

Memorandums About the Watergate Case

case, I had since discovered one additional item concerning Howart Hunt. I gave him that memorandum concerning the assistance given to Hunt, which terminated in August, 1971, when his demands escalated to an inappropriate level. We had assisted him following a request from the White House and it was our understanding that it was for the purpose of tracking down security leaks in the Government.

He thanked me and said that this case could not be snuffed out and it would lead quite high politically. Dahlberg was in the clear. He had gotten the check from Maurice Stans and deposited it in the Mexican bank. It was undoubtedly political money.

Last Friday, the President called [Gray] to congratulate him on the F.B.I. action which had frustrated the aircraft hijacking in San Francisco. The President asked him if he had talked to me about the case. Gray replied that he had.

The President then asked him what his recommendation was on the matter. Gray had replied that the case could not be covered up and would lead quite high and he felt that the President should get rid of the people that were involved. Any attempt to involve the F.B.I. or the C.I.A. in this case would only prove a mortal wound (he used my words) and would achieve nothing.

The President then said, "Then I should get rid of whoever is involved no matter how high?" Gray replied that was his recommendation.

The President then asked what I thought and Gray said my views were the same as his. The President took it well and thanked Gray. Later that day, Gray had talked to Dean and repeated the conversation to him. Dean had said, "O.K."

Gray had heard no more on the subject. He asked whether the President had spoken to me and I said he had on another matter but had not brought up this matter with me.

Gray then said that the U. S. Attorney had subpoenaed the financial records

He was grateful for this information.

Gray asked me if the President had called me on this matter and I replied that he had not. Gray then said a lot of pressure had been brought on him on this matter but he had not yielded.

I told him that we intended to terminate the 965-9598 number [the C.I.A.'s sterile phone] and he nodded. Then he said, "This is a hell of a think to happen to us at the outset of our tenure with our respective offices." I agreed heartily.

[7]

He thanked me for coming to see him and for maintaining such a frank and forward relationship with him. I left him a short, unsigned memo embodying what I had told him. Vernon A. Walters

SCHLESINGER LETTER Dated Feb. 9, 1973 Subject: Telephone Call From John Dean.

This evening at 6:10 I received a telephone call from John Dean at the White House. Dean indicated that he wanted to discuss two topics.

First, he [referred] to a packet of material that had been sent to the Department of Justice in connection with the Watergate investigation. He suggested that Justice be required to return this package to the agency [the C.I.A.].

The only item that would be left at Justice would be a card in the files indicating that a package had been returned to the agency, since the material in the package was no longer needed for the purposes of the investigation. He indicated that the agency had originally provided these

materials to the Department of Justice at the request of the [Assistant] Attorney General, Mr. [Henry E.] Petersen.

The second subject that he raised was the pending investigation by the Senate on the I.T.T. affair in relation to the Chilean problem. He felt that this investigation could be rather explosive. He also indicated that there might be some sensitive cables at the agency that might be requested by the Senate investigators.

I indicated to him that while I had not seen any cables, I had been briefed on the subject, and that the role of the Government appeared to be clean. He expressed his delight at hearing this assessment. I indicated that I would look into the cables for that period.

In this connection, he mentioned that there is a hot story being passed about in the press, primarily instigated by Seymour Hersh of The New York Times. The story suggests that [Frank] Sturges, who sometimes went by the code name Federini, was the individual responsible for the burglarizing of the Chilean Embassy in Washington.

He also indicated that he expected Senator [J.W.] Fulbright to request the Justice Department to produce Sturges for the Senate hearings.

I indicated that I would look further into the matter. He then made some rather jovial remarks about not always being the bearer of bad tidings, and I inquired what the good news might be. Further references were made to a pending appointment at the A.E.C.

Shortly thereafter, I discussed those matters with Bill Colby [then a high-rank-

ing C.I.A. official], who indicated that Sturges had not been on the payroll for a number of years and that whatever the allegations about the Chilean Embassy, the agency had no connection at all.

We also agreed that he would discuss the question of the package relative to the Watergate investigation with General Walters and a discussion would be made with regard to the appropriate action.

J. R. S.
cc: General Walters
(James R. Schlesinger)

MEMO DATED
MAY 11, 1973

MEMORANDUM OF CONVERSATION OF FEB. 21, 1973

At the request of the Director, Dr. Schlesinger, I called on Mr. John Dean in his office at the White House at 4:30.

I explained to him that in connection with his request that the agency ask the Department of Justice to return a package of material that had been sent to them in connection with the Watergate investigation, it was quite impossible for us to request the return of this, as this would simply mean that a note would be left in the Department of Justice files that the material had been sent back to the agency, and we had been asked not to destroy any material in any way related to the case.

I again told him that there was no agency involvement in this case, and that any attempt to involve the agency could only be harmful to the United States. He seemed disappointed. I then left.

VERNON A. WALTERS

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