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TESTIMONY BY GENERAL VERNON WALTERS

FRANK REYNOLDS: The Senate Watergate Committee is about to hear from another very high-ranking member of the intelligence community, Lieutenant General Vernon Walters, Deputy Director of the Central Intelligence Agency.

General Walters has a well-deserved reputation for speaking clearly in several different languages. He has served as an interpreter for President Truman, President Eisenhower and President Nixon in conversations with foreign leaders, but the Watergate Committee will be most interested today in his version of conversations with John Ehrlichman, H. R. Haldeman, John Dean and L. Patrick Gray, for it was General Walters who apparently was assigned by the White House to discuss with Gray, then the Acting Director of the FBI, the concern of the White House that an all-out FBI investigation of the Watergate affair might lead to some secret operations of the CIA.

General Walters has written a number of memos about these conversations, memos that already have been filed with a subcommittee of the Senate Appropriations Committee, and the Watergate Committee will no doubt have many questions for him about his written recollections of all those meetings.

John Dean testified that General Walters was selected by the White House to carry on negotiations with Patrick Gray because Walters was considered a good friend of the administration, who had been placed in the CIA in order to give the White House more control over the agency. Dean testified that when he told John Ehrlichman that General Walters was not willing to implicate the CIA in the Watergate affair, that Ehrlichman responded by saying something to the effect that General Walters seems to have forgotten how he got where he is today.

If the committee is able to finish taking testimony from General Walters at a reasonable hour today, it will then move on to the next witness, L. Patrick Gray, the one-time Acting Director of the FBI, the man who John Ehrlichman once told John Dean, "Well, I think we ought to let him hang there, let him twist slowly, slowly in the wind."

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So both witnesses today can be extremely interesting, as well as informative.

My colleague, Sam Donaldson, is standing by outside the Caucus Room in the Old Senate Office Building....

SAM DONALDSON: Senator Weicker is going to, of course, question General Walters this morning along some of the same lines of questioning that he took with Director Helms yesterday, which would be in a counterattack, really, to the questioning that Weicker expects from Senator Baker. That may be a little confusing, but you remember yesterday, Senator Baker kept making the point that Director Helms ought to have investigated after the Watergate burglary because there were so many people who had CIA connections and there was so much, Baker said, CIA footprints all through, not only Watergate, the Ellsberg affair, because of the CIA's help to Hunt.

Weicker maintains it was not really the CIA's affair to investigate the burglary on the 17th of June, and that was properly the FBI's affair.

REYNOLDS: Well, we're going to hear a great deal about the meetings of June 23rd -- that was the meeting at the White House with Ehrlichman, Haldeman, Helms and General Walters. And then on that same day, General Walters went to see Pat Gray, apparently at the request -- the order -- of H. R. Haldeman, to talk to him about possibly limiting the FBI's investigation for fear that it might uncover some secret operations of the CIA.

DONALDSON: Yes. Helms said yesterday that at that meeting, Mr. Haldeman didn't ask whether there was any covert CIA operation in Mexico that might be uncovered -- you'll remember that it was through Mexico that eventually we discovered money was channelled to Bernard Barker's bank account -- Nixon campaign money. But Haldeman didn't ask about that. He simply said General Walters is to go and tell Pat Gray that the FBI -- Helms said not stop -- but at least reduce and be very careful in its investigation of the things in Mexico. And Helms said that he told General Walters, "All you say to Gray is that if you discover any CIA operation, come tell us about it."

REYNOLDS: Well, you know, although the CIA has insisted that it -- made it very clear that the CIA operations could not in any way be compromised by a flat-out investigation, there are still some interesting points raised in some of the memoranda filed by General Walters. For example, his conversation with Pat Gray on the 23rd, that first talk -- I'm quoting from his memo now. "Gray then said that this was the most awkward matter to come up during an election year and he would see what he could do about it. I repeated," -- this is General Walters saying -- "I repeated

that if the investigations were pushed South of the Border, it could trespass on some of our covert projects, and in view of the fact that the five men involved were under arrest, it would be best to taper off the matter there."

That does sound as though General Walters was advancing the idea that maybe they ought to go slow.

DONALDSON: That's right. And General Walters perhaps will repeat that on the witness stand -- table today, which is not exactly what Helms yesterday said he told Walters to say. I think there's another contradiction that may be of some importance. General Walters recalled that Mr. Haldeman said that it was the President's wish that this be done. Mr. Helms yesterday, who at the moment, you know, is Ambassador to Iran, a post he assumed after leaving the directorship of the CIA, said he doesn't remember the President's name being invoked.

There's the gavel.

[Swearing in of General Vernon Walters]

SENATOR SAM ERVIN: General, suppose you give us your full name and address for the purposes of the record.

GENERAL VERNON A. WALTERS: My name is Vernon Walters -- Vernon A. Walters. I am the Deputy Director of the Central Intelligence Agency. I am at the present time Acting Director until Mr. Colby is sworn in after having been confirmed by the Senate. And I live in Arlington, Virginia.

SENATOR ERVIN: Thank you, sir.

GENERAL WALTERS: I'm a lieutenant general in the United States Army.

SAMUEL DASH: General Walters, how long have you had the position as Deputy Director of the CIA?

GENERAL WALTERS: Since the 2nd of May, 1972 was the day I was sworn in.

DASH: Prior to obtaining that position, what position did you have?

GENERAL WALTERS: I was the Defense Attache to France.

DASH: And how long were you in that position?

GENERAL WALTERS: Four and a half years.

DASH: Now, prior to your joining the CIA, could you

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just briefly tell us what contacts, if any, you'd had with the President of the United States, President Nixon?

GENERAL WALTERS: My first contact with President Nixon was when he was Vice President. I was detailed to accompany him on a trip around South America. I went to eight countries with him and served as his interpreter and translator and aide at that time. In two of those countries, I was in the car with Mr. Nixon when extreme violence was encountered, mob violence. And if I were to tell this committee that I did not feel admiration and respect for the courage and calmness Mr. Nixon showed at that time, I would not be telling you the whole truth.

Subsequently, I saw -- I did not work for Mr. Nixon again. During the period between the time he left the Vice Presidency and the time he became President, I saw him perhaps two or three years -- two or three times in those eight years. After he became President, I went on two or three of the trips abroad he took to countries where I spoke the language and could translate for him. I have not had any private conversation with the President since I became Deputy Director of the Central Intelligence Agency, that is, since May 2nd.

DASH: Did you, shortly, actually, after you became Deputy Director of the Central Intelligence Agency -- did you attend a meeting at the White House with Mr. Haldeman, Mr. Ehrlichman and Director Helms on June 23, 1972?

GENERAL WALTERS: Yes, I did.

DASH: Could you tell us how that meeting was arranged?

GENERAL WALTERS: During the morning of the 23rd of June, I received a phone call -- I do not recall exactly how -- telling me that I was to be there at Mr. Ehrlichman's office on...

DASH: You say you received a telephone call.

GENERAL WALTERS: Yes.

DASH: From whom?

GENERAL WALTERS: I do not know whether I received it personally or my secretary received it just stating that I was to be at Mr. Ehrlichman's office with Mr. Helms -- it may have come from Mr. Helms' secretary -- at one-thirty that afternoon. Mr. Helms and I went downtown. We did not know what the subject of the meeting was. We had lunch together, and at one-thirty we went to Mr. Ehrlichman's office.

DASH: All right. Now, will you, to the best of your recollection, relate the discussion that was had at that meeting.

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By the way, who could you say actually was doing most of the talking at the meeting?

GENERAL WALTERS: I be -- Mr. Haldeman was doing nearly all of the talking. I do not recall Mr. Ehrlichman actually participating actively in the conversation.

DASH: All right. Now, would you relate to the committee what Mr. Haldeman said and what you or Mr. Helms said?

GENERAL WALTERS: Mr. Haldeman said that the bugging of the Watergate was creating a lot of noise, that the opposition was attempting to maximize this, that the FBI was investigating this and the leads might lead to some important people. And he then asked Mr. Helms what the agency connection was. And Mr. Helms replied quite emphatically that there was no agency connection. And Mr. Haldeman said that nevertheless, the pursuit of the FBI investigation in Mexico might uncover some CIA activities or assets. Mr. Helms said that he had told Mr. Gray on the previous day, the Acting Director of the FBI, that there was no agency involvement, that none of the investigations being carried out by the FBI were in any way jeopardizing any agency activity. Mr. Haldeman then said, nevertheless, there is concern that these investigations -- this investigation in Mexico may expose some covert activity of the CIA, and it has been decided that General Walters will go to Director Gray -- Acting Director Gray -- and tell him that the further pursuit of this investigation in Mexico -- and I wish to emphasize that the only question of investigation involved was Mexico -- the investigation in Mexico could jeopardize some assets of the Central Intelligence Agency.

Again Mr. Helms said he was not aware of any activity of the agency that could be jeopardized by this.

Mr. Haldeman repeated, nevertheless, there is concern that the further pursuit of this investigation will uncover some activity or asset of the CIA in Mexico, and it has been decided that you will go and tell this -- addressed to me -- you will tell this to Acting Director Gray.

DASH: Well, now, Mr. Walters, could it have been that Mr. Haldeman asked you or Mr. Helms to go to Mr. Gray and to first inquire at the CIA whether or not there might be some problem with the CIA if there was an investigation in Mexico, rather than saying it was decided that you should go?

GENERAL WALTERS: I do not recall it being put in a question form. It was put in a directive form.

DASH: In other words, you understood that to be a direction.

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GENERAL WALTERS: I understood that to be a direction. And since Mr. Haldeman was very close to the top of the governmental structure of the United States, and as Mr. Helms testified yesterday, the White House has a great deal of information that other people do not have, I had been with the agency approximately six weeks at the time of this meeting. I found it quite conceivable that Mr. Haldeman might have some information that was not available to me.

DASH: And you did not feel it appropriate at that time to inquire of Mr. Haldeman why it was that he was directing you to go to Mr. Gray and tell that to Mr. Gray?

GENERAL WALTERS: No, I did not. If I had felt there was any impropriety in this request, I would have given him the same answer I later gave Mr. Dean, that I would resign rather than do it.

