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INQUIRY INTO THE ALLEGED INVOLVEMENT
OF THE CENTRAL INTELLIGENCE
AGENCY IN THE WATERGATE
AND ELLSBERG MATTERS

REPORT
OF THE
SPECIAL SUBCOMMITTEE ON INTELLIGENCE
OF THE
COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES
NINETY-THIRD CONGRESS
FIRST SESSION
OCTOBER 23, 1973



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NINETY-THIRD CONGRESS, FIRST SESSION

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LETTER OF TRANSMITTAL

October 16, 1973.

The Honorable F. Edw. Hébert
Chairman, Committee on Armed Services,
House of Representatives, Washington, D.C. 20515

DEAR MR. CHAIRMAN: I have the honor to transmit herewith the report of the Special Subcommittee on Intelligence on its Inquiry into the Alleged Involvement of the Central Intelligence Agency in the Watergate and Ellsberg Matters.

The report has been unanimously approved by the subcommittee members and I would appreciate your early approval in order that it may be printed.

With kind regards, I remain
Sincerely,

LUCIEN N. NEDZI,
Chairman,
Special Subcommittee on Intelligence.

Approved for printing:
F. Edw. Hébert

(III)

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REPORT BY SPECIAL SUBCOMMITTEE ON INTELLIGENCE ON ITS INQUIRY INTO THE ALLEGED INVOLVEMENT OF THE CENTRAL INTELLIGENCE AGENCY IN THE WATERGATE AND ELLSBERG MATTERS

BACKGROUND

In early May 1973, the Chairman, House Armed Services Committee, and the Committee membership became deeply concerned over reports that the Central Intelligence Agency (CIA) was implicated in the Daniel Ellsberg Pentagon Papers case and in the abortive break-in of the Democratic National Committee Headquarters in the Watergate complex on June 17, 1972 and its subsequent coverup. Those concerns resulted in the Chairman, the Honorable F. Edward Hébert, assigning to the Special Subcommittee on Intelligence the task of inquiring into those matters in connection with the Committee's CIA oversight responsibility. That subcommittee was reappointed on February 27, 1973 at the organization meeting of the House Armed Services Committee pursuant to the authority contained in H. Res. 185, 93d Congress, under the chairmanship of the Honorable Lucien N. Nedzi.

Preliminary Statement

As noted, the events that triggered the investigation were the release of information regarding the illegal break into the office of Dr. Lewis J. Fielding, the Ellsberg psychiatrist, on September 3, 1971, and the Watergate entry into the Democratic National Committee Headquarters on June 17, 1972 with the speculation that CIA was involved in both operations. The probe was commenced with an inquiry into the relationship between the White House consultant, E. Howard Hunt, the CIA and the alleged improper use of CIA technical materials (disguises and alias material). That inquiry led the subcommittee into the so-called Daniel Ellsberg profiles which the White House allegedly commissioned the CIA to produce. Then came information regarding the break-in of Dr. Fielding's office which purportedly housed the Ellsberg psychiatric file. In between all this, the subcommittee learned that the CIA disguise and alias materials were reportedly used in domestic interviews in 1971 involving a Mr. Clifton DeMott who was allegedly peddling Kennedy family information and with Mrs. Dita Beard in connection with the ITT affair. During the entire inquiry there was the requirement to look carefully into Watergate since it was established that the CIA technical materials provided to Mr. E. Howard Hunt and Mr. G. Gordon Liddy were confiscated during the ensuing arrests.

With the Watergate inquiry came the attendant requirement that the subcommittee looked into post-Watergate White House activities that reportedly sought to use the CIA to impede the FBI investigation and to assist the Watergate defendants with CIA funds. In that same general context the panel heard testimony on Mr. James McCord's allegations of a massive effort to lay the blame for Watergate on the CIA. Each of these areas is addressed in this report in more detailed chronological coverage. Also examined is the CIA legislative charter and the need for its amendment.

Legislative Purpose

The basic reason for the probe was to determine whether there was any CIA activity in the reported incidents which was contrary to the

letter and spirit of CIA authority and, if so, to determine what, if any, legislative recommendations should be made to remedy the situation. The CIA charter as contained in the National Security Act of 1947, as amended, provides in part: *That the Agency shall have no police, subpoena, law-enforcement powers, or internal-security functions and That the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure.*

Thus, in the context of this investigation, the question must be whether the activities under inquiry involved the CIA in purely domestic intelligence matters and thus were outside its charter, or possibly by any stretch of credulity, whether CIA involvement was somehow proper under some "sources and methods" authority. The subcommittee concluded that the involvement in issue had no support in reason or law.

Procedures

Subcommittee hearings were commenced on May 11, 1973 with the unanimous adoption of a rule that meetings would be conducted in executive session to protect the sensitivity of information with regard to the CIA. In detail, some seventeen meetings were held with some twenty-four principal witnesses appearing, among whom were the following:

Dr. James A. Schlesinger Former Director of Central Intelligence	Mr. H. R. Haldeman Former White House Staff Member
Mr. William E. Colby Deputy Director for Operations, CIA	Mr. John D. Ehrlichman Former White House Staff Member
Dr. John R. Tietjen Director of Medical Services, CIA	Mr. James McCord Former Staff Member Committee for the Reelection of the President (CREEP)
Mr. Lawrence R. Houston General Counsel, CIA	Mr. E. Howard Hunt Former White House Consultant
Mr. George L. Cary, Jr. Acting Legislative Counsel, CIA	Mr. William Bittman Counsel for Mr. Hunt
Mr. John M. Maury Legislative Counsel, CIA	Mr. Charles W. Colson Former White House Counselor to the President
General Robert E. Cushman, Jr., USMC Commandant of the Marine Corps Former Director of CIA	Mr. Tom Charles Huston Former White House Staff Member
Lt. General Vernon A. Walters Deputy Director of Central Intelligence	Mr. Gerald Alch Former Attorney for Mr. James McCord
The Honorable Richard Helms Ambassador to Iran (Former Deputy Director of Central Intelligence)	Mr. Egil Krogh Former White House Staff Member
Mr. Howard J. Osborne Director of Security Affairs, CIA	Mr. David Young Former White House Staff Member
Mr. Paul F. Gaynor Chief of Security Research Staff, CIA	Mr. John W. Dean, III Former White House Counsel
Mr. William V. Broc Inspector General, CIA	Mr. George Gordon Liddy Former Counsel Committee for the Reelection of the President
Mrs. Nancy C. Lewis Secretary to Deputy Director, CIA	Mr. Peter A. Maroullis Attorney for Mr. Liddy
Mr. L. Patrick Gray, III Former Acting Director of the FBI	

In the process, subcommittee subpoenas were issued to Messrs. Haldeman, Ehrlichman and Dean, and due to their confinement status, Messrs. Hunt and Liddy were before the subcommittee pursuant to Writs of Habeas Corpus Ad Testificandum duly signed by the Chief Judge, U.S. District Court for the District of Columbia. Messrs. Krogh, Young and Dean claimed the Fifth Amendment privilege throughout their appearance, aside basic identification. During his appearance on July 20, 1973 Mr. George Gordon Liddy refused to be sworn to testify, claiming that right under the Fifth Amendment. As a result, the subcommittee, and in turn the House Armed Services Committee, resolved that Mr. Liddy be referred to the U.S. Attorney for the District of Columbia for contempt of Congress under the processes of applicable law. By a vote of 334 to 11 the House of Representatives adopted the resolution on September 10, 1973 and reported the committee action in House Report No. 93-453 dated September 10, 1973. That matter now remains pending in the Department of Justice.

Caveat

This report is based solely upon evidence submitted to the subcommittee and the subcommittee has attempted to be meticulous about eliminating from its consideration the plethora of information that has come from the media reporting other congressional actions, leaks and endless "sources." Also, the subcommittee limited its inquiry to CIA related matters.

BASIC OBSERVATIONS

(1) Alias identification gear, disguises and other technical materials were provided improperly to Mr. E. Howard Hunt of the White House staff by the CIA for use by non-CIA personnel due to a failure to determine whether the purposes were in keeping with the statutory mission of the CIA.

(2) Those improper purposes included:

a. A disguised interview with an informant who allegedly was to provide information of a purely domestic-political nature in connection with the Kennedy family;

b. A surveillance under disguise in August of 1971 in connection with the unlawful break into Dr. Fielding's office in California in what proved to be an unsuccessful search for Mr. Daniel Ellsberg's psychiatric records;

c. A disguised visit to Mrs. Dita Beard in a Denver, Colorado hospital during March of 1972 in connection with the ITT affair; and

d. The abortive break-in at the Democratic National Committee Headquarters in the Watergate complex on June 17, 1972.

