCAI/CIMINT/AD AWY KE
AK/ANNE/S and Gregory N. G. WDF Contact

31 July 1959

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1. On 25 July ⁰²AK/ANNE/S contacted Costille³ to inform him of her latest conversation with COLUB. COLUB called ⁰²AK/5 at her apartment on Thursday evening, 23 July. He had been invited there, as he is giving ⁰²AK/5 Russian language lessons. At this time he told ⁰²AK/5 that the American Embassy somehow had become aware of her contact with him. He stated that he had heard this through an American who in turn heard it from ⁰²VJIGNE/2, and a second member of the American Embassy, Ray White, Vice-Consul. COLUB stated that these two officials were making the inquiries on the instigation of Costille. He then asked ⁰²AK/5 if she had heard anything of this. She said absolutely not and she didn't know how they could have found out but added, "I have never attempted to conceal my contact with you. We have been out at the movies and at restaurants in Helsinki together and could have possibly been seen by someone." She also stated to COLUB, "my roommate (a young Finnish girl) knows I am seeing you since you phone me here." COLUB asked ⁰²AK/5 if she would get in trouble from this contact. She stated no, that what she did was her own personal business and of no concern to the American Embassy as she was still a free and private ⁰²citizen. COLUB mentioned that he had heard of the inquiries on ⁰²AK/5's contact with Soviets at a reception he attended Tuesday evening, 21 July. This was the same reception Costille and ⁰²VJIGNE/2 attended and was reported in ⁰²CF-44016. COLUB told her that the Americans whom he mentioned were quite upset that the American Fulbright students here were having so much social contact with Soviets. (He was also probably referring also to ⁰²AK/3's contact with him).

2. COLUB also continued to deride the Americans in the Embassy here. He stated that they had a bad reputation among the Finns for drinking too much. He said they couldn't hold their liquor and referred specifically to a former US official here by the name of Harry WELAND who according to COLUB had been asked to leave Finland because he was drinking too much. (There is no truth to this statement.) He also asked ⁰²AK/5 why she thought there were so many military people in the Embassy. She said she didn't know but assumed they were here gathering information on Finnish military capabilities, as is the job of any military attache office abroad. He laughed and stated she was naive and that they were all collecting information on the Soviet Union. He also said that the Embassy here used Finland as a base for collecting information on the Soviet Union due to its proximity. He told ⁰²AK/5 that the Embassy employed over 30 local Finns whose main job was to help in the collection effort. He stated he personally did not like this type of underhanded activity and in his opinion the BEVD and FURAK were one and the same and both were evil. She was somewhat stunned by all these remarks and could not understand why he went into them and brought them up at this particular time. He also made one more reference to Costille. He previously had mentioned to ⁰²AK/5 that he had social contact with Costille but did not feel that Costille was as frank in his discussions pertaining to the Soviet Union vis-a-vis the US as ⁰²AK/5 was with COLUB. She said that this is natural since he is an American official whose remarks could be construed as being US policy if he wasn't careful. COLUB responded that he understood this but Costille and he had become fairly good friends and thought Costille could be a little more open. He again made reference to this on Thursday and stated, "I am a higher diplomat than Costille. I have nothing to lose from our contact (Colub and Costille), and if anyone has to leave Finland it will be Costille and not me."