DASH: Did you wonder why it was that Mr. Haldeman said it was decided that you, General Walters, should go to see Mr. Gray, not Director Helms?

GENERAL WALTERS: Yes, I did. A number of hypotheses crossed my mind. I thought perhaps he thinks I'm military, and a lot of people have the mistaken belief that military obey blindly. I thought he might have heard reports that there had been some friction in the past between the FBI and the CIA, and perhaps since Mr. Gray was new in the job and I was new in the job, that that might be a good way to start out. I did wonder about it, but I didn't -- this was his privilege to do it any way he wished.

DASH: General Walters, did there come a time when you put in writing, in the form of a memorandum, your recollection of that meeting on June 23, 1972?

GENERAL WALTERS: There did, Mr. Dash, five days later. When this thing started -- I do not habitually keep memoranda of my conversations. However, when on Tuesday, the following Tuesday, Mr. Dean put the question to me -- or he didn't put the question, but explored the possibility of the CIA going bail and paying the salaries of the suspects who were in jail, I realized it was time for me to start keeping a record. So following that second meeting, on the 27th, I sat down and I wrote memoranda for myself. They were not intended to be a verbatim account of the conversation or to cover all aspects of the conversation, but notes to jog my own memory. I wrote a memorandum on the meeting with Mr. Haldeman and Mr. Ehrlichman. I wrote a memorandum on the meeting with Mr. Gray. I wrote a memorandum on my first meeting with Mr. Dean on Monday the 26th, and a memorandum of my second meeting with Mr. Dean on the 27th. On the 28th I met with Mr. Dean for the third

and last time, and I wrote a memorandum, I believe, the following day. On the subsequent memoranda, namely, my calls on Mr. Gray, I wrote those memoranda either on the same day that I had the talk with Mr. Gray, or the following day.

If I may, I would like to make one point clear. I have been alleged to have a splendid memory and so forth, and here I must make a confession that I'm afraid will not fit in with it. Mr. Helms was quite right in his testimony yesterday in that the question regarding bail and paying the salaries of these people came up on Tuesday. When I reviewed my notes and before I wrote the affidavit, I did correct this in my affidavit, namely, that the the request regarding bail was...

DASH: General Walters, we'll get close to that, and I think you can restate that when I ask you about the meetings with Mr. Dean. I want to show you a copy we have of a memorandum, purportedly from you, or written by you on June 28th, covering the June 28th third meeting, and ask you if this is a correct copy of the memorandum.

GENERAL WALTERS: Yes, Mr. Dash, it is.

DASH: Mr. Chairman, may that copy be marked as an exhibit and introduced?

SENATOR ERVIN: Without objection on the part of any committee member, it is ordered that this copy be marked appropriately as an exhibit and received in evidence as such.

DASH: Now, General Walters, after you left the meeting with Mr. Haldeman and Mr. Ehrlichman, did you leave it with Director Helms, former Director Helms?

GENERAL WALTERS: I did. We walked downstairs and we stood and talked close to the car, out in the West Executive Avenue, and Mr. Helms said to me, "You must remind Mr. Gray of the agreement between the FBI and the CIA that if they run into or appear to be about to expose one another's assets, they will notify one another, and you should remind him of this."

DASH: And then what did you do?

GENERAL WALTERS: I do not recall whether I went back to the agency or not. I don't think time would have allowed it because the appointment had been made to see Mr. Gray at 2:30. My recollection is not clear on this, whether I went back to the agency or whether I stayed downtown. I have a feeling I stayed downtown. And at 2:30, I went to see Mr. Gray.

DASH: Was Mr. Gray, by the way, expecting your visit?

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GENERAL WALTERS: Mr. Gray, I believe, was expecting my visit.

DASH: How do you know that?

GENERAL WALTERS: I believe he has subsequently testified that Mr. Dean had told him that I was on my way down.

DASH: All right now, would you briefly relate, to your best recollection, what conversation you had with Mr. Gray at that time? This was on June 23rd, 1972.

GENERAL WALTERS: I said to Mr. Gray that I had just come from the White House where I had talked to some senior staff members, and I was to tell him that the pursuit of the FBI investigation in Mexico, the continuation of the FBI investigation in Mexico might uncover some covert activities of the Central Intelligence Agency. I then repeated to him what Mr. Helms had told me about the agreement between the FBI and CIA, and he said he was quite aware of this and he intended to observe it scrupulously.

DASH: Now, did you tell him who gave you the direction to...

GENERAL WALTERS: I did not. I told him I had talked to some senior people at the White House.

DASH: Now, did you -- was that the sum and substance of that conversation? Did Mr. Gray say anything?

GENERAL WALTERS: Probably so. We expressed pleasure at meeting one another. I had been intending to call on him, and so forth, and anything else that occurred will, I believe, be covered in the memorandum which is in your possession.

DASH: I think you've testified that you also, on June 28th, included a memorandum of the meeting with Mr. Gray on June 23rd, and I'd like to show you a copy of the memorandum and ask you if this is a correct copy and does cover the testimony you've just given?

GENERAL WALTERS: Yes, it is a correct copy.

DASH: Mr. Chairman, may that memorandum be marked as an exhibit....

Now, after you met with Mr. Gray, did you return to your offices at the CIA?

GENERAL WALTERS: Yes, I did.

DASH: And did you make a report of that meeting to former

Director Helms?

GENERAL WALTERS: I did. And I also started to check on whether this was a fact. I talked to the people at our geographic area that handles Mexico, and I'm not sure whether this was complete on the Friday afternoon or whether it was completed Monday morning, but it was soon clear to me that nobody who was responsible for that area in the agency felt that the ongoing FBI investigation could jeopardize any of the agency's sources or activities in Mexico.

DASH: Well, now, did you subsequently receive any communication from anybody at the White House, after June 23rd?

GENERAL WALTERS: On Monday morning, the 26th of June, I received a phone call from a man who identified himself as John Dean, and he said he wished to speak to me about the matters that Mr. Haldeman and Mr. Ehrlichman had discussed with me on Friday. I did not know Mr. Dean, and I expressed something to the effect of "I don't know who you are." And he said, "Well, you can call Mr. Ehrlichman to see whether it's all right to talk to me or not."

DASH: Did you call Mr. Ehrlichman?

GENERAL WALTERS: I called Mr. Ehrlichman. I had some difficulty in reaching him, but finally I reached him and I said, "A Mr. John Dean wants to talk to me about the matters which I discussed with Mr. Haldeman on the preceding Friday." And he said, "Yes, it's all right to talk to him. He's in charge of the whole matter."

DASH: All right. Did you then meet with Mr. Dean? On that day, the 26th?

GENERAL WALTERS: I then called Mr. Dean again and he asked me to come down and see him, I believe, at 11:30 or 11:45. I believe it's indicated on the memorandum I wrote.

DASH: All right. Would you relate to the committee the conversation you had with Mr. Dean at that time, on June 26th, 1972?

GENERAL WALTERS: Mr. Dean said that he was handling this whole matter of the Watergate, that it was causing a lot of trouble, that it was very embarrassing, the FBI was investigating it, the leads had led to some important people. It might lead to some more important people. The FBI was proceeding on three hypotheses, namely, that this break-in had been organized by the Republican National Committee, by the Central Intelligence Agency, or by someone else. Whereupon I said, "I don't know who else organized it, but I know that the Central Intelligence Agency did not organize it." I said, "Furthermore, I" -- I related to my conversation with Mr. Dean -- Mr. Haldeman and Mr. Ehrlichman on the previous

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Friday, and told him I had checked within the agency and found that there was nothing in any of the ongoing FBI investigations that could jeopardize CIA activities or sources or compromise them in any way in Mexico.

He then said, "Couldn't this have happened without your knowledge?" Well, I said, Originally, perhaps, but I've inquired. I've talked to Mr. Helms, and I am sure that we have no part in this operation against the Democratic National Committee."

He kept pressing this. "There must have been. These people all used to work for the CIA." And all of this thing.

I said, "Maybe they used to, but they weren't when they did it."

And he pressed and pressed on this, and asked if there wasn't some way I could help. And it seemed to me that he was exploring, perhaps, the option of seeing whether he could put some of the blame on us. It wasn't any specific thing he said, but the general tenor was in this way. And I said to him -- I did not have an opportunity to consult with anybody. I simply said, Mr. Dean, any attempt to involve the agency in the stifling of this affair would be a disaster. It would destroy the credibility of the agency with the Congress, with the nation. It would be a grave disservice to the President. I will not be a part to it, and I am quite prepared to resign before I do anything that will implicate the agency in this matter."

This seemed to shake him somewhat. I said anything that would involve any of these government agencies like the CIA or the FBI in anything improper in this way would be a disaster for the nation. Somewhat reluctantly, he seemed to accept this line of argument, and then I left.

DASH: General Walters, since you had made the check prior to seeing Mr. Dean, concerning whether in fact any FBI investigation in Mexico would seriously or not seriously involve any covert activities of the CIA, and you reported that to Mr. Dean at this meeting, did you believe that you were responding at that meeting, then, to the concern that you had received at the earlier meeting from the statement from Mr. Haldeman?

GENERAL WALTERS: Yes, Mr. Dash, I did. And at the risk of perhaps seeming naive in retrospect, it did not occur to me at that time that Mr. Dean would not tell Mr. Gray, since Mr. Gray had told me he was in touch with Mr. Dean; Mr. Dean had told me he was in touch with Mr. Gray. In retrospect, I should, of course, have called Mr. Gray directly. I regret that I did not.

DASH: And you had been informed by Mr. Ehrlichman, when

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you checked as to whether you should talk to Mr. Dean, that Mr. Dean was a person you could talk to, that he was handling the matter.

GENERAL WALTERS: That is correct.

DASH: Now, I think when you were testifying just a little while ago, you said that you may have incorrectly put in your memorandum of the June 26th meeting something that should have been at another meeting. I want to show you your memorandum, or a memorandum that appears to be a memorandum prepared by you on June 28th, dealing with the conversation you had with Mr. Dean on June 26th, and ask you if you want to make a correction as to that memorandum for the record. You'll notice, General Walters, that there is an excised portion of that memorandum, which has been cut out. On our receipt of that, that appeared to be matters which dealt with national security and therefore was excised.