(3) Utilized at one time or another in the above-noted actions was the following CIA provided material: 2 wigs, speech-altering devices, alias materials commonly called "pocket litter," a tape recorder, a clandestine camera, one-way tinted spectacles and film developing facilities. Among the items requested but not provided were credit cards, a telephone service and a secretary.

(4) There were continued CIA dealings with Mr. Hunt after General Cushman first questioned Hunt's judgment in requesting additional CIA assistance. These "dealings" included a contact in October 1971 with reference to a 1954 French case involving the leakage of documents, contacts concerning Agency retirees regarding whom data was furnished to Mr. Hunt and the Ellsberg profile. This resulted from such compartmentation within the CIA organization as delayed the internal dissemination of information of Hunt's activities and thus requires comment in this report.

(5) Had the equipment been demanded by CIA and returned by Mr. Hunt when further assistance was terminated, its use in subsequent activities would have been prevented.

(6) Demanding the workup of domestic-psychiatric profiles on Daniel Ellsberg during the period July-November 1971 by CIA technical personnel was an abuse of CIA facilities.

(7) Efforts were made by Messrs. Haldeman, Ehrlichman and Dean of the White House staff to deflect the FBI investigation of the Watergate break-in by invoking nonexistent conflicts with CIA operations.

(8) Substantial efforts were made by Mr. John Dean, then White House Counsel, to involve CIA in the Watergate break-in without any foundation in fact. Particularly, Mr. Dean attempted to use the CIA to provide assistance to the Watergate defendants in a clear violation of the statutory charter of the CIA.

(9) When these requests for CIA assistance were made there was a clear picture of White House aides avoiding former Director Helms and looking to career military officers, Cushman and later Walters, for unquestioned compliance.

(10) Substantial evidence of record leads to the inescapable conclusion that Mr. H. R. Haldeman, former White House Chief of Staff, and Mr. John Ehrlichman, former Chief of Domestic Programs in the White House, were the sources of enormous executive authority and were considered by the Acting Director of the FBI and CIA officials to be speaking for the President.

(11) There exist material inconsistencies between the statement and certain testimony offered by General Vernon A. Walters, Deputy Director of Central Intelligence, in his appearance as a witness on May 16, 1973 and the statements and certain testimony presented during his return appearance on May 21, 1973, both as to omissions and changes in language.

(12) Mr. James McCord sent six memoranda by mail to the CIA during the period August 1972-January 1973 regarding alleged attempts to involve CIA in the Watergate. This correspondence was filed and not turned over to the FBI and the Department of Justice until a request from the Department of Justice was received in May 1973.

(13) As late as February 1973, Mr. Dean called Dr. James A. Schlesinger, Director of Central Intelligence, to see if CIA could get back from the FBI the file material CIA had provided Justice relative to the Agency's contact with Hunt. This was not done.

(14) Legislative recommendations are necessary in the following three areas with regard to Sec. 102(d) of the National Security Act:

- a. To expressly prohibit the Director of Central Intelligence from performing any acts not included in Section 102 without the express authorization of the President.
- b. Tighten the phraseology of the section with regard to protection of intelligence sources and methods by the Director of Central Intelligence; and
- c. Prohibit transactions between former CIA employees and the Agency above and beyond purely routine administrative matters.

DISCUSSION

White House Concerns

During the summer of 1971 leading members of the White House staff were reportedly concerned over serious security leaks mainly centered around the Pentagon Papers affair and a decision was made to add to the staff a consultant who would be the central person responsible for research on such matters. The person eventually recommended by Mr. Charles Colson, White House Counselor, and retained by Mr. John Ehrlichman, was Mr. E. Howard Hunt, retired career Central Intelligence Agency officer, former news magazine writer, novelist and at that time, a ranking member of a public relations firm in Washington, D.C.

The CIA Contact

Early on in his employment as a consultant, Mr. Hunt requested through Mr. Colson that arrangements be made for certain alias and disguise gear in connection with an interview. Apparently there was some internal discussion with Mr. Colson as to who should supply this material but a reasonable interpretation of the testimony establishes that in the final analysis Mr. John Ehrlichman, Senior White House Aide in charge of domestic programs, made an introductory call to the Deputy Director of the Central Intelligence, General Robert Cushman, on or about July 8, 1971 introducing Mr. Hunt as a newly retained White House Consultant who was in need of CIA assistance. That call was announced at a subsequent CIA staff meeting. An appointment was made and on July 22, 1971 Mr. Hunt and General Cushman had a meeting at CIA Headquarters in Langley, Virginia. At that meeting arrangements were made for Mr. Hunt to receive "technical assistance" from the CIA in the form of flash alias documentation and physical disguise material for an undisclosed mission of some alleged sensitivity. Mr. Hunt expressed it in this way to General Cushman:

* * * * *

"I've been charged with quite a highly sensitive mission by the White House to visit and elicit information from an individual whose ideology we aren't entirely sure of and for that purpose they asked me to come over here and see if you could get me two things: flash, alias documentation * * * and some degree of physical disguise, for a one time op[eration]—in and out."

* * * * *

General Cushman approved the request. Mr. Hunt's documented alias was Edward J. Warren. From the advantage of hindsight, it is unfortunate that Mr. Hunt was not pressed for the details of his mission prior to any agreement to meet his request, as normally should be the case.

While the total evidence is in some conflict as to just what Hunt's sensitive mission was to be, it is crystal clear from Mr. Hunt's testimony that the project was a purely domestic caper to gain information on the Kennedy family which had been offered by a Mr. Clifton DeMott, then apparently located in Rhode Island. Parenthetically, it is obvious that the projected DeMott interview was hardly the sensitive task represented to General Cushman during the meeting on July 22, 1971 at the CIA Headquarters. The DeMott interview was conducted in a motel at the Providence, Rhode Island airport where Hunt appeared in the CIA disguise, including the "ill-fitting wig" and pocket litter. The interview proved to be flat and unproductive according to Mr. Hunt.

Meanwhile, Hunt was making added demands on the Agency for technical assistance including disguise and alias material for Mr. George Gordon Liddy. Mr. Liddy's documented alias was George F. Leonard. On August 27, 1971 after receiving internal complaints from CIA staff members concerning the Hunt request, General Cushman called Mr. John Ehrlichman and advised him that assistance to Mr. Hunt would have to end since Hunt obviously was overreaching the original agreement.

As future events graphically illustrated, the deed had then been done and Mr. Helms, General Cushman and the CIA had become the unwitting dupes for purely domestic White House staff endeavors that were beyond the realm of CIA authority. Not only did the "technical assistance" material appear in the DeMott interview as previously noted, but as we shall see, certain materials appeared in the illicit search for Ellsberg's psychiatric records, was also in evidence at the Dita Beard interview in Denver, Colorado and finally at the infamous Watergate complex entry.

It should be mentioned here that early in his employment in the White House during July 1971, Mr. Hunt was apparently assigned the task of developing certain information on U.S. relations with South Vietnam with specific reference to the circumstances which led to the coup, and assassination of former Premier Diem. In that connection Mr. Charles Colson suggested that Hunt seek out a Lieutenant Colonel Lucien Conein who was reputed to be knowledgeable in Far Eastern affairs through his OSS associations and later CIA work in South Vietnam. At the time Colonel Conein was said to be retired from the CIA and living in McLean, Virginia as a private person. Reportedly, Mr. Colson thought it necessary for CIA to approve such an interview, and Colson considered this an additional motive for Hunt to be cleared through Mr. John Ehrlichman for contact with the CIA. In fact, Colson testified that the requirement for this clearance was "immediate" in view of the need to interview Colonel Conein.

Hunt stated he knew Conein through earlier association in the OSS, and after locating him directly through the telephone book, a meeting was arranged in Hunt's office at the White House. There ensued a discussion of the Diem era in South Vietnam and the circumstances of the revolt that led to Diem's assassination. Hunt reported that he also discussed with Colonel Conein the narcotics control situation in Southeast Asia. Hunt concluded that the interview was of interest in connection with Hunt's review of the Department of State chronological cable files on the Diem regime. It was this review that among other

matters led to the reported controversial and fraudulent alteration of State Department cables by Hunt "which would clearly point to Washington, the Kennedy Administration, as having in effect, hoped for or brought about the assassination of the former Vietnamese Premier."

Thus, the subcommittee determined, to its satisfaction, that the Hunt-Conein interview did not involve the CIA.