3. COLUB half-jokingly and

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3. COLUB half-jokingly and sometimes half-seriously remarked to ⁰²AS/S that the Americans must be extremely interested in a report of a contact between an American student and a Soviet official and that she must certainly be turning in such a report. She reported that she had told him before who has never been to the American Embassy and doubtful if anyone would be interested in their stable conversations since she was a young schoolgirl. ⁰²AS/S told Costille that none of COLUB's remarks took an accusatory tone, and their ⁰²relationship is still extremely cordial. COLUB found it strange that ⁰²AS/S had not been invited to any American Embassy functions or that she didn't get to know Costille better as he was a young, American bachelor. She repeated again that she had no desire to go to such receptions and that she had only met Costille once before socially.
4. We have checked with ⁰²V/2 to see if there was any truth to COLUB's statement that V/2 was making inquiries concerning the contact of American students with Soviets in Helsinki or if COLUB had mentioned anything about this at the party on Tuesday evening which V/2 also attended. V/2 stated that he had definitely heard nothing in the Embassy or from COLUB concerning this. There is a possibility that ⁰²AS/S has been seen with COLUB by some American official, but if this were true we believe that our office would be notified as a matter of routine. ⁰²AS/S is not known by sight by any other officer in the Embassy besides Costille and Mr. White, whom she has also met once socially. ⁰²Therefore the first conclusion we can draw from COLUB's apparent lies to ⁰²AS/S is that he is attempting to alienate and poison ⁰²AS/S's mind against the American Embassy. We feel this is also the reason for his remarks on the intelligence activities of the entire American Embassy. ⁰²AS/S has played the part of a somewhat naive liberal, anti-McCarthy, exponent of open diplomacy type person who by her very nature would abhor any sub-rosa, beneath the table dealings. (This is in fact partly true, as she has stated that she sometimes feels like a Dr. Jekyll and Mr. Hyde reporting on COLUB. She now realizes clandestine activities are a necessary part of formulating foreign policy, but as she stated, never realized she would ever get mixed up in such things.) COLUB has undoubtedly recognized this idealistic quality and is attempting to exploit it. This appears to be the first step in a recruitment pitch.
5. We have informed ⁰²AS/S that there is no evidence that any American official had made inquiries re Soviet/American student contact and that this is more than likely a provocation attempt by COLUB. She has been instructed to continue seeing COLUB, as we are extremely interested in receiving her comments on him as a personality and also to find out what his next move will be. She stated that COLUB calls her at least twice a week and they either go to a movie or COLUB comes to her apartment to give her Russian language instructions. His conduct has been above reproach, and he has always been a perfect gentleman. He has never made one romantic overture to her. (This we find quite unusual, as COLUB has quite a reputation as a ladies man around Helsinki.) However, COLUB undoubtedly likes her as a person and enjoys her frankness, her outspoken nature and her intelligence. ⁰²AS/S is also enjoying the relationship, since she is also a gregarious person, loves to debate vital issues, and as she puts it, "This is my first communist."
6. Another interesting exchange between ⁰²AS/S and COLUB took place earlier on Saturday, 18 July. When she met COLUB, he appeared extremely depressed. When she asked him what the matter was, he stated that he had had to do something that he did not like and he felt bad mentally. He told her that he hated liars and that he found himself in the position of having to lie at least once a day. (This was just after the order had been given to return the recent escapees back to the USSR. (See ⁰²AS/S 11.) COLUB was the Soviet instrumental in their return and interviewed them in a ⁰²ALINE office after their return order had been signed. His conversation with them was in private without the benefit of ⁰²VALINA or even a microphone.) ⁰²AS/S did not ask him what the matter was, but in her outspoken manner, said, "Therefore, the means don't justify the end, and you should quit your job." COLUB quickly responded that the means definitely did justify the end. He later revealed ⁰²to ⁰²AS/S that since his wife was gone he had been leading a fairly wild life and that the preceding weekend he had had a fairly debauched time in the country as the guest of a Finnish fur dealer. He then asked ⁰²AS/S, "You must think me an/

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think me an extremely immoral person." (A/S)⁰² replied that a persons morals depended on whom he was with and that around her GILUB seemed to be quite a moral person. Gilub answered this by stating that when he was with her he always felt "good".

7. We would appreciate at this point⁰² having Headquarters comments as soon as possible concerning the (A/S)/Gilub contact and whether you agree that GILUB's actions indicate a possible recruitment pitch. We are not certain why GILUB made the statement about Costille's having to leave Finland, and (A/S) did not know why he brought this up either. However, (A/S) has stated she does not believe that GILUB is aware of her actual relationship with Costille. Costille has never been seen with (A/S), and all contacts have been held in Costille's apartment or car.

8. We are enclosing a PRG II on (A/S).⁰²

William L. Costille

Attachment: PRG II

Distributions:

- 2 - SA, w/att
- 2 - WE, w/att
- 2 - (Hals), w/att

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