GENERAL WALTERS: I'm very appreciative of the committee for doing this. Yes, it does. If I were to make a correction, it's somewhat complicated. It would really be that one, two, three -- the fourth paragraph, the sixth and seventh paragraphs belong to the conversation of the 27th, rather than the conversation of the 26th.

DASH: And that dealt with the question of bail money from the CIA.

GENERAL WALTERS: That is correct. This is a correct copy.

DASH: It is a correct copy, though, of the memorandum.

GENERAL WALTERS: Yes, it is.

DASH: Mr. Chairman, could we have that memorandum marked as an exhibit....

Now, after that meeting with Mr. Dean on June 26th, did you report back to former Director Helms?

GENERAL WALTERS: I did. I told Mr. Helms what had generally -- what had transpired, and he approved of my firm stand with Dean, and I related in some detail the various things that I had discussed with Mr. Dean and the fact that I had told Mr. Dean that no agency assets would be compromised by the pursuit of the FBI investigation in Mexico.

DASH: I think you mentioned earlier that you did again meet with Mr. Dean. When did you next meet with Mr. Dean?

GENERAL WALTERS: On the following morning, the 27th of June, I received another telephone call from Mr. Dean summoning me down to his office. I went down to Mr. Dean's office -- I believe

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the time is indicated in the memorandum, 11-11:30.

DASH: I think 11:45.

GENERAL WALTERS: 11:45. And Mr. Dean said that the investigation was continuing, that some of the suspects were wobbling and might talk. And I said, "Well, that's just too bad, but it has nothing to do with us because nothing that they can say can implicate the agency." So he again said, "Haven't you discovered something about agency involvement in this matter?" And I said, "No, I have not discovered anything about agency involvement in this matter." And he said, "Isn't there something that the agency can do to help?" I said, "I don't see how we can be helpful." And then he said, "Well, would there be any way in which you could go bail or pay the salaries of these defendants while they're in jail?" And I said, "No way. To do so would implicate the agency in something in which it is not implicated. I will have no part in this."

Again I went through the reasoning of the appalling effect it would have. I made plain to him that if the agency were to intervene in this, it would become known in the leaking atmosphere in Washington, that it would be a total disaster.

And I would like to say, if I may, at this point that I have not spent the whole of my adult life in the Central Intelligence Agency. I joined it for the first time in May of 1972. But I am convinced that an effective CIA is essential if the United States is to survive as a free and democratic society in the rough world in which we live. And I was determined that I would not see it destroyed or implicated, as might be desired, in this business. I further told Mr. Dean that when we expended funds, covert funds within the United States, we were required to report this to our congressional Oversight Committees, and this seemed to cool his enthusiasm considerably. We had a few more discussions and at the end he asked me if there was anyway we could be helpful, and I said no, we could not be.

DASH: Did you, by the way, on the meeting on the 28th of June -- have you a copy of your memoranda with you?

GENERAL WALTERS: Yes, I do. This is the meeting of the 28th or the memorandum written on the 28th?

DASH: No, the meeting of the following day, the meeting you've just testified to, on the 28th.

GENERAL WALTERS: Yes, I do.

DASH: Yes. First let me show you your copy of the memorandum you prepared on June 29th of your meeting on June 27th, and ask if this is a correct copy of that meeting.

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GENERAL WALTERS: Yes, it is.

DASH: Mr. Chairman, if we can have that marked for identification and received....

All right. Now, General Walters, the very next day it appears that you had another meeting with Mr. Dean.

GENERAL WALTERS: That is correct.

DASH: By the way, did you report to former Director Helms on your 27th meeting?

GENERAL WALTERS: Mr. Helms was extremely interested in this whole business, and I reported to him immediately on returning to the agency on each occasion.

DASH: Now, on the 28th is when you began to write these memoranda. Is that right? Could you then tell the committee what caused you to begin to put this down in writing?

GENERAL WALTERS: Well, as soon as he broached the question of bail and paying the salaries of these defendants, I realized that for the first time, this was a clear indication that something improper was being explored, and I discussed this with Mr. Helms, and we agreed. Again, I don't know whether he or I suggested that we write the memoran -- that I write the memoranda on these meetings and keep a record of them. And that is how the memoranda came to be record. It will be noted that I wrote five of them, practically on the same day, to catch up with the past.

DASH: Yes. All right now, the meeting on the 28th, it appears, was a fairly significant meeting because it was a follow-up again to that third meeting that you had with Mr. Dean. Do you have a copy of that memorandum?

GENERAL WALTERS: Of my meeting on the 28th? Yes, I do.

DASH: Prepared on June 29th.

GENERAL WALTERS: That's correct. I do have it.

DASH: Would you read that memorandum in full, General Walters?

GENERAL WALTERS: "On the 28th of June, at 11:30, John Dean asked me to see him at his office in the Executive Office Building. I saw him alone. He said that the Director's meeting -- that is, Director Helms' meeting -- "with Patrick Gray, FBI Director, was cancelled and that John Ehrlichman had suggested that Gray

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deal with me instead. The problem was how to stop the FBI investigation beyond the five suspects, leads to two other people, Ken Dahlberg and a Mexican named Gayna (?). Dean said that \$89,000 was unrelated to the bugging case and Dahlberg was refusing to answer questions. Dan then asked hopefully whether I could do anything or had any suggestions. I repeated that, as Deputy Director, I had no independent authority. I was not in the channel of command, and had no authority other than that given to me by the Director. The idea that I could act independently was a delusion and had no basis in fact.

"Dean then asked what might be done, and I said I realized he had a tough problem, but if there were agency involvement, it could be only at presidential directive and the political risks that were concomitant appeared to me to be unacceptable. At present, there was a high explosive bomb, but intervention such as he had suggested would transform it into a megaton hydrogen bomb. The present caper was awkward and unpleasant. Directed intervention by the agency could be electorally mortal if it became known, and the chances of keeping it secret until the election were almost nil. I noted that scandals had a short life in Washington and other new spicier ones soon replaced them. I urged him not to become unduly agitated by this one.

"He then asked if I had any ideas, and I said that this affair already had a strong Cuban flavor. Everyone knew the Cubans were conspiratorial, anxious to know 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 that he agreed this was the best tack to take. It might cost a half a million dollars. He also agreed for the second time that the risks of agency involvement were unacceptable. After a moments thought, he said that he felt that Gray's cancellation of his appointment with Director Helms might well be reversed in the next few hours.

"Dean thanked me and I left."

DASH: First, General Walters, what was this meeting to be held on June 28th which was cancelled?

GENERAL WALTERS: I did not know, Mr. Dash. I did not know what he was talking about. I presumed that some arrangement outside of me had been made for Director Helms to see Mr. Gray.

DASH: But in any event, as your memorandum shows, that Mr. Ehrlichman had indicated that he had preferred that Gray meet with you on an ongoing basis.

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GENERAL WALTERS: This is what Mr. Dean said to me.

DASH: Now, could you tell the committee what your impression was concerning that part of your memorandum where you say -- well, you say this might be costly -- concerning a Cuban conspiratorial plot, and Dean's statement that he agreed that this was the best tack to take, but it might cost a half a million dollars?

GENERAL WALTERS: Yes, Mr. Dash. Dean went back at this point in the conversation, as I remember it, to the three hypotheses, and he was sort of saying, "Who could have done this? Who could have done this?" He did not indicate at any time that he knew where the origin of this was.

Quite frankly, at this point my principal purpose was to divert him from pursuing the option of involving the agency in this. I had read, I believe about that time, an article in the newspaper which put out a hypothesis that the Cubans might have been at the origin of this in order to try and find out what the policies of the Democratic Party would be if it were elected in 1972. This is what I basically said to Dean, that the Cubans had a plausible motive for doing this.

Mr. Dean obviously understood this as a suggestion of mine that he should try and blame the Cubans. In retrospect, as so often's been said here from this table, I should have corrected him. Frankly, I was so relieved at seeing him apparently abandoning the idea of involving the agency, or at least retreating on the idea of involving the agency, that I did not correct his impression when he said he obviously thought I was suggesting he could buy the Cubans.

DASH: Would that be the inference that Mr. Dean's statement, it might cost a half a million dollars, would require actually paying somebody off in order to take this position?

GENERAL WALTERS: I believe so, but I would like simply to state that just as I believed agency involvement could not be hidden, false implication of the Cubans could not be sustained. I should have corrected Mr. Dean at this point and said this is not what I was meaning. I was advancing a theory, but I did not.

DASH: Now, General Walters, I'd like to -- you've read your memorandum, and I have an exact copy of the memorandum here. I'd like to show it to you, dated June 29th, covering your meeting with Mr. Dean on June 28th, and ask you to look at it and indicate if this is a copy.

GENERAL WALTERS: Yes, it is.

DASH: Mr. Chairman, may I have this memorandum marked as an exhibit....

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Now, did you receive, General Walters, a call from Mr. Gray on July 5, 1972?

GENERAL WALTERS: Yes, Mr. Dash, I did at ten minutes to six in the evening.

DASH: And could you tell us briefly what that call was about?

GENERAL WALTERS: I believe that Mr. Gray said to me at this point that the pressures were mounting to continue the investigation, and that unless he received a written letter from Mr. Helms or from me to the effect that the further pursuit of this investigation in Mexico would uncover CIA assets or activities, he would have to go ahead with the investigation. I did not wish to discuss this with Mr. Gray over the telephone. I told him I would come down and see him the first thing the next morning. This was at the end of the business day. It was at ten minutes to six in the evening.

DASH: And did you go down the next morning and see him?

GENERAL WALTERS: Yes, I did.

DASH: Would you briefly tell the committee what the nature of your conversation was with Mr. Gray at that time?

GENERAL WALTERS: I told Mr. Gray right at the outset that I could not tell him, and even less could I give him a letter, saying that the pursuit of the FBI's investigation would in any way jeopardize CIA activities in Mexico. I told him I had to be quite frank with him. I recounted the meeting with Mr. Haldeman and Mr. Ehrlichman. I told him that I had seen Mr. Dean on three occasions, that I had told Mr. Dean what Mr. Dean had told me.