How This Happened in the CIA

Former CIA Director Richard Helms testified that often the Executive Office of the President made requests of the CIA for assistance and advice. The principal limit on such CIA assistance is the statutory barrier to its operation in the domestic-intelligence field, as noted earlier in this report. On the other hand, witnesses associated with the CIA were unanimous in their views that *requests* from top level White House aides in the present Administration were, almost without exception, taken as *orders* from people who were speaking for the President, which could and did put a strain on those statutory barriers. In that setting, then, we have the *request* from the White House staff for the cooperation of the CIA with Howard Hunt.

General Cushman, a four-star general officer in the Marine Corps, and the former Deputy Director testified that he received that request from Mr. John Ehrlichman. Ehrlichman, with rather obvious vigor, testified that he had no recollection of making any such call to the CIA. The evidence of record supports General Cushman.

Mr. Ehrlichman in his testimony before the subcommittee assumed a rather cavalier, hands-off attitude about the CIA technical assistance to Hunt in an obvious attempt to lay the responsibility at the doorsteps of others—first for getting Hunt into the White House organization ("Colson hired him") and then by wondering aloud why the CIA gave "carte blanche for nearly a month without asking [Hunt] what he was doing." The overall subcommittee record is enlightening on Mr. Ehrlichman's approach to the matter at hand. Mr. Ehrlichman's impression of his force and effect in conducting White House business appears to be unduly modest. The clear impression from the record is that Mr. Hunt was given CIA assistance solely because Mr. Ehrlichman intervened. In this instance, the CIA had not one scintilla of information concerning the actual purpose of that assistance, and the lack of such information was not questioned. Indeed, assistance was given in almost a complete "absence of the procedural steps and approvals normally required by Agency regulations," according to former Director of Central Intelligence, Dr. James A. Schlesinger.

There is little doubt from the testimony that General Cushman was impressed with the source of the telephone call introducing Mr. Hunt as a White House Consultant. General Cushman concluded that Hunt was hired to work on the security leaks problem, and "the CIA was being *ordered* to assist him." [Emphasis Added.] Further, stated General Cushman, he never envisioned such a request to be for an improper purpose. Thus, when a meeting between General Cushman and Hunt resulted on July 22, 1971, there was a clear-cut spirit of cooperation on the part of the Deputy Director despite the fact that Hunt belauded the reason for the "technical assistance" except to describe the need for a sensitive one-time interview. Hunt was not pressed for further explanation and the arrangements for assistance were agreed upon. Ironically, although Hunt suggested privacy, that

meeting was bugged and it is clear on the verbatim record that Mr. Ehrlichman's name was dropped by Mr. Hunt in the correct places to convey the message to General Cushman. Thus commenced a string of requests from Hunt for the agreed upon technical assistance, as well as other materials as previously reported. The extent and depth of the technical assistance provided to Mr. Hunt can be better understood when it is noted that on no less than three occasions CIA technical personnel met with Mr. Hunt and/or Mr. Liddy in a so-called "safe house" location in Washington to fit disguise materials, as well as deliver other disguise and alias items. A safe house is generally described as a detection-secure location maintained by the Agency for clandestine meetings.

This all came to an end on August 27, 1971 when the CIA staff and General Cushman became concerned over the propriety of Hunt's increasing demands in relation to the CIA and the assistance stopped. Unhappily, neither at that date nor at any time thereafter did the CIA make a request for the return of the materials and, except for the camera, none of the material was in fact returned.

The Director of CIA was advised of the Hunt-Cushman agreement and Hunt's CIA contacts after the fact but considered it "*fait accompli*," particularly since "there was absolutely no indication of wrongdoing." In "hindsight" said Ambassador Helms "maybe we should have asked [Hunt] a lot more questions." The subcommittee can only add its unanimous and solemn concurrence to that observation. Mr. Helms said that "when the top man in the White House asks for support and assistance, it is given to him." Interestingly, Mr. Hunt's view as a retired CIA agent and former White House Consultant was expressed thusly: "* * * the CIA was regarded as a service organization for the intelligence community and certainly *to the Chief Executive*." [Emphasis Added.] The better view, although charitable, was probably expressed by Dr. James R. Schlesinger, the succeeding Director of Central Intelligence at the time of this inquiry and now Secretary of Defense: "The Agency was insufficiently cautious in the initiation of assistance to Hunt."

The Ellsberg Psychiatric Profile

Incredible as it may seem, at the very time that Mr. Hunt was conducting his business with the CIA for "technical assistance" another White House staff project was being engineered which was to involve the CIA in one more undertaking which was outside of its mission. This, aside from the separate Ellsberg's psychiatrist's break-in, which apparently was undergoing concurrent planning, also had CIA implications and which will be addressed under the next subheading.

The profile operation originated in the White House Investigations Unit, better known at the time as the Room 16 Group, and now popularly called "The Plumbers." The group was reportedly concerned with security matters involving leaks of classified information. Apparently, the unit was under the overall aegis of Mr. John Ehrlichman, with Mr. Egil Krogh in immediate charge, as assisted by Mr. David Young and Mr. George Gordon Liddy. According to his testimony, Mr. E. Howard Hunt joined this group about the middle of July 1971—while continuing to work on his original assignment. At that time the group was apparently in the process of organizing.

The mission at hand seemed to be to get a complete backdrop on Ellsberg and his entire psychiatric makeup, for the purpose of gaining a better understanding of the total Pentagon Papers problem and to apparently assist in Ellsberg's prosecution. From those considerations developed a suggestion by E. Howard Hunt that CIA had the technical capability of putting together a personal profile as had been done in the case of certain foreign leaders and secondly, an interest in certain psychiatric records that were reportedly in the files of a Los Angeles psychiatrist. Hunt recommended, therefore, that CIA be requested to construct a profile on Ellsberg. Apparently, Mr. David Young was the contact man with CIA on this project. At some point in time, Mr. Ehrlichman talked with Mr. Young about the project and it had his approval. This could have been after work on the profile was underway.

In late July 1971, the first contact was made with CIA requesting an Ellsberg profile. This resulted in some conversations between Mr. Young and Mr. Helms, in which CIA's reservation were expressed but, stated Mr. Helms, Young assured him "it had the highest White House level support * * *", and an agreement was reached. Young supplied the materials to be used. The CIA psychiatric personnel involved, including medical doctors, expressed varying degrees of concern over the propriety of the project in view of the limited information on Ellsberg at hand, and the question of whether it was CIA-mission oriented since the subject was a U.S. national. Also there was concern that the product could be misinterpreted as coming from a doctor-patient relationship, which, of course, would not be the case. The evidence indicates that the project was finally approved with some reluctance by "senior Agency officials because of the peculiar problems posed by the case."

The initial effort was produced from articles from media sources, as well as FBI documents. This first effort did not satisfy the White House staff and an August 12, 1971 meeting was called in the Executive Office Building on the matter with a CIA medical representative present. A witness who attended that meeting attributed the following to Mr. Young: "That the Ellsberg study had the highest priority and had been requested by Mr. Ehrlichman and Dr. Kissinger. Mr. Young also stated that the President had been informed of this study. He stated that it was a multi-faceted approach and the psychiatric report would be only one facet." Howard Hunt and G. Gordon Liddy were also present with that group, and further discussion ensued on the points they hoped to develop in such a profile.

New material was forthcoming from the White House which was biographical in nature and appeared to have Justice Department origin. At no time, it was testified, was sufficient material received upon which a valid report could be assembled. There were several other meetings with White House personnel and there was a CIA attempt to fend off White House staff insistence on the second paper on the grounds that the material added very little to the production. But the Room 16 Group insisted on a final profile. With much expressed reluctance by the CIA professional staff involved, the final product "was delivered * * * to the White House and to Mr. Liddy, Mr. Young and Mr. Hunt" on November 12, 1971 after being reviewed by Director Helms. Interestingly, General Cushman was not aware of the Ellsberg profiles project.

The Ellsberg Psychiatrist Caper

Also incredible as it may appear, while E. Howard Hunt was making demands upon the CIA for additional technical material, he was doing it not for purposes of the "sensitive" interview, but rather for use in connection with the Room 16 Group's plan for the surreptitious entry into the office of a Beverly Hills doctor, Dr. Henry Fielding, who was identified as Daniel Ellsberg's psychiatrist. It should be noted that shortly prior to the break-in CIA had indicated that the psychiatric information for the profile lacked some sufficiency for the task at hand. While the timing would indicate some known connection between CIA and the Ellsberg break-in, the testimony shows a coincidence rather than any suggestion that CIA had any prior knowledge of the illicit entry into Dr. Fielding's office.