Mr. Gray seemed quite disturbed by this and we both agreed that we could not allow our agencies to be used in a way that would be detrimental to their integrity.

Since I am discussing what someone else said, I would like to refer here to my memorandum. Now, this memorandum, unlike the others, was written, I believe, on the same day that I saw Mr. Gray.

DASH: Yes, would you refer to the memorandum and read what you want from it, General Walters?

GENERAL WALTERS: Well, I think basically this was it. I said I could not give him a letter to this effect, I could not tell him this, and I could not give him a letter to the effect that further investigation would compromise assets of the CIA. He said he understood this. He himself had told Ehrlichman and

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Haldeman that he could not possibly suppress the investigation of the matter. Even within the FBI there were leaks. He had called in the components of his field office and chewed them out for these leaks. I said the only basis on which he and I could deal with absolute frankness, and I wished to recount my involvement in the case.

I told him of the meeting at the White House with Mr. Helms. I did not mention Haldeman or Ehrlichman's name. I told him that I had been directed to tell him that the investigation of this case further in Mexico could compromise some CIA activities. Subsequently I had seen Mr. Dean, the White House counsel, and told him that whatever the current implications -- unpleasant implications of the Watergate were, that to implicate the agency would not serve the President, would enormously increase the risk to the President. I had a long association with the President and was desirous as anyone of protecting him. I did not believe that a letter from the agency asking the FBI to lay off this investigation on the spurious grounds that it would uncover covert operations would serve the President.

Such a letter in the current atmosphere of Washington would become known and could be, frankly, electorally mortal. I said, quite frankly, that I would write such a letter only on direction from the President and only after explaining to him how dangerous I thought this action would be to him, and if I were really pushed on this matter, I would be prepared to resign.

Mr. Gray thanked me for my frankness. He said he could not suppress this investigation within the FBI. He had told Mr. Kleindienst this. He had told Mr. Ehrlichman and Mr. Haldeman that he would prefer to resign but that his resignation would raise many questions that would be detrimental to the President's interests. He did not see why he or I should jeopardize the integrity of our organization to protect some middle-level White House figure who had acted imprudently. He was prepared to let this go to Ehrlichman, to Haldeman or to Mitchell. He felt that it was important that the President should be protected from his would-be protectors. He had explained to Dean, as well as to Haldeman and Ehrlichman. He's explained this.

Finally, I said that if I were directed to write a letter to him saying the future investigation of this case would jeopardize the security of the United States and covert operations of the agency, I would ask to see the President and explain to him the disservice I thought this would do to his interests. The potential danger to the President of such a course far outweighed any protective aspect it might have for other figures in the White House, and I was quite prepared to resign on this issue.

Mr. Gray said that this was a very awkward matter for

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us to come up at the outset of our tenure. He looked forward to good relations between our two agencies. Thanked me for my frankness, and that was it.

DASH: All right. General Walters, I'd like to show you a copy we have of your memorandum of July 6th covering your meeting with Mr. Gray on July 6th and ask if this appears to be a correct copy.

GENERAL WALTERS: Yes, it does.

DASH: Mr. Chairman, may we have this exhibit marked and received in evidence....

Now, General Walters, did there come a time shortly after -- several days after -- that you met with Mr. Gray again -- Acting Director Patrick Gray?

GENERAL WALTERS: Yes, I did.

DASH: Could you tell us the purpose of that meeting and what was discussed at that time?

GENERAL WALTERS: We had been passing...

DASH: By the way, when was this?

GENERAL WALTERS: It was on the 12th of July, Mr. Dash. In the meantime, the CIA had been cooperating fully with the FBI investigation, passing them all the material we had on these former employees of ours, and any other matters that were of interest to them. We were continuously passing them memoranda, and I believe that on this day I was still Acting Director. Mr. Helms was in Australia or on his way back from Australia. And, as I recall it, I gave him another memorandum on this date, covering various things that had been brought out, that we had given Hunt -- concerning the assistance given to Hunt, which had been terminated in August 1971.

DASH: Now, during this meeting with Mr. Gray, did Mr. Gray tell you that he had received a call from the President?

GENERAL WALTERS: Yes, he did.

DASH: Could you read that part of your memorandum where he discussed that call?

GENERAL WALTERS: He said last Friday -- I believe that may have been the day of my previous conversation with him. I do not have a calendar in front of me. This was written on the 12th. It was the preceding Friday -- he had received a phone call from the President. The President had called him to congratulate

him on the FBI action which had frustrated the airplane hijacking in San Francisco. Towards the end of the conversation, 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 in this case. Gray had replied that the case could not be covered up. It would lead quite high, and he felt the President should get rid of the people who were involved. Any attempt to involve the FBI or the CIA in this case would only prove a mortal wound -- and then I put in brackets, "he used my words," because these were the words I had used in talking to Mr. Gray.

The President then said then I should get rid of whoever is involved, no matter how high. Gray replied that this was his recommendation. The President asked what I thought, and Gray said that my views were the same as his. The President took it well and thanked Gray.

In all fairness, I must say that Mr. Gray did tell me -- I did not put it in here -- that the President had told him to go ahead with his investigation. Do you wish me to go on reading, Mr. Dash?

DASH: Does that complete Mr. Gray's statement to you concerning his call from the President?

GENERAL WALTERS: Yes, it did. We again philosophized some more, as is shown in the memorandum concerning the need for the President to be protected from his would-be protectors.

DASH: All right. General Walters, I'd like to show you your memorandum of July 13th, which deals with this meeting with former Acting FBI Director L. Patrick Gray, and ask if this is a correct copy.

GENERAL WALTERS: Yes, it is.

DASH: Mr. Chairman, may we have this memorandum marked as an exhibit and received in evidence....

Now, General Walters, did you have occasion on July 28th, 1972 to call on Mr. Gray again?

GENERAL WALTERS: Yes, I did.

DASH: And could you tell us briefly what the purpose of that visit was?

GENERAL WALTERS: Briefly, I came down to give him additional information, for which he had asked, relating to one of our people who had been in contact with Mr. Hunt during August of 1971. I gave him additional data concerning this and concerning contacts

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with Mr. Hunt. I believe they are identified in the memorandum. Towards the end of the conversation, Gray asked me -- and I am here reading -- if the President had called me on this matter, and I said that he had not. Gray then said that a lot of pressure had been brought him on this matter, but he had not yielded.

I can't read my... There's very poor reading here. But anyway, anything to destroy the integrity of our two agencies would be the worst disservice we could do to the President, and I would not do it. He said that he would not either.

Then he made some reference to money, which was not totally clear to me. I then told him that we would terminate a phone which we had which had been a number that had been given to Hunt to contact us two or three years before. And he then said, "This is a hell of thing to happen to us at the outset of our tenure in our respective offices." And I very heartily agreed.

DASH: Now, did this refer to -- did you know what this reference to Mr. Hunt and any assistance that had been given Mr. Hunt from the CIA was all about?

GENERAL WALTERS: As you know, Mr. Dash, all this occurred a year and a half before I came to the agency. I really wasn't familiar with it. The agency was continuously passing to the FBI material that was uncovered concerning this contact or assistance to Mr. Hunt, I believe. One of the memoranda I took to Mr. Gray really summed up the whole series of shorter memoranda we had sent him. And this was just an ongoing process. After this date, the 28th of July, I no longer participated in this process. It was done directly through our liaison with the FBI, through Mr. Colby and various others.

DASH: But I take it that the memorandum and the references to the contacts with Mr. Hunt related back to the prior year, July '71...

GENERAL WALTERS: Yes, they did.

DASH: ...meetings that General Cushman had with Mr. Hunt.

GENERAL WALTERS: That is correct.

DASH: I'd like to show you a copy we have of your memorandum dated July 28th, covering your meeting with Mr. Gray on that same date, and ask if it's a correct copy. And you'll notice there are some excisions there of names that were excised because of security reasons -- national security reasons.

GENERAL WALTERS: Yes, it's as bad a Xerox copy as mine.

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DASH: Mr. Chairman, may that memorandum be appropriately marked and received in evidence....

Now, when was your next contact with anybody at the White House, General Walters? Was this your last series of meetings? I think you said from there on in the contacts with the CIA and the FBI were taken up by somebody else.

GENERAL WALTERS: Yes. On this matter, certainly. Obviously, in my job I attended meetings at the White House relating to foreign policy and so forth that had nothing to do with this, in the meantime.

DASH: But did there come a time sometime later, and could you tell us when, that you had another meeting or call from Mr. John Dean?

GENERAL WALTERS: I did not have a call from Mr. John Dean. I think Mr. John Dean had gotten my message loud and clear. The next time he had business with the agency, he didn't call me. He called the new Director, Dr. Schlesinger. I believe that was on the 9th of February, 1973, if I am correct. And Dr. Schlesinger has, I believe, submitted a memorandum for the record covering this call from Mr. Dean. I was not in Dr. Schlesinger's office when Mr. Dean called, and my only knowledge of this is the memorandum and what Dr. Schlesinger told me about Dean's call.

DASH: And do you have a copy of that memorandum from...

GENERAL WALTERS: Dr. Schlesinger's memorandum?

DASH: Yes.

GENERAL WALTERS: Yes, I do.

DASH: Let me -- can I show you a copy -- it's a February 9, 1973 memorandum, I think, which you're referring to -- and ask you if this is a correct copy.

GENERAL WALTERS: Yes, it is. It, too, was made on the same poor duplicating machine.

DASH: Could you briefly tell us what was the nature of that contact that Mr. Dean had with Mr. Schlesinger?

GENERAL WALTERS: I believe he -- and here I go from the (word unintelligible) memorandum. He referred to a package of material that had been sent by the CIA to the Department of Justice in connection with the Watergate investigation. He suggested that Justice be requested to return this package to the agency. The only item that would be left in Justice would be a card in

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the files indicating that the package had been returned to the agency, at its request, 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 Attorney General and Mr. Howard Petersen. Then he referred to some IT&T documents, which is unrelated.

DASH: Do you know -- although this was not your memorandum, do you know what the package of materials is referred to here that the agency had given to Mr. Petersen?

GENERAL WALTERS: I don't have personal knowledge of it, Mr. Dash, but my understanding was it was all the written material, and I believe also the photographs that had been taken with the camera, which is why it was called a package.

DASH: Under what circumstances? Taken with a camera -- do you...

GENERAL WALTERS: I believe when it was furnished to -- after it was furnished to Hunt by whoever used the camera at that time.

DASH: Were you informed by Mr. Schlesinger of others that this dealt with the Ellsberg matter?

GENERAL WALTERS: I don't believe Mr. Schlesinger was familiar with the package. Mr. Schlesinger just -- incidentally, I would like to say at this point that when Mr. Schlesinger came to the agency in late January or early February, I did briefly go over these various approaches that had been made to the agency and to myself, so that he was generally familiar with the background of this. I do not believe Mr. Schlesinger knew the details. I do believe that he and I agreed that for the agency to request the Department of Justice to return these materials would simply leave an arrow in the files pointing at Langley.

DASH: Either at that time or afterwards, have you been informed as to whether the package of materials which you say, either written materials and photographs, did deal with the attempt to get information from Mr. Ellsberg's psychoanalyst?

GENERAL WALTERS: I really do not know, Mr. Dash. As far as I understand it, I understood the package to mean all of the material that the agency had passed to the Department of Justice from the beginning of the inquiry and all of the material, all of the assistance, all of the equipment that had been given to Hunt.

DASH: All right now, were you asked by Mr. Schlesinger to take any action with regard to Mr. Dean's request?

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GENERAL WALTERS: Dr. Schlesinger and I discussed this and agreed the request was out of the question. Dr. Schlesinger then asked me to go down and tell Mr. Dean this.

DASH: And did you?

GENERAL WALTERS: I did.

DASH: And could you tell us when did you meet with Mr. Dean and have this discussion?

GENERAL WALTERS: When I called Mr. Dean, he was in Florida, and it took me quite a while to get hold of him. I left word at his office saying that I wished to be in touch with him, and I finally got a call and an appointment was laid on, I believe, for the 21st of February. On the 21st of February -- and this is a very short memorandum. If the committee will bear with me, I'd like to read it.

DASH: Why don't you read the memorandum.

GENERAL WALTERS: At the request of the Director, Dr. Schlesinger, I called on Mr. John Dean at his office in the White House at 1430 -- that's 2:30 in the afternoon. 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 this case. I again told him there was no agency involvement in this case and that any attempt to involve the agency in it could only be harmful to the United States.

He seemed disappointed, and I left.

DASH: Now, General Walters, I'd like to show you a copy we have of your May 11th memorandum and ask if it's a correct copy.

GENERAL WALTERS: May I say one word about this memorandum, Mr. Dash?

DASH: Oh, yes. Of course.

GENERAL WALTERS: I did not write a memorandum on this conversation. In early May, Dr. Schlesinger, who was having a thorough inquiry made into all the aspects of this case, asked me whether I had made a memorandum on it. I said I had not. He asked me to make one, and that is the memorandum I wrote, which was written some two months subsequently.

DASH: Now, may I show you the memorandum that you did

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prepare on May 11th, 1973, at least our copy of it, and ask you if it's a correct copy?

GENERAL WALTERS: It is.

DASH: Mr. Chairman, may we have that memorandum appropriately marked and received in evidence....

Now, General Walters, did there come a time, shortly after, actually, you prepared that memorandum, when you put all of the recollections you've had concerning your meetings in the White House and with Acting -- former Acting Director Gray -- in the form of an affidavit?

GENERAL WALTERS: Yes.

DASH: Could you tell us the circumstances that led you to put your recollections of these meetings and discussions you had in the form of an affidavit?

GENERAL WALTERS: I was in the Far East in early May, and when I came back, Dr. Schlesinger -- in fact, Dr. Schlesinger called me back. He had asked anyone in the agency who had had any connection with this case whatsoever to write an affidavit. I did so, and those are the circumstances of the writing of the affidavit.

DASH: And that affidavit does include, in substance, all of the matters that you've testified here concerning your meetings with the White House and with Mr. Gray.

GENERAL WALTERS: To the best of my knowledge, it does.

DASH: Now, I show you a copy that you have of the affidavit, dated May 12, 1973, and ask you if it's a correct copy.

GENERAL WALTERS: Yes, it is a correct copy.

DASH: Mr. Chairman, may we have that affidavit appropriately marked for identification and admitted in evidence....

Mr. Chairman, I have no further questions.

SENATOR ERVIN: Mr. Thompson.

FRED THOMPSON: Thank you, Mr. Chairman. General Walters, as I understand it, it was your feeling that -- and is your feeling -- that on June 23rd you were being asked to, in effect, deliver a message which would, in effect, limit the Watergate investigation with regard to the Mexican part of it because of a possibility of either compromising some covert CIA activities or CIA employees. Is that correct?

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GENERAL WALTERS: Yes, it is.

THOMPSON: Well, now, it seems to me that the crucial question is whether or not you were being told to deliver a message to limit the investigation in any other respect. Were you or were you not?

GENERAL WALTERS: I was not, Mr. Thompson.

THOMPSON: All right. Now, as of June the 23rd, did you know the names of the people who had been apprehended inside the Democratic National Committee Headquarters?

GENERAL WALTERS: I had read the names in the newspaper, yes.

THOMPSON: Did you realize that Mr. McCord, for example, was a former CIA employee?

GENERAL WALTERS: I believe I did know this, yes.

THOMPSON: Did you know Mr. McCord personally before?

GENERAL WALTERS: I did not.

THOMPSON: Did you realize that Mr. Hunt was a former CIA employee?

GENERAL WALTERS: Yes, I did.

THOMPSON: Did you realize that Mr. Sturgis was? Did you realize that Mr. Martinez was still on retainer by the CIA?

GENERAL WALTERS: I don't believe I knew that he was still on retainer at that time.

THOMPSON: Did you know that he had been on retainer or an employee at any previous time?

GENERAL WALTERS: I believe that it came out within discussions within the agency that these men had previously been employed by the agency.

THOMPSON: Did you realize that Mr. Barker had been a CIA employee in the past?

GENERAL WALTERS: I believe I knew that all of these men that you've mentioned were...

THOMPSON: With regard to the Mexican aspect, if I remember correctly, certain checks were, in effect, funnelled through, I think allegedly at this point, funnelled through Mexican banks

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and they wound up in the bank account of Mr. Barker in Miami. Have you since understood that to be the case, or allegations at this stage?

GENERAL WALTERS: I have since understood it, but at the time I was not aware of what the Mexican investigation was pursuant to.

THOMPSON: I see. But you now realize that there were, at least according to the best of your information, that there were checks funnelled through a Mexican account, which I think involved Mr. Ogario (?), whose name has been mentioned, which were funnelled to the bank account of Mr. Barker in Miami and that some of those funds from that account, I believe, were taken from some of the defendants apprehended in the DNC. Is that correct?

GENERAL WALTERS: I'm aware of this, but I do not know the details.

THOMPSON: All right. But you were not aware of that at your meeting on June the 23rd.

GENERAL WALTERS: No, I was not.

THOMPSON: In regard to your memorandum of June the 28th, which recounts your meeting on June the 23rd, I believe you've stated, since writing that memorandum, in a covering note at the time -- I believe this was submitted to the Senate Appropriations Subcommittee -- dated May 18, that although there's a reference in your memorandum of June 28 that Mr. Haldeman said it was the President's wish that this be done, that you now believe that he did not in fact say that. Is that...

GENERAL WALTERS: When I showed the memorandum to Mr. Helms, he said it was not his recollection that the President's name had been used. I did not correct the memorandum. The memorandum was for my own personal use and I did not use it. I did not feel strongly one way or the other about this. I'm not sure whether Mr. Haldeman has testified to whether he used it or not.

THOMPSON: If you'll pardon me a minute, I'm skimming your covering note dated May 18th. It's my understanding that as of the time you wrote the note that if you had to come down on one side or another, as of that time, it was your belief that he did not in fact say that. Would that be correctly stated?

GENERAL WALTERS: I think that would probably be correct.

THOMPSON: Then the memorandum...

GENERAL WALTERS: If I may, just for a second, Mr. Thompson. As I say, I do not have a strong recollection one way or the other.

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We were in Mr. Haldeman's office and presumably his power derived from this. Mr. Helms said he didn't recollect it. I didn't recollect it strongly enough to challenge Mr. Helms. I accepted Mr. Helm's saying that no, he did not...

THOMPSON: Well, Mr. Haldeman has testified that this matter was discussed with the President, so that's not really an issue. It's really a matter of memory, I think, more...

GENERAL WALTERS: And I did not feel strongly enough to challenge Mr. Helms' statement that he did not recall the name.

THOMPSON: All right. And you believe also that, according to your testimony this morning, that the discussion of bail occurred on Tuesday...

GENERAL WALTERS: Tuesday the 27th.

THOMPSON: ...the 27th. And I believe you have it here in your conversation of the 26th. Is that correct?

GENERAL WALTERS: That's correct.

THOMPSON: So that would be an error in that regard.

GENERAL WALTERS: I had straightened it out in my affidavit.

THOMPSON: Yes, sir. I understand. Let me ask you this. When you had this conversation on the 23rd, what time of day was it?

GENERAL WALTERS: I believe it was 1:30 in the afternoon.

THOMPSON: 1:30? And you...

GENERAL WALTERS: It was postponed, and I recall that it was postponed either an hour or a half an hour.

THOMPSON: And then you had your meeting later that same afternoon with Mr. Gray.

GENERAL WALTERS: About an hour later.

THOMPSON: At 2:30, I believe, according to your memorandum. Do you recall about how long your meeting lasted with Haldeman and Ehrlichman?

GENERAL WALTERS: Ten-fifteen minutes.

THOMPSON: Did you go directly from your meeting with Haldeman and Ehrlichman to your meeting with Mr. Gray?

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GENERAL WALTERS: I think I testified already, Mr. Thompson. I don't really remember what I did. I don't think I would have had time to go back to the office. I know I separated from Mr. Helms at this point, and he went back to the office.