According to Hunt, and as was noted earlier, sometime during July 1971, after the Room 16 (Plumbers) Group was formed, it was determined by the Group that information on Ellsberg's life and lifestyle, mental competency, tendencies, propensities and the like, would be valuable in a better understanding of the entire Pentagon Papers matter. Thus, the plan to burgle the psychiatrist's office.

Per the Group's plans, Mr. Hunt and Mr. Liddy were scheduled to make a preliminary reconnaissance trip to Beverly Hills in connection with the Fielding break-in and Hunt asked CIA for a camera concealment device for indoor photography. This was the camera concealed in the infamous tobacco pouch that was later used during the reconnaissance for photographing the inside of the building in which Dr. Fielding held office space.

Indeed, in addition to having the camera, the surveillance was conducted with both Hunt and Liddy using the disguise material and "litter," including the "ill-fitting wigs" provided earlier by the CIA to Mr. Hunt and Mr. Liddy in a safe house. Among other services, CIA provided Mr. Liddy with technical instructions for the use of camera and developing services when the job was completed. But in all fairness, it must be repeated that the CIA was not aware of the true purpose for which the camera and equipment was to be used.

Mr. John Ehrlichman disclaimed prior knowledge of the basic plan—"I certainly cannot recall seeing such a memo, Mr. Chairman"—but did testify that, "there was a written proposal that Hunt and Liddy be sent to the coast to do investigation work. * * * The substance of it was they would go and investigate these questions I alluded to before, Ellsberg's relationships, how he got the papers out, what sort of a person he is, is he a part of a conspiracy, all the lingering, remaining questions about Ellsberg as an individual that we were not getting answers to. * * * I approved that proposal." Ehrlichman added that he would not have approved any proposal that included a plan to burglarize the psychiatrist's office.

Following the West Coast trip Mr. Hunt saw a need for credit cards and a sterile telephone for back up in case an alias address was checked. The credit card problem came up on the surveillance trip when credit cards were asked for to pay bills and none were available. This request to CIA was not granted. Also, upon returning, Mr. Hunt made an effort to show the Fielding pictures to Mr. Charles Colson, but Colson rebuffed Hunt out of hand before Hunt could explain what he had to offer.

During the actual burglary of the Fielding office on September 3, 1971, Mr. Hunt stated that he did not personally make an entry upon orders that nobody with a White House connection was to be "anywhere near the target area." On the evening of the Fielding break-in, Hunt stated he was miles away covering the Fielding house, for said Hunt, "I had to be there. I was the planner."

Mr. Liddy was close by in a car to provide mobile surveillance, and both Hunt and Liddy were in touch with the entry team by walkie-talkie. As it developed, nothing of worth was received as a result of the operation.

The Dita Beard Interview

It will be recalled that in 1972 at the time of the Richard Kleindienst confirmation hearings as Attorney General, there was considerable discussion and publicity regarding the authenticity of an ITT memo allegedly written by Dita Beard, a Washington ITT representative, which allegedly linked the ITT antitrust settlement with a reported contribution for the benefit of the Republican National Convention then planned for San Diego.

Mr. Charles Colson stated that in early March 1972 he received information from Mr. Hunt that the Beard memo could be a forgery and Colson concluded that there may be a way of gaining information on the matter through an interview with Mrs. Beard in a Denver hospital where she was undergoing treatment.

The arrangements were made and Hunt (in disguise—the "ill-fitting wig" and Edward Warren "litter") visited Mrs. Beard in the Denver hospital to seek her version of the infamous memo. The results were inconclusive. Hunt's story is that the disguise was used to shield his White House identity. Mr. Colson stated that he did not order the disguise, it was Hunt's idea. In any event, we had another clear-cut use of CIA equipment to assist in carrying out a purely domestic-intelligence-gathering mission, without the knowledge of the very people who supplied the material.

The Watergate

As probably very few people are unaware, on the evening of June 17, 1972, a group allegedly sponsored by the Committee for the Re-election of the President made an abortive entry into the Watergate Headquarters of the Democratic National Committee reportedly to photograph files, "* * * install a room bug * * * which would permit the transmission of conversations * * *", and also to put in place a telephone listening device. There had been a prior successful entry into the Headquarters on Memorial Day Weekend 1972. That entry was classified as successful because nobody was caught, but the bugging of a telephone failed for mechanical and technical reasons, and there was a new demand for photographic copies of additional documents from the files—thus the plan for a second try.

Although there seemingly was repeated reference to "the principals"—"* * * the Attorney General, Mr. Dean and Mr. Magruder * * *", said Hunt—George Gordon Liddy reportedly was the leader and planner for the entry with Mr. Hunt as one of his top assistants, along with Mr. James W. McCord who was a "hitch-hiker" on the operation as the electronics man. McCord was a former FBI agent who later joined the CIA from where he retired in 1970. Later

in September 1971 McCord was employed by CREEP as a security man and was operating his own business in the security and investigative field.

Hunt was the recruiter for the Cuban-American branch of the entry team whose principal task was photography. ("The team had demonstrated its ability in Los Angeles. That was certainly a clean operation," said Hunt.) Among those "team" individuals were Mr. Baker and Mr. Martinez. Mr. Hunt and Mr. Liddy were not part of the entry team. Interestingly, some 50 35MM cameras were bought for the mission.

On the critical evening, Hunt and Liddy were in a room in the Watergate Hotel where the team assembled prior to entry. Hunt had carried the CIA-supplied disguise gear to the room to make distribution as might be desired. McCord stated that Hunt handed McCord some credentials including, he thought, a driver's license. When McCord was apprehended later, the CIA cover name of Edward L. Warren was on the documents which were confiscated by the police. Hunt, in his testimony, stated that he thought Barker used his "set" of disguises and pocket litter and Liddy's was used by another member of the entry team. This evidently included the wigs. A portion of Hunt's direct testimony on the subject is succinct:

["Let me put it this way, sir: I took all of that [CIA] disguise equipment down to the operations room of the Watergate, Room 214, that evening. The men who made up the entry team helped themselves to whatever they wanted. And the last time I recall seeing any of that material was in Room 214 in the Watergate Hotel."]

Hunt normally stored the alias and disguise gear in a safe in the Executive Office Building, but on June 17 all of it was confiscated by police at the Watergate. The only item left was a tape recorder which, during his testimony, Hunt promised to return to the CIA.

Again, as the world knows, the "lights went out" as Mr. Hunt put it, and the team was caught. It is ironic, too, that certain doors had been taped at the lock and McCord reported over walkie-talkie that he had to retape them. Hunt was startled by that report and wanted to stop the operation but Liddy refused. McCord, too, wanted to press forward. A short while later the group was arrested on the scene.

None of those involved in the break-in were employees of the CIA; however, Martinez was at the time an active Florida informant for the CIA and was being paid for his information at the rate of \$100 per month. He is no longer on the payroll of CIA, and there is no evidence that CIA had any advance knowledge of his prospective participation in the break-in. Interestingly, Hunt stated that following Watergate he, Mrs. Hunt and Attorney Bittman received some \$156,000 for lawyers fees from mysterious sources by what can be best described as cloak and dagger deliveries. Also, payments of \$27,000 in additional moneys for personal use and for the Cuban-Americans were reported. McCord stated that he received \$46,000 for lawyers fees and subsistence from "committee" sources.

"Pressure To Blame Watergate on CIA"—McCord

Mr. James McCord, convicted participant in the Watergate break-in, former FBI agent and retired CIA employee, was persistent in his claims before the subcommittee that immediately after Watergate aborted, there was a massive attempt to pin the break-in on the CIA.

in an effort to cover up the White House and the Committee for the Reelection of the President. In addition, McCord stated that "the White House" had dismissed Helms to lay a foundation for blaming Watergate on the CIA, and that "Helms had been fired for it." McCord alleged a conspiracy involving people in high place in the Executive Department, in the Committee for the Reelection of the President and, indeed, he alleged the involvement of E. Howard Hunt, Hunt's lawyer, Mr. William Bittman, and Mr. Gerald Alch, his own attorney, among others.

In the latter regard, McCord testified that Hunt placed great pressure on the Cuban-American defendants to use the "CIA was involved" ploy as a defense at trial. Hunt just as vehemently denied that allegation under oath. With equal vigor did Hunt deny that he participated in any plot to blame the entire venture on the CIA, but there was an admission from Hunt's attorney, as well as McCord's counsel, that there was some discussion early on in preparation for the defense of the accused as to whether there might be a CIA-type defense since some of the participants had been associated with the Agency previously. However, that tack was dropped after discussion with the clients, said the attorneys for Hunt and McCord, as being without foundation in fact.

McCord had occasion to contact Hunt's wife during this early period after Watergate and McCord attributed to Mrs. Hunt a statement that the Watergate was a CIA operation and that Hunt had information sufficient to impeach the President. This Hunt denied. It was also stated by McCord that Mrs. Hunt attributed to her husband a letter threatening to "blow the White House out of the water." This, too, was denied by Hunt.

Also attributed to Mrs. Hunt was a statement that Mr. Paul O'Brien, of the Committee for the Reelection of the President, had advised Hunt that Watergate was a CIA operation. McCord stated that his only sources at the time regarding this allegation were Mrs. Hunt and the press stories to which he was exposed.

Because of this alleged cover up, McCord sent an unsigned letter to Mr. Richard Helms, then Director of Central Intelligence, under date of July 29, 1972, enclosing correspondence purportedly addressed to his attorney expressing concern over a "ploy" to lay Watergate at the doorstep of CIA. The attorney, Mr. Alch, denies ever receiving the letter. That correspondence was not acted upon in CIA in any fashion beyond recognition of its source as probably McCord, and it was not turned over to the FBI or the Department of Justice by the CIA until requested by the U.S. Attorney in May 1973.

Interestingly, at that very time, McCord expressed his loyalty for the Administration for "they seemed to be doing what they could to help the defendants and there was contact there * * * ." Then in October 1972, he saw a "180° turn" and "they were going to try to keep the defendants silent" by offering executive clemency and care for dependents. At that point in his testimony, McCord didn't invoke the CIA allegation.

Although McCord believed the plot to use the CIA emanated from on high, he pointed the principal finger of guilt at Hunt, Mr. William Bittman, attorney for Hunt, and his own lawyer, Mr. Alch. McCord saw Bittman as the leader of a plot to blame CIA for Watergate and use it as a defense at trial in January of 1973. In

the now famous meeting with Mr. Alch in Washington, D.C. on December 21, 1972 at the Monocle Restaurant, McCord attributes to Alch the statement that they would use a CIA defense; that they would doctor McCord's CIA records to show a recall to duty; that the new Director, Dr. Schlesinger, "would go along with it," and that they could show the history of CIA sponsoring such operations. This purportedly shocked McCord. McCord attributed the same approach to Mr. Alch in a subsequent meeting at Mr. Alch's office in Boston on December 26, 1972.

Mr. Alch disputed McCord's version of these meetings in the strongest of terms. Alch stated that, in fact, Bittman had suggested in December 1972, when defenses were being discussed, that they should check with their clients on the possibility of CIA involvement as a defense, particularly since Hunt and McCord were CIA veterans. This was done with McCord during the luncheon at the Monocle on December 21, 1972 and McCord stated that he would think about it, according to Alch's version. In the December 26th meeting in Boston, McCord was definite about no CIA involvement and to Alch, that ended the matter, for he stated he had a feeling all along that CIA was "not behind it." Further, said Mr. Alch, he talked to his associate, F. Lee Bailey, about the CIA matter and Bailey discouraged any such defense unless they were on solid ground. Mr. Alch's Washington corresponding attorney, Mr. Bernard Shankman, was present at the Monocle and, in an affidavit made available to this subcommittee, has supported Mr. Alch's version of the meeting.

These latest meetings prompted McCord to address a series of letters to Mr. Paul Gaynor, of CIA, with whom McCord was formerly associated in his active duty CIA days. That correspondence commenced on December 22, 1972, and in it McCord referred to the "tremendous pressure" to put the operation on the CIA. The follow-on correspondence consisted of an undated note and others dated December 29, 1972, January 3 and 5, 1973 regarding alleged wiretaps on his home, McCord's decision to release his lawyer, and more litany on attempts to involve the CIA in the Watergate. None of this mail was signed. The record indicates that CIA retained this correspondence on file, recognizing that it came from McCord, but nothing was done to bring it to light until after the subcommittee commenced its hearings on May 11, 1973. Why this material was not given to the FBI or the Department of Justice earlier was not responded to satisfactorily by CIA witnesses.

Mr. Alch, in fact, represented McCord in matters relating to the trial and at the trial itself during January of 1973. In his earlier letter to the presiding judge asking that Mr. Alch be excused as his attorney, McCord did not mention the CIA matter. After a judicial conference, McCord's concerns were evidently satisfied, the letter was withdrawn and, as indicated, Alch stayed on to represent McCord at trial and in bail proceedings thereafter. CIA was not raised in any fashion at trial, as a defense or in matters of extenuation.

This subcommittee cannot unravel the direct conflict of evidence in the testimony of Mr. McCord and Mr. Alch—both under oath. The story of this alleged attempt to involve the CIA has been told briefly here because of its relevancy to the subcommittee's mission. There are indications that McCord was not completely open and frank with Attorney Alch and that he, McCord, may have been taking advice and counsel from another source contrary to Mr. Alch's efforts for

his client. The conflict in testimony between Mr. Alch and Mr. McCord is so great as to cause the subcommittee to speculate that both are telling what they believe to be the truth, but McCord's perspective was distorted because of his personal predicament.

On a related matter Mr. Robert C. Mardian, who was associated with the Committee for the Reelection of the President, was contacted by the subcommittee regarding his knowledge of any possible CIA involvement in Watergate. Mr. Mardian identified Mr. Paul O'Brien as the individual who stated that he "thought the CIA was involved in the Watergate break-in," and that "he would stake his life on it, or words to that effect." Subsequently, Mr. O'Brien, a former CIA employee, was interviewed and as the result of that interview the subcommittee concluded that while Mr. O'Brien may have made such a statement he was unable to furnish any information that in fact connected the CIA with Watergate.

THE WHITE HOUSE ATTEMPT TO INVOLVE CIA IN WATERGATE

The Laundered-Money Allegation

Out of the early Watergate investigation came information that there was evidence possibly tying presidential campaign funds to the break-in through a so-called money-laundering operation that was running from the bank of then Watergate suspect Barker in Miami, Florida, to a bank in Mexico City, with checks drawn on that Mexico City bank in the name of one Manuel Ogarrio. Also caught up in the same inquiry was an individual from Minneapolis named Mr. Kenneth H. Dahlberg. The FBI wanted to interview both men, but it was mainly the Ogarrio matter that became known as the Mexican Connection in this inquiry. It was this branch of the FBI investigation that was apparently the central theme in certain White House staff requests that the FBI "hold off" or discontinue interviewing Ogarrio and Dahlberg and making inquiry into the Mexican matter for fear of uncovering some "sensitive resources or assets of the CIA."

There are varying—and sometimes hopelessly conflicting—versions of what developed thereafter, but we shall try to piece together what the central plan seemed to be.

The White House Meeting on June 23, 1972—Haldeman's Version

The most common thread that can be found for a starting point is an alleged concern over national security matters and CIA sources in the FBI-Watergate investigation. Mr. Haldeman's version had L. Patrick Gray conveying to Mr. John Dean Gray's concern over CIA involvement in the matter and a Gray request for guidance on or about June 22, 1972. This argument was made despite the personal assurance of CIA Director Helms to Gray that there was no such involvement. Purportedly, Gray's request triggered a Haldeman talk with the President on the matter in which, in substance, the President ordered Haldeman to meet with Helms, Walters, and Ehrlichman to find out (1) whether CIA was involved in Watergate, (2) whether, because of the participants, the Bay of Pigs was a concern, (3) to express concern over possible exposure of past CIA or other national security activities of the ex-CIA people involved and, finally, to get CIA and FBI together for an understanding of the situation. Haldeman does not recall bringing up the Mexican laundering of funds at all, but con-

cedes it could have been mentioned. Thereafter, having received assurances from Director Helms that CIA was not involved in Watergate and that there were no concerns over exposing the Bay of Pigs or other covert operations, Walters (not Helms, CIA Director) pursuant to the President's direction to Haldeman was "asked" to see L. Patrick Gray. Mr. Haldeman disclaimed any notion of a purpose to impede the FBI investigation. Mr. Gray was conspicuous by his absence at the meeting, having been uninvited, although it would appear that Mr. Gray could have added much to the meeting and may have helped clear the confusion. Walters then met at FBI Headquarters with Gray.

The Helms Version

Mr. Richard Helms sees the meeting in a somewhat different light. Put succinctly, he heard Mr. Haldeman tell General Walters to go and see Acting Director Gray of the FBI and talk to him about halting the FBI investigation in Mexico because it might run into CIA operations. This occurred after Helms had stated there were no such problems. Further, stated Mr. Helms, he thought Mr. Haldeman's remarks about the Bay of Pigs were "incoherent," and assured Mr. Haldeman there was no worry about the Bay of Pigs. Indeed, on that subject Mr. Haldeman told the subcommittee, "* * * I can maybe agree with Director Helms' characterization of my question as incoherent, because I didn't understand what the connection was or what the concern might be, but I raised the question because I was told to." Mr. Helms saw Haldeman's "request" of Walters to see Gray as an order to stop the investigation and thought it went too far. He told Walters prior to visiting Gray to go only so far as reminding the Acting Director of the understanding between the agencies to avoid running into each others' operations, and to advise the CIA should he do so in Mexico.

The Ehrlichman Version

Mr. Ehrlichman had his own version of the June 23, 20-minute, meeting. He recalls Mr. Haldeman going through the litany of several items including whether there was any CIA-Watergate involvements, as well as any concern over the Bay of Pigs—with Mr. Helms rejecting both possibilities out of hand. Ehrlichman agreed that the Mexican matter was mentioned and gathered that there was some hesitation on the part of Walters to give a flat denial of possible problems. This hesitation, Ehrlichman suggested showed a concern on the part of Walters and Helms over a possible conflict and, therefore, the request by Haldeman that Walters visit with Gray to clear up the matter of a possible conflict with CIA operations in Mexico.

As General Walters Saw It

General Walters in his testimony of May 16, 1973 and in a memorandum for the record dated June 28, 1972 regarding the June 23rd meeting, described Mr. Haldeman as being rather direct and certain about calling off the FBI investigation. General Walters' reported version had Haldeman expressing concern over the Democrats maximizing Watergate, that the FBI investigation was leading to a lot of important people and matters could get worse. After being assured by Director Helms that the CIA was not involved, Mr. Haldeman stated that the whole thing was getting embarrassing and since the five suspects had been arrested that was sufficient and there would be

no advantage to pushing the inquiry—especially in Mexico. Haldeman then asked General Walters to call upon Gray and suggest that the investigation not be pushed further. Mr. Ehrlichman implied it should be done soon.

The Walters-Gray Meeting on June 23, 1972—General Walters' Version

General Walters made arrangements to visit Mr. Gray that afternoon. He told Mr. Gray that he had been "directed" by top White House officials (no names mentioned) to tell Mr. Gray that any ongoing investigation of the Mexican aspects of Watergate could jeopardize the agencies covert actions in the area. Walters added that in view of the five Watergate arrests it would be better to taper the matter off there.

Actually, the record seems clear that General Walters was truly conveying the message and giving Gray the "hard sell" by making the gratuitous statement about the arrest of the Watergate people and that it was best to taper the matter off there.

Walters checked later that day at CIA and found there was no danger to the Mexican sources, but no effort was made to convey this message to Acting FBI Director Gray, who had ordered any interview of Manuel Ogarrío withheld, "because of the information received on June 23rd in connection with the telephone calls I had to and from Mr. Dean and the visit from General Walters."

Mr. Gray's Version of the Walters Meeting

Mr. Gray stated he was not told by General Walters that there had been a meeting with Mr. Haldeman and Mr. Ehrlichman. Mr. Gray denied that Walters mentioned "senior people at the White House" as the source of the admonition that "pursuit of the investigation of Mexican financing would uncover some of the Agency's clandestine activities." Mr. Gray was vehement in his statement that Walters did not mention "senior people at the White House." The important aspect of that testimony is that Mr. Gray said he thought Walters was *speaking for the CIA*. ("He told me flat out this was the CIA position * * *") However, this leaves unexplained the effect of the tremendous pressure exerted by Mr. Dean on Mr. Gray to frustrate the FBI investigation of the matter and Gray's failure to recognize the White House connection. In his testimony before the subcommittee, Mr. Gray stated that he originally discovered there was a White House meeting as a result of publicity of a congressional hearing which was reported in the press on May 16, 1973. In his testimony Mr. Gray raised two basic points that continue to trouble the subcommittee:

* * * * *

"With both Helms and Walters present they acquiesce in this move to send Walters over to give me a message they both know to be false. At least Helms does, because I talked to him on 6-22-72 and he said no CIA involvement.

"Why, upon his return to CIA and learning that investigation of Mexican financial affairs (and what affair was it) would not compromise any CIA clandestine assets did he not inform me? He had just told me that it would and he did not tell me that senior White House people told him to tell me. Now he finds out that investigation will not compromise (on his return to the Agency that very afternoon) and he does not tell me???"

* * * * *

The Effort To Entrap the CIA

Meanwhile it appears that Mr. Dean was taking an active part in the parameters of the FBI investigation. After some preliminary contact with Mr. Gray concerning the conduct of the investigation, on June 22, 1972, Mr. Dean called Mr. Gray with regard to a possible CIA money chain involvement, and later to advise Mr. Gray of General Walters' visit on the same day. As will be evident later, Mr. Gray told the subcommittee that during this period Mr. Dean raised with him on a regular basis the matter of whether there were CIA aspects in the case and whether in pressing the investigation there may be a conflict with CIA sources. On Monday, June 26, 1972, Mr. Dean called General Walters to the White House and kept pressing the possibility of CIA involvement in Watergate—despite Walters' protestations to the contrary. Dean suggested the Agency could be involved without General Walters knowing it. The following day Dean kept the pressure on Walters by again calling him to his office where Dean made the astonishing request that CIA provide bail money and salary for the CIA suspects using covert funds. He also wanted to know whether there was some other way CIA could help. Walters told Dean that to provide bail and pay salaries was "out of the question," but as to other CIA help, Walters stated he "could not think of any but would discuss the matter with the Director and be in touch with [Dean]." Of course, that request was denied by Mr. Helms and yet the next day, June 28, Dean had Walters in his office another time making further inquiry about any CIA involvement in Watergate. In what appears to be an offer of help, Walters suggested the possibility of Anti-Castro Cubans being involved. The following is from General Walters' Memorandum for Record dated June 29, 1972:

* * * * *

"He [Dean] then asked if I had any ideas and I said that this affair already had a strong Cuban flavor and everyone knew the Cubans were conspiratorial and anxious to know what the policies of both parties would be towards Castro. They, therefore, had a plausible motive for attempting this amateurish job which any skilled technician would deplore. This might be costly but it would be plausible.

"Dean said he agreed that this was the best tack to take but it might cost half a million dollars. He also agreed (for the second time) that the risks of agency involvement were unacceptable. * * *"

* * * * *

This memo is in sharp contrast to General Walters' earlier affidavit and testimony before this subcommittee on May 16, 1973 wherein he said:

"He [Dean] then asked if I had any ideas and I said that I had none which could be helpful. Perhaps the Cubans who were anti-Castro might have had a hand in it but the CIA did not."

When asked why that statement was made, General Walters replied:

"He said to me, 'Who could have done this? How could this have been done? Who would have had an interest in this?' I noticed there was a large number of Cubans involved in this situation. I presume the Cubans wanted to know what the policy of both parties would be, this is why I made it. I don't think there is any deep significance. He was almost pleadingly asking me for some theory, for something that would help him out in this."

Dean also reportedly stated that *the problem was how to stop the FBI investigation beyond the five suspects.*

evident that Mr. Dean was "exploring the option" of placing the blame for Watergate on CIA, and of "covering something up." Said Walters, "This man [Dean] called me in and tried to get me to accept blame for my organization, and I refused."

The Acting Director of the FBI, L. Patrick Gray, was contacted by the White House for the first time following Watergate on June 21, 1972 at 9:35 a.m. The caller was John Ehrlichman, with the suggestion Gray call John Dean that morning because he, Dean, "was going to handle [Watergate]." While it is true that the FBI, in its original examination of the Watergate break-in considered the possibility of CIA involvement or overtones, that was only one of the avenues of exploration. Director Richard Helms personally assured Mr. Gray on June 22, 1972 that CIA was not involved and that the FBI was not "poking into" a CIA matter. [However, during a conversation on June 28, 1972, Mr. Helms requested that the FBI "not interview CIA active agents Carl Wagner and John Coswell." Former Director Helms stated that this was done since they were active CIA agents and any reports from those sources would be made available to the FBI through channels.] That evening, June 22, Dean visited Mr. Gray's office to arrange for White House FBI interviews. Mr. Gray has no recollection of discussing the CIA at that time, but concedes it is a possibility. Now began a period of continuous contacts by Dean with Gray—some twenty-five in this time frame—in which much was made by Dean of a possible CIA involvement and continued requests by Dean to hold off interviewing Ogarrio and Dahlberg regarding the money laundering in Mexico. At the same time Mr. Gray reportedly told Dean how important it was for the FBI to forge on with an aggressive investigation.

It was during this very period that Dean was also pressing General Walters in trying to generate a CIA involvement in Watergate when in fact none existed. As one member of the subcommittee put it during the hearings, "Mexican assets were not in the cards from the beginning." It is not clear according to our record whether other top White House aides were aware of Dean's activities, but it is clear that they were talking to each other during this period, and as Mr. Ehrlichman put it "at the time Mr. Dean certainly spoke for the White House * * *. He had the apparent authority, so to speak, to undertake head-to-head contacts of this kind." This was clearly understood by Messrs. Helms, Walters and Gray.

The FBI Concern

Meanwhile Mr. Gray was concerned over getting on with the Mexican aspects of the investigation. He called Helms for assurances on Ogarrio and Helms told Gray that CIA had no interest. But at the same time Dean continued to press for holding off the Mexican aspect of the inquiry. Indeed Gray had turned on this aspect of the investigation on June 28, 1972, and shut it off again on June 29 "possibly" on a call from Dean. So a veil continued over the entire Mexican connection.

It remains a good question why General Walters failed to assure Mr. Gray of the lack of CIA conflict in the Mexico matter immediately after it was so determined on June 23, 1972. General Walters' explanation was that he told Dean in the subsequent three meetings commencing on June 26, 1972 that there was absolutely no CIA problem, and he would think that Dean would pass the word to the FBI.

To be charitable, the best that can be said for that explanation is that it is rather strange. General Walters, by his own admission, was concerned that Dean was attempting to blame CIA for Watergate, and in that frame of reference, one could hardly expect Dean to be the vehicle for informing Mr. Gray that there was no CIA-Mexican connection.

Interestingly, Mr. Helms and Mr. Gray were to have a meeting on June 28, 1972 with regard to the Ogarrio-Dahlberg matter and Ehrlichman in a cryptic phone call to Mr. Gray ordered the meeting cancelled without explanations except "there is no reason at all to hold the meeting."

Going into early July 1972, the persistent Dean theme to Gray was to hold off on the interviews with Ogarrio and Dahlberg and the calls were made in such a way as to constitute harassment, said Gray. Gray now insisted of CIA that they give him a writing regarding the existence of a conflict, or he would forge ahead with the investigation of the entire Mexican connection. As a result, General Walters met with Mr. Gray on July 6, 1972 and a memorandum was delivered to the FBI stating there was no CIA interest in Ogarrio or Dahlberg. General Walters, with some emotion, told Mr. Gray that he would not go along with any writing that indicated a conflict and "would resign before doing it." In what appeared to be a reference to Dean and other White House top aides, General Walters said he "wasn't going to let those kids kick him around any more." He also suggested that Gray might care to call the President on the entire matter. When Walters left the order went out to interview Ogarrio and Dahlberg and subsequently the "uncovering of the dollars" took place.

The Gray Call to the President

Following the Walters visit on July 6, 1972, Mr. Gray decided to call the Western White House and advise the President of his concerns. He called Mr. Clark MacGregor, and in a return call, informed Mr. MacGregor of his concern over "confusion which has developed regarding CIA interests in, or not, in people that the FBI wishes to interview." Gray also believes he mentioned to MacGregor that it "could be wounding" to the President. Gray stated that about thirty minutes later the President called. The transcript records this event as follows:

* * * * *

"Then at 11:28 a.m., the President called me. I was surprised because I wasn't expecting any call from the President. But the President first congratulated me on the successful conclusion of the hijacking the day before in San Francisco, and asked that I pass his congratulations to the agents in San Francisco, and I assured him that I would do so, that they would be very, very pleased to know that the President had called to congratulate them, and I thanked him. Then I said, 'Mr. President, there is something that I want to speak to you about. Dick Walters and I—and I just blurted it right out—I said, 'Dick Walters and I feel that people on your staff are trying to mortally wound you by using the FBI and the CIA and by confusing the question of CIA interest in or not in people that the FBI wishes to interview.' I said to him I had just talked to Clark MacGregor, and had asked him to speak to you about this. There was a slight pause and the President said, 'Pat, you continue to conduct your thorough and aggressive investigation.'"

* * * * *

In his testimony before this subcommittee, General Walters reported that Mr. Gray related a statement to the President that "the case could

not be covered up and he [Gray] felt the President should get rid of the people involved." Walters would have the President replying, "I should get rid of whoever is involved, no matter how high." Mr. Gray is adamant that no such statement was made by himself or in answer by the President.

So that the record may be complete, it should be stated that Mr. Ehrlichman, having been at San Clemente at the time, has some notion of the conversation as reported to him by the President. In that regard, Mr. Ehrlichman testified in part as follows:

* * * * *

"During the first week of July, 1972, the President told me Pat Gray told him on the telephone that General Walters had told Gray there was no CIA objection to a full FBI investigation of the Mexican aspects of the Watergate case. The President said he then instructed Gray to conduct a full investigation.

"The President told me then that he still personally believed and feared that the FBI investigation might harm the Agency.

"He said he believed the CIA would be making a mistake if it pretended an investigation would not disclose some of its current operations. He said he hoped the General and other CIA management were not covering up for their subordinates."

* * * * *

Mr. Ehrlichman's testimony, indicates that the President called Mr. Gray at the "strong urging" of Mr. MacGregor because of Mr. Gray's concern over the FBI role in the Watergate investigation, and after the call the President had a "lingering doubt" that there was some CIA "exposure" despite assurances to the contrary. Yet, in his May 22, 1973, public Watergate statement, the President said:

"On July 6, 1972, I telephoned the Acting Director of the FBI, L. Patrick Gray, to congratulate him on the successful handling of the hijacking of a Pacific Southwest Airlines plane the previous day. During the conversation Mr. Gray discussed with me the progress of the Watergate Investigation * * *"
[Emphasis Added.]

Mr. Ehrlichman's testimony in that regard is pertinent:

* * * * *

Mr. NEDZI. But the call was prompted by MacGregor's report?
Mr. EHRLICHMAN. By MacGregor's conveying a request from Gray to the President.

Mr. NEDZI. Or a call?

Mr. EHRLICHMAN. Yes, sir.

Mr. NEDZI. Are you acquainted with the President's statement which was made on May 22nd?

Mr. EHRLICHMAN. I have read it, yes.

Mr. NEDZI. Does his account square completely with your account of that conversation?

Mr. EHRLICHMAN. I don't believe it does.

Mr. NEDZI. I didn't think it did. I was just wondering whether you recognized that fact.

Mr. EHRLICHMAN. I do. I think the drafter of that statement did not have the advantage I had of my verbatim notes of the conversations—I say verbatim—I take substantially verbatim notes of my conversations with the President.

Mr. NEDZI. The President is rendering the statement?

Mr. EHRLICHMAN. At least nominally so. Although I know the research that went into it stumbled in a few places.

Mr. NEDZI. Where else did it stumble?

Mr. EHRLICHMAN. It stumbled at the place where the statement says "Within a week after the Pentagon Papers leak the special unit was formed at the White House." That is not accurate. That is a discrepancy as far as I am concerned. I called it to the attention of Mr. Buzhardt at the White House as soon as I saw it. He acknowledged it was a discrepancy.

Mr. NEDZI. Has that been publicly acknowledged?

Mr. EHRLICHMAN. I don't believe so. [Emphasis Added.]

Aside additional meetings with Walters on July 12 and 28, this completed, for all intents and purposes, the saga of the CIA-FBI-Mexican connection with regard to Watergate.

1970 INTERAGENCY COMMITTEE ON INTELLIGENCE

In addition to the testimony taken in connection with the basic Watergate-Ellsberg-CIA matter, the subcommittee in exercising its oversight responsibilities heard detailed testimony from former White House Aide Tom Charles Huston in executive session with regard to the 1970 Ad Hoc White House Interagency Committee Report on Domestic Intelligence. At the time, the President was reportedly concerned over having a current assessment of the internal security threat and wanted a recommendation on options to fill the alleged gaps in intelligence gathering methods to cope with the threat. Apparently, because the Ad Hoc Committee could not agree, the plan was never finally implemented. The subcommittee records disclose that the CIA role in this venture can fairly be described as passive; nevertheless, that testimony has been taken into consideration in arriving at the above legislative recommendations.

FINAL STATEMENT

The investigation has illustrated clearly that during the period covered by the inquiry there existed in the White House staff a propensity for using the CIA for purposes not intended by the Congress in enacting the National Security Act of 1947, as amended. While testimony indicated that in the White House staff organization matters regarding the CIA were normally handled by Dr. Henry Kissinger, the White House involvement with the CIA, as dramatically illustrated by this investigation, was basically through direct CIA contact by Mr. H. R. Haldeman, Mr. John Ehrlichman, Mr. David Young (of the Plumbers Group) and Mr. John Dean. While it is understood Dean was handling the Watergate case, nonetheless, he was exerting continuing personal pressure on the CIA to involve itself in a matter that was clearly illegal. The "requests" for assistance to Hunt and for the Ellsberg profiles were no less blatant. It is not only that the deeds were in fact done, but also the propensity of certain White House aides to dip directly into the CIA for improper purposes, leaving in doubt the serious question of whether this was done with authorization. However, we are convinced that the CIA did not know of the improper purposes for which the technical materials provided were to be used and resisted later efforts to involve the Agency.

It is clear, then, that the National Security Act must be strengthened to assure that the CIA not engage in any activity not included in Section 102 of the Act, except as is personally approved by the President.

Mr. Richard Helms, former Director of Central Intelligence, informed the subcommittee that there were problems with respect to the statutory charge on the Director of Central Intelligence to protect intelligence sources and methods. Said Helms:

* * * * *

“* * * I would like, Mr. Chairman, to put a parentheses in here now to say that as a citizen who is no longer involved in the Agency, I think it would be well to look at that provision of law as a charge against the Director of Central Intelligence, because he has no investigative power, he has no facilities for looking into who might have leaked what, and when classified papers disappear, or the stories appear in the New York Times, or whatever the case may be, all he can do is wring his hands and check around with other Agencies of the Government and ask who might have talked to that reporter, and so forth, but he has no way to really follow up. So he has a charge against him which he has an awful time trying to fulfill. * * *”

* * * * *

Thus, the language of the sources and methods section of the statute must be reexamined with a view to making it more workable in fact, if the language is to remain in the law.

This inquiry revealed some association between former employees of the CIA and the active organization which went beyond purely social contact. Both Hunt and McCord testified to using Agency lists to recruit personnel in addition to contacts heretofore described. The subcommittee also noted, in an earlier inquiry, publicity about former Director of Central Intelligence, Mr. John A. McCone making contacts with the CIA on official matters, which is another example of activity by former CIA members that should be avoided. This justifiably raises suspicion and should be eliminated. Statutory language should be included in the CIA charter to outlaw such contacts except for purely administrative matters.

The subcommittee is currently committed to conduct hearings on these legislative proposals and other suggested changes in the overall foreign role and operations of the CIA at the earliest possible date with a view to bringing legislation to the floor of the House in the 93rd Congress.

SECRET

JOURNAL

OFFICE OF LEGISLATIVE COUNSEL

Tuesday - 23 October 1973

1. (Secret - GLC) Checked with Jack Ticer, Senate Armed Services Committee staff, about the matter of a briefing of Frank Sullivan, of the Committee staff, on Soviet general forces and Soviet and Chinese nuclear programs. I reminded Ticer that we were awaiting word from him that Sullivan's top secret security clearance had been reinstated through the Department of Defense before proceeding to grant him compartmented clearances and provide him with the briefing. Ticer recalled our prior conversation on this subject and assured me he would let me know when they have final word from DOD.

25X1A 2. (Confidential - GLC) Dorothy Fosdick, Senator Jackson's Permanent Subcommittee on Investigations staff, called to say that Senator Jackson wanted Richard Perle and her to get a briefing on the "cease fire line" in the Middle East. I told her it was my impression there was no cease fire line as such but I would check and be back in touch with her. Later in the day, after conversations with [REDACTED] and Mr. Maury on the subject, I told Fosdick and Perle that indeed there were no clearly defined "cease fire lines" or clear lines establishing relative positions of the Arabs and Israelis. Perle asked what kind of a map Kissinger, State, had before his discussion in Moscow and I told him I had no idea. I went on to say that with respect to Kissinger's maps, he might want to check with the State Department or, as Maury had suggested to Senator Jackson the other day, they might want to contact the Department of Defense to see if they had any more specific information on the relative position of the Arab/Israeli forces. Perle's only comment was that he would go back to Senator Jackson and perhaps check with the "military people."

3. (Confidential - GLC) In response to a call from Scott Cohen, Executive Assistant to Senator Charles Percy (R., Ill.), Mr. Maury and I talked with him about the situation in the Middle East and Maury briefed him on the scale of military activities of both the Egyptian and Syrian forces using the latest situation reports and the prepared statement which the Director used before the House Armed Services Committee this morning.

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4. (Secret - GLC) Left with Guy McConnell, Senate Appropriations Committee staff, the unclassified statement prepared by IC Staff on the functions and responsibilities of the Agency and the classified material prepared by OSR on Soviet military weapons which have been used in the Arab/Israeli war.

5. (Unclassified - PLC) Called Ralph Malvik, in OMB, to determine the status of H.R. 7135, which raises the ceiling for claims of employees of civilian agencies from \$6,500 to \$12,000. Malvik did not know the status of the bill. Under new procedures established 1 July, GSA handles for OMB all proposed legislation involving claims against the Government. He refused to disclose who in GSA was handling the bill. I explained our interest. Malvik stated that when the positions of the executive agencies are received by OMB, he will give us an opportunity to submit an Agency position if a stronger case for civilian agencies is needed.

6. (Unclassified - JMM) Accompanied the Director who briefed the House Armed Services Committee. This was a joint session with Department of Defense officials. See Memo for Record and transcript.

7. (Unclassified - JMM) Called General Ray Furlong, DOD Legislative Affairs, to ask that we be provided copies of whatever follow up material Deputy Secretary Clements et al were providing the House Armed Services Committee in the wake of today's hearing.

8. (Unclassified - LLM) Hilda Schreiber, Legislative Reference Division, OMB, said she has farmed out for comments the Agency's proposed amendments to the CIA Retirement Act and requested that we send a copy of the classified five-year cost figures to Hugo A. Ranta, Assistant General Counsel, Treasury Department, which has been done. She noted that the funding amendments provided for interest payments on unfunded liability for fiscal year 73 and appeared to appreciate the reasons, therefore, and the adjustments that would be necessary if the date slipped forward to fiscal year 74.

I told Schreiber that we expect to get the cost of living amendment over shortly and she said she is expecting it and will push it along.

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25X1A 9. (Internal Use Only - LLM) George Murphy, on the staff of the Joint Committee on Atomic Energy, called to report that he had closed out in the Committee questions relating to the August 15 letter by Edward J. Bauser, Executive Director, Joint Committee on Atomic Energy, to the Director concerning an article by Alsop in the Post, with a statement that CIA representatives had met with the members of the JCAE staff and answered the questions raised in his letter. He asked that [REDACTED] be informed of this outcome.

STATSPEC 10. (Internal Use Only - RJK) Delivered to the offices of Senators Edward Kennedy (D., Mass.), Edward Brooke (R., Mass.), Henry Jackson (D., Wash.), Mike Mansfield (D., Mont.), and Representative Gerald Ford (R., Mich.) [REDACTED] in which their names were mentioned.

STATOTHR 11. (Unclassified) - RJK) Spoke with the receptionist in the office of Representative Victor Veysey (R., Calif.) about a constituent, [REDACTED] who has a claim against the Agency. I told her the Agency was in the process of settling this claim directly with [REDACTED]. She said this seemed fine with her.

STATOTHR 12. (Secret - JGO) Met with Frank Slatinshek, Chief Counsel, House Armed Services Committee, and reviewed with him the IC staff horse blanket entitled "Intelligence Programs 1974." A copy of the three-sheet document was left with him. I also left with him a copy of an Agency research paper "Costing the Soviet Defense Effort: Estimating Procurement Costs of Naval Ships and Boats" (SR RP 73-4, October 1973). I also delivered to him a letter of 19 October from Jack Maury enclosing the response to questions posed by Representative Robert Leggett (D., Calif.) concerning Air America. These responses are for Committee use and not for relay to the members. I confirmed with Slatinshek the security handling of the transcript of today's briefing by the Director and Secretary Clements.

25X1A 13. (Confidential - JGO) Met with Dr. John Brady, House Foreign Affairs Committee staff, and returned to him the map entitled "The Drug Traffic" (Figure 2) which had been forwarded for [REDACTED] review. [REDACTED] will not be using the map in the Committee report now in preparation.

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