THOMPSON: Where is the CIA office?

GENERAL WALTERS: It's way out at Langley. It's 8 or 9 miles out of Washington.

THOMPSON: You would have had to gone back 8 or 9 miles, travel back in 8 or 9 miles to the Justice Department.

GENERAL WALTERS: Yes. As I recall it, I just killed time downtown in Washington.

THOMPSON: But your memorandum states here that upon leaving the White House, I discussed the matter briefly with the Director. Upon returning to the office, I called Gray and indicated there was a matter of some urgency, and he agreed to see me at 2:30.

So that evidently is incorrect. Would that be a...

GENERAL WALTERS: I would say it was perhaps incorrect. I can't guarantee that it's incorrect. I may have driven straight out and called from the office and driven straight back.

THOMPSON: What was your normal practice with regard to following up meetings or particular events, which you participated in, with memoranda?

GENERAL WALTERS: When I was an interpreter, I wrote long memoranda, Mr. Thompson. Since I have been at CIA, generally there is someone else present who makes note on the meetings. These are the only memoranda for the record, I think almost, that I wrote since I've been with the CIA.

THOMPSON: These that you've submitted to us are the only ones that you've written since you've been there.

GENERAL WALTERS: That's right.

THOMPSON: I notice that the memoranda of the June 23rd meeting was not written until June 28. Is that correct?

GENERAL WALTERS: That is correct.

THOMPSON: But when you started writing memoranda, they became very prompt, I noticed. On the July 5th meeting -- well, first of all, the June 28 meeting you wrote up June the 29th; July

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5th meeting you wrote the same day; July 6th meeting you wrote the same day; July 12th meeting you wrote the next day, the 13th; the July 28th meeting you wrote the same day. What caused you to start systematically writing memoranda of the events that were taking place?

GENERAL WALTERS: Mr. Dean's exploration of whether the agency could produce bail and pay the salaries of the defendants while they were in jail.

THOMPSON: You refer in your memoranda dated July 6th, 1972 that you did not see why he, referring to Gray, or I should jeopardize the integrity of our organizations to protect some mid-level White House figures who had acted imprudently. Who were you referring to?

GENERAL WALTERS: I don't think we had anybody specific in mind. I certainly didn't know who might be behind this.

THOMPSON: Well, who were you dealing with that you might consider mid-level at the White House?

GENERAL WALTERS: The middle-level figure, I would say, would be Mr. Dean, but there may have been other middle-level figures. I did not know who these middle-level figures might be. I did not know who was behind this.

THOMPSON: Would you consider Haldeman middle-level?

GENERAL WALTERS: No.

THOMPSON: What was your feeling with regard to Mr. Dean when you were dealing with him, when you were talking about these matters with him?

GENERAL WALTERS: At which point in the conversation?

THOMPSON: Well, start from the beginning. Start with the first meeting you had with him on the 26th and tell us what your thoughts were, based upon those conversations, as you began to meet with him, what his interest might be.

GENERAL WALTERS: Well, I, first of all, was struck by his insistence that the agency was in some way involved. He pursued this with "Well, couldn't it have been without your knowing it?" And, "Isn't there some way?" And, "It must have been," and, "Look, all these people used to work for the CIA." And so forth and so on. This is the first thing that struck me -- his insistence on trying to drag us into it, which made me think that he was exploring this option, which is what made me tell him that I would resign rather than have the agency to participate in any attempt to stifle this.

THOMPSON: Did you conclude in your own mind that possibly

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that some of the people directly involved might be working for some of Mr. Dean's friends who were intermediaries?

GENERAL WALTERS: This thought did cross my mind.

THOMPSON: I don't believe I have any further questions, Mr. Chairman. Thank you.

SENATOR ERVIN: Senator Montoya.

SENATOR JOSEPH MONTOYA: General Walters, you indicated that you, and other witnesses have similarly indicated, that have certain memoranda with respect to the investigation in-house at CIA was given to the FBI. Am I correct in that statement?

GENERAL WALTERS: Yes, Senator.

SENATOR MONTOYA: Would you tell us what was in that particular memoranda or in any other communications to the FBI?

GENERAL WALTERS: I believe that most of these memoranda, Senator, referred to matters that had occurred before I came to work at the agency. There are, I believe, several memoranda in the possession -- the memorandum, for instance, which I gave Mr. Gray on the 6th contains a recapitulation of the various pieces of information we had been steadily sending to the FBI, I believe since the 20th of June.

SENATOR MONTOYA: In capsule form, what did this memoranda indicate?

GENERAL WALTERS: I believe it indicated Hunt's call to the agency, the equipment that had been furnished to him, and so forth.

SENATOR MONTOYA: What kind of an investigation did you conduct in-house after you were called to the White House for this conference with Mr. Haldean and Mr. Ehrlichman?

GENERAL WALTERS: I talked to the people in the agency who were responsible for operations in Mexico, and it was through them that I received the assurance that the FBI inquiries in Mexico would not jeopardize or compromise any of the CIA's operations in that area.

SENATOR MONTOYA: What kind of investigation did you conduct with respect to the possible background and possible connection of the defendants who had been arrested at the Watergate?

GENERAL WALTERS: I believe that Mr. Helms ordered our security and personnel people to provide all necessary information to the Department of Justice and the FBI -- I'm sorry -- to the FBI on this.

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SENATOR MONTOYA: And did you, as a result of this investigation, uncover the fact that Eugenio Martinez was on retainer at that time?

GENERAL WALTERS: I believe we did, Senator.

SENATOR MONTOYA: And did you communicate this to the Department of Justice and to people in the White House?

GENERAL WALTERS: I personally did not. A great deal of communication was going on, Senator, between our personnel and security people and the Department of Justice and the FBI. Whether it was communicated to the White House or not, I am not in a position to answer.

SENATOR MONTOYA: Were there any communications with respect to this investigation delivered to the White House?

GENERAL WALTERS: I'm not aware of any, Senator.

SENATOR MONTOYA: Why did you omit this, in view of the fact that you had been in contact with Mr. Ehrlichman, Mr. Haldeman and Mr. Dean? Didn't you feel that the White House should know about the possible involvement of a man on retainer to the CIA by the name of Eugenio Martinez?

GENERAL WALTERS: I believed that the FBI was being kept fully informed, and I believed that the FBI would keep the White House informed of the pursuit of this investigation.

SENATOR MONTOYA: Now, I'm not trying to cross you up or anything like that, General Walters. I'm merely asking you to see if you can recall whether or not anyone in CIA communicated with anyone in the White House with respect to the in-house investigation and what you uncovered with respect to these individuals.

GENERAL WALTERS: I personally have no knowledge of any such communication, Senator. The FBI was the investigating body, and, as I understand it, all the information that became available to us was furnished to them.

SENATOR MONTOYA: Now, with respect to your conversations with Mr. Gray, was there any mention made in your conversations with him that possibly the information which you were imparting to him might be communicated to the White House?

GENERAL WALTERS: No, sir. I thought it would be inappropriate for me to try and tell Mr. Gray how to run his agency.

SENATOR MONTOYA: Now, as you look back to the conversations starting on June the 23rd and the subsequent conversations with White House people, including Mr. Dean, is it your feeling, as

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you look at this thing in retrospect, that the White House -- those individuals with whom you talked -- were trying to use you for some ulterior motive?

GENERAL WALTERS: I would say I must draw a distinction between the two contacts I had with two different people in the White House. As I have testified earlier, I have no reason to doubt that Mr. Haldeman might not have information to which I was not privy that the further conduct of the investigation in Mexico might jeopardize covert agency activities.

SENATOR MONTOYA: Are you being charitable there, General?

GENERAL WALTERS: Senator, I don't believe so. As I testified earlier, if I thought that Mr. Haldeman was asking me to do something that was improper, I would have made the same threat to resign to him that I did to Mr. Dean the first time Mr. Dean made a suggestion I considered was improper.

SENATOR MONTOYA: How did you interpret the mandate which he gave you to go to Mr. Gray and to tell Mr. Gray, when you had no information, for you to tell Mr. Gray that an FBI investigation in Mexico might endanger CIA activities?

GENERAL WALTERS: I interpreted this as meaning that Mr. Haldeman had some information which I did not have. I would like to go back to this time and say that the idea of impropriety or improper actions -- I had no reason to doubt the word of a very senior official of the United States Government.

SENATOR MONTOYA: Did you think at that moment about asking him what his background information might be, as a premise for the directive or mandate which he had given you?

GENERAL WALTERS: No, sir. I did not.

SENATOR MONTOYA: Had you thought about it since?

GENERAL WALTERS: Obviously, there's no sight like hindsight, but given the relative nature of our positions, I still have somewhat of a feeling that it might have been inappropriate to ask him. The White House bears a great responsibility. They (word unintelligible) things other people do not.

SENATOR MONTOYA: Why would it have been inappropriate, General? Why?

GENERAL WALTERS: Sir, if in all our dealings with the White House we doubted what they told us, we would have a very difficult time. I did not feel it was appropriate to ask him because I did not think there was anything improper with it.

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SENATOR MONTOYA: Well, on June the 23rd, you had been reading the newspapers. You knew that some of these people were involved with the Committee to Reelect the President and that they had been arrested. They were in jail, and that they had connections with -- previous connections with CIA. You knew the whole context, and still you did not think of asking for some kind of clarification with respect to the mandate which had been delivered to you by Mr. Haldeman?

GENERAL WALTERS: Sir, Mr. Haldeman indicated to me that he might have information which I did not have. What I would really have been asking him is White House sources, how he'd found something out, had I asked him where he got this information from.

SENATOR MONTOYA: Did you, in your conference with Mr. Gray, try to develop a dialogue with respect to possible reasons that the White House might have in giving you this directive?

GENERAL WALTERS: No, sir. I transmitted the message to Mr. Gray. He made some reference to some people whose names meant nothing to me, like Ogario and Dahlberg.

SENATOR MONTOYA: General Walters, in view of the experience of CIA in this particular matter and the attempts made by some people at the White House to involve CIA in tasks which were ultravirous (?), or outside the scope of the agency, what recommendations do you have to make to this committee so that this might not occur in the future?

GENERAL WALTERS: Senator, I think it would really be presumptuous of me to try and tell this committee what legislation could be effective in this respect. I must, however, associate myself with what Mr. Helms said in reply to your question yesterday, Senator, that I don't know how you legislate honesty and decency. You've got to pick the right people for these jobs, above all else. There is obviously some legislation that could be effective, but I think the most important thing is the selection of the right people for positions of trust.

SENATOR MONTOYA: Well, do you feel that there should be some provision in the law governing CIA requiring the Director or Deputy Director, or any other employee, to report to an oversight committee in the Congress when someone in the executive department or any other department tries to use CIA for political purposes?

GENERAL WALTERS: That could be one solution to prevent a recurrence, Senator, yes.

SENATOR MONTOYA: Thank you very much, General. That's all the questions I have.

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SENATOR ERVIN: There's a vote on in the Senate, so we'll have to suspend for the members of the committee to get over and vote and return.

REYNOLDS: ...General Vernon Walters -- Lieutenant General Vernon Walters, who entered the Army as an enlisted man some 32 years ago, enlisted as a private, now, when he wears his uniform, has three stars on each shoulder, has been the witness this morning. He's in civilian clothing because his current assignment is Deputy Director of the Central Intelligence Agency.

He has testified at length about a number of matters that have already been quite thoroughly gone over, at least in terms of publicity, because the various memoranda that General Walters wrote about his conversations with John Dean, with Patrick Gray, with Haldeman and Ehrlichman, and the June 23rd meeting, very shortly after the Watergate break-in, all of these have already been published. They've been submitted to other committees of the Senate, and the main purpose of Sam Dash's questioning this morning was to take him over the various points that he made in all those memoranda.

Well, the committee is out now, and we'll have more to say and more to hear about the Watergate in just a moment.

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REYNOLDS: ...Lieutenant General Vernon Walters, Deputy Director of the Central Intelligence Agency has told the committee today that his suspicions were aroused, at least he decided that he had better start writing covering memoranda after a conversation he had with John Dean. He has made the point that he did not suspect any impropriety. He did not believe there was any in H. R. Haldeman's suggestion to him, which he took to be a directive, that he go to the Acting Director of the FBI and inquire whether an all-out FBI investigation of the Watergate might in some way compromise or interfere with CIA covert operations in Mexico.

He insisted, in response to a question from Senator Montoya, that you cannot assume impropriety on the part of very senior officials, high officials, of the government of the United States, that you cannot automatically mistrust what an official of the White House tells you. However, he did, as I say, have his suspicions aroused because John Dean, he said, seemed to be pressing him to try to establish some link between the CIA and the Watergate break-in.

I want to call in my colleague Sam Donaldson, who's standing by. Sam, something has struck me this morning. In the questioning of General Walters, he was asked -- he made this point, of course, that John Dean seemed to be pressing him, seemed to be looking for some way to tie in the CIA to the Watergate break-in, and that

Dean had recounted all the various connections, some past, indeed one present, this fellow Martinez who was on the payroll at the time, and why didn't this -- apparently Dean was saying, "Isn't all this sufficient evidence to believe that there might be a CIA connection?"

Senator Baker yesterday, in questioning Dick Helms, made much the same point. Why didn't you, when you saw all these people that had been involved, in one way or another, with the CIA, at least assume that maybe there was some sort of a connection? Do you agree?

DONALDSON: ...I got the gist of what you were saying generally. Perhaps Senator Baker will press that line of questioning today.

I think something you said earlier was the key to General Walters' testimony this morning, and that is that he didn't really think that he was being asked to do anything improper by Messrs. Haldeman and Ehrlichman -- Ehrlichman was in the -- in fact, it was Ehrlichman's office that the meeting took place on the 23rd -- because, he said, Haldeman may have had information that he did not possess. It was only John Dean that, he makes clear this morning, was asking him to do things that were improper, and he's told us that on February 9th John Dean called Mr. Schlesinger, who succeeded Richard Helms as CIA Director, trying to get the CIA to take back its material from the Justice Department.

Running through the Walters story, then, is the thread that John Dean was the man who was asking the CIA, or suggesting that the CIA do improper things. And if you'll recall, Frank, the White House has branded John Dean as the principal conspirator and has told this through a number of witnesses here and memos that it was in fact John Dean who was keeping everything from Mr. Haldeman and from Mr. Ehrlichman and from President Nixon.

REYNOLDS: Yes. General Walters made the point that Mr. Haldeman might well have had information that was not available to him. This was corroborated in some degree yesterday by the Director of the Central Intelligence Agency.

It may come as a surprise to people to realize that the two highest officials of the CIA may not be aware of things that are going on, and that perhaps assistants to the President have information that is not available to the two top spies in the country, but apparently that's the way it is.

DONALDSON: Wasn't it a delightful answer also to Senator Montoya when he asked, "Well, why didn't you press him to ask where they got their information?" And General Walters said that would have been to try to ask Mr. Haldeman what his sources were, and I didn't want to uncover his source. And there was a sort of an

audible agreement at the press tables around me that the reporters were also for the principle of not trying to uncover sources.

REYNOLDS: Yes.

DONALDSON: Frank, there was, of course, in General Walters' testimony this morning a prelude of what we're going to hear from L. Patrick Gray about that July 6th phone call Gray is going to tell us he had with the President. General Walters has told us what Gray told him about it, that Gray warned the President on July 6th that people around Mr. Nixon were trying to wound him by trying to involve the agencies, and what the President said -- well, then your recommendation is that we fire whoever's involved, after Gray had told him that perhaps some senior people were involved, and Gray said yes, and that's General Walters recommendation also.

And we've had this hearsay evidence from Walters as to what Gray told him. Later today, with Gray on the stand, we may hear from Gray's own lips what he told the President.

REYNOLDS: Yes. General Walters said that the President told him -- told Gray to go ahead with the investigation, at the conclusion of that telephone conversation, and then there was this interesting quote from General Walters. "I told Gray" -- he's recounting the conversation he had with Pat Gray on the 12th of July -- "I told Gray of the need to protect the President from the self-appointed protectors who would harm him while trying to cover their own mistakes."

DONALDSON: We'll just have to wait and see what Gray testifies to.

Let me go back to that February 9th phone call which Dr. Schlesinger got as Director of the CIA, reportedly here, from John Dean.

You'll recall earlier testimony from John Ehrlichman that he had been told by John Dean that the Justice Department had a lot of material on the Ellsberg break-in, a year before now, roughly, and that they had photographs showing E. Howard Hunt and G. Gordon Liddy standing there and one of them inside with the remnants of Ellsberg's psychiatrist's files all around him. We have gotten testimony this morning to the effect that perhaps there were photographs that were in that packet sent to the Justice Department, and it was this packet that Dean was trying to get the CIA to take back, and, of course, General Walters said Dr. Schlesinger and he agreed that would be out of the question because it would point a finger directly at the CIA to have in the Justice Department files a memo that the CIA had requested back that packet of information.

REYNOLDS: He said that would be an arrow pointing straight to Langley, I believe, reference to the wooded area across the river here where the CIA has its headquarters. It used to be marked

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by a sign "Bureau of Public Roads," or something, but now they've finally admitted the CIA is there...

DONALDSON: I was going to throw in the same irrelevancy because I drive that route every day, and for the years the building sat back -- or sits back from the George Washington Memorial Parkway on the Virginia side. You can't see it in the summer because of the leaves on the trees. In the winter, there it is. It's not just one building -- a complex. The CIA for years would not admit it existed there, and they would have the sign saying Bureau of Public Roads, because there is such a building that is behind their installation. But Dr. Schlesinger has come out in the open, and he has said here is the Central Intelligence Agency.

REYNOLDS: Thank you, Sam, we're going to come back to you very shortly....

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SENATOR ERVIN: The committee will come to order.

I'm informed by counsel that Senator Montoya had finished, except he wanted to have read into the record a memorandum, and, without objection, I'll let counsel read that memorandum and then recognize Senator Weicker.

DASH: General Walters, Senator Montoya asked you about when the CIA informed the FBI concerning the employment of Mr. Martinez, and I understand you've been shown a copy of a memorandum for the Acting Director of the Federal Bureau of Investigation, Attention Mr. Arnold L. Foreman (?), Subject Mr. Martinez, From the Director of Security.

GENERAL WALTERS: Mr. Osborne.

DASH: Yes. Now -- Mr. Osborne. Now let me -- I'd like to read that into the record which would indicate that there was on -- and it's dated, I think, June 20, 1972.

"Mr. Martinez was born on 8 July 1922 in" -- it's a bad Xerox, but it looks like Artemisa -- A-R-T-E-M-I -- and I think it's S-A -- "Tima (?) Del Rio, Cuba, and he is a naturalized United States citizen. He was educated at the University of Havana and he has a B.S. degree. He also has two years additional work in the School of Medicine. Previously married to a Cuban from whom he is divorced, Mr. Martinez is currently married to a United States citizen.

Mr. Martinez was recruited by the agency in January 1961 in connection with Cuban operations. The project to which he was assigned was terminated in 1969.

Since that time, Mr. Martinez has been on a parttime

retainer to report on the Cuban exile community. In connection with this activity, he was last met on June 6th, 1972, and has been unable to be contacted since June 14, 1972. For these parttime activities, Mr. Martinez has received a retainer of \$100 a month since 1969. Prior to that time, he received \$8100 per year for his full-time operational activities. It is to be noted that Mr. Martinez is a real estate partner of Mr. Bernard L. Barker.

The above information is for use only, and should not be disseminated outside your bureau. Please transmit any information on this matter to the attention of the Director of Security."

And you have seen that memorandum just prior to your returning...

GENERAL WALTERS: And I think in part, it answers one of the questions Mr. Montoya asked me.

SENATOR ERVIN: Senator Weicker.

SENATOR LOWELL WEICKER: Well, can I ask counsel, because I'm quite interested in that. Now, either counsel or General Walters, when was this information acquired and was it transmitted to the Federal Bureau of Investigation?

GENERAL WALTERS: I believe this is a letter transmitting it to the Federal Bureau of Investigation on the 20th of June, 1972, that is, two days after the break-in, Senator.

SENATOR WEICKER: All right. Fine. I'm not disputing it. As a matter of fact, it's just one of the questions that I had in the back of my mind -- is what did the CIA do insofar as these persons were concerned, and I would gather that you went right to work in investigating the status of these various people. This is, what, the 20th of June? Is that the date on this? Yeah, 20 June, 1972. That's within, what, three days of the break-in. The CIA had completed -- is this -- had all the other individuals also been investigated by that time?

GENERAL WALTERS: I don't believe the investigation -- I think it was an ongoing project, Senator. I believe I testified earlier that starting on June 20th, we began feeding to the FBI, as fast as we acquired it, any information on any of the defendants or anybody in any way connected with this matter.

SENATOR WEICKER: I think it's a very important point, as far as the agency is concerned, that it did its job and did it pretty darn fast, so that insofar as those persons that have been ex -- with the exception of Mr. Martinez, everybody else was an ex-CIA agent -- well, I'm not saying they all were, but they were not in the employ of the CIA. Is that correct?

GENERAL WALTERS: That is, Senator. If I may make a minor distinction, only two of them -- Hunt and McCord -- had ever been CIA full-time employees, and the others were contract employees for a short duration or a long duration.

SENATOR WEICKER: You and I can make that distinction. I think in the minds of the American public, contract or full-time really wouldn't make any difference. But, in any event, the rest of the personnel, with the exception of Mr. Martinez, had left the CIA, were no longer in the employ of the CIA at the time of the break-in, except for Mr. Martinez, who was on a retainer, contract, or whatever term you want to go ahead and use. And yet, I gather your investigation still did include, since they had been ex-employees, either full-time or contract, these other individuals. Is that true?

GENERAL WALTERS: As I understand it, Mr. Helms directed our personnel and security people to communicate all information available on these people to the FBI.

SENATOR WEICKER: And by the time the 20th rolls around, the one person who was on a parttime basis, even a report on him had been sent to the Federal Bureau of Investigation.

GENERAL WALTERS: I believe the agency made a very genuine effort to cooperate with the Department of Justice and the Federal Bureau of Investigation, Senator.

SENATOR WEICKER: So, that it was with some basis of fact arrived at after investigation that when Mr. Helms talked to the Director on the 22nd and said that there is no CIA involvement, he wasn't just pulling something out of the air. I mean, he had some fact before him. Is that correct?

GENERAL WALTERS: My experience with Mr. Helms -- he never pulls things out of the air, Senator.

SENATOR WEICKER: Right. And when you walked in on the 23rd, with the Director, you were cognizant of these investigations, that they had been going on.

GENERAL WALTERS: I had not seen this particular memorandum. I knew that these people had been former CIA employees, and I knew that we were furnishing all the available information on them to the Department of Justice.

SENATOR WEICKER: Again, I want to repeat the importance, I think, of what's being stated here and the impressions that we give I think are equally important to the facts that committee elicits, that I think there might have been an impression left that in the meeting of the 23rd, when you and the Director sit down with Mr. Haldeman and Mr. Ehrlichman and state that there's no CIA involvement, that this, as I say, just wasn't something that you were saying categorically, without knowledge that the

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agency itself had gone into this matter in the previous days.

GENERAL WALTERS: I believe Mr. Helms said -- was talking on the basis of what he knew on that day, on the 23rd and the result of all of these, which were communicated to him.

SENATOR WEICKER: Have you ever counted up, incidentally -- I thought about this when you were testifying -- between you and the Director, how many times in this period did you say there is no CIA involvement to various individuals? Have you counted it up?

GENERAL WALTERS: I couldn't possibly count it. As Mr. Helms stated yesterday, with some warmth, it needs constant repeating.

SENATOR WEICKER: Well, I think it does need constant repeating. We know that the Director turned to Acting Director Gray and said there is no CIA involvement, on the 22nd, and, I gather, in the meeting on the 23rd it was made again clear, both by yourself and the Director, to Mr. Haldeman and Mr. Ehrlichman, there is no CIA involvement. Now, I gather, when you met with Mr. Dean, you were very forceful, as I would imagine, saying it in a variety of ways, there is no CIA involvement.

Now, let me -- and I gather that the final chapter in "there is no CIA involvement," being transmitted -- and this is only as to the knowledge that you acquired from Mr. Gray, and we'll have Mr. Gray before us later on -- to the President, actually. Is that correct?

GENERAL WALTERS: Sir, I did not have any personal contact with the President.

SENATOR WEICKER: No. I'm saying in your recollection of the conversation -- your conversation with Mr. Gray, where he reported to you...

GENERAL WALTERS: I could only assume that he had told that to the President.

SENATOR WEICKER: All right. Now, let's go to June the 23rd in your memorandum because I do have some questions as to statements made in that. The first part there where you describe the beginning of the meeting. On June 23rd at one o'clock, I called with Director Helms on John Ehrlichman and Robert Haldeman in Ehrlichman's office at the White House. Haldeman said the bugging affair at the Democratic National Committee Headquarters at the Watergate Apartments had made a lot of noise and that the Democrats are trying to maximize it. The FBI had been called in and was investigating the matter. The investigation was leading to a lot of important people, and this could get worse. He asks what the connection with the agency was, and the Director repeated that there was none. Haldeman said the whole affair was getting embarrassing

and it was the President's wish that Walters call on Acting Director L. Patrick Gray and suggest to him that since the five suspects had been arrested, this should be sufficient and it was not advantageous to have the inquiry pushed, especially in Mexico, etcetera."

Now, my question to you is, right at that point, don't you consider this to be a rather strange conversation for CIA officials to be involved in. I mean, with the exception of that one sentence, "He asked what the connection with the agency was, and the Director repeated there was none." All the rest of those three paragraphs deal with a political situation here in the United States. It has nothing to do with the CIA. I mean, didn't it occur to you at that time that this was a rather strange conversation for you to be involved in? It sound more to me like a meeting of the Republican National Committee than the meeting of the CIA. Did this occur to you that this is a rather strange subject for us to be sitting around here talking about?

GENERAL WALTERS: In my mind there was a distinction between the agency being involved, in the sense of having had any participation in the operation against the Democratic National Committee. What I understood Mr. Haldeman to be referring to was CIA activities outside the United States.

SENATOR WEICKER: But I know, but that's not the context of these comments. This is strictly -- it is focusing on -- "This is an embarrassing political situation. The investigation is leading to important people. Haldeman said the whole affair is getting embarrassing, and it was the President's wish that Walters call on Acting Director Patrick Gray and suggest to him that since the five suspects had been arrested, this should be sufficient."

GENERAL WALTERS: I may not have been complete in that. As I stated at the outset, this is not the totality of what is said. He gave these general considerations, and then the concern he expressed was that the FBI investigation in Mexico might jeopardize some assets or some activity of the CIA. He was talking in a philosophical sense about what had happened in the United States, and then the other part that I understood referred to the possibility of compromise of CIA assets or personnel outside the United States.

SENATOR WEICKER: All right. So you leave the meeting and, as Director Helms said yesterday, and I'd like to ask you whether you had the same feeling, that he frankly was uneasy with -- uneasy with what were the orders that had been given to you from Mr. Haldeman, and that he stated yesterday -- I'm trying to paraphrase his testimony -- that he suggested to you that you might call on Gray and indicate to him the normal arrangements as between the FBI and the CIA, and that was quite sufficient. Do you recall any such conversation?

GENERAL WALTERS: I recall such a conversation, but I

did not recall it was being quite as limitative as Mr. Helms mentioned yesterday. At no time did he tell me that I was not to deliver the message I had been given to deliver. He did emphasize that I should remind Mr. Gray of this agreement between the CIA and the FBI not to interfere with one another's operations.

SENATOR WEICKER: So now you go to the Acting Director and you state to him, "I repeated that if the investigation were pushed South of the Border, it would trespass on some of our covert projects, and in view of the fact that the five men involved were under arrest, it would be best to taper off the matter there."

Now, General Walters, I'm trying to phrase this as best I can, because I certainly believe you to be a man of integrity, and I think your career speaks for that. This wasn't really exactly -- this concept that you left with the Acting Director really wasn't the truth, was it?

GENERAL WALTERS: I had no way of knowing, sir. I presumed Mr. Haldeman had information that I did not have, that something in this investigation would uncover assets of the CIA. I had been with the CIA six weeks at this time. I did not know the details of this operation in Mexico. Mr. Haldeman was a very well informed man, close to the top of the American structure of government. I had no reason to doubt him. I had no reason to doubt any of the senior people in government with whom I was talking at this stage of affairs.

SENATOR WEICKER: Well, all right. Then may I just ask you this question? When you said this to Mr. Gray, did you say to Mr. Gray Mr. Haldeman has told me to tell you these facts, or did you deliver this to Mr. Gray as if this were your own idea.

GENERAL WALTERS: I believe, to the best of my recollection, Senator, that I told him that I had come from the White House, that I had talked to some senior people there, and I then proceeded to deliver this message to him.

SENATOR WEICKER: Well, as Mr. Gray sees you standing before him as a representative of -- the Assistant Director of the CIA, would he have every right to believe that this was the opinion of the CIA, or that this was coming from the White House?

GENERAL WALTERS: I believe that he had the right to think that the message that I gave to him, that this could jeopardize assets of the CIA, was essentially correct.

SENATOR WEICKER: And at what point in time did you disabuse Mr. Gray of this concept that you had left with him on the 23rd of June?

GENERAL WALTERS: Directly, on the 6th of July. However,

on the next working day -- this was a Friday evening -- on Monday, I told Mr. Dean, who I was informed was in charge of this whole matter, that there was no agency involvement, that this would not jeopardize any activities of the agency. As I stated earlier, perhaps naively, I believed Mr. Dean would tell him, since they were obviously in contact with one another. In retrospect, I should certainly have called Mr. Gray and told him myself.

SENATOR WEICKER: Now, do you -- I want to get back to the basis of the belief that Mr. Haldeman would know something about the operations of the CIA that you and the Director didn't know. I find that to be rather unusual. I'm not saying that there are things in the White House, in a broad general way, in the way of policy, that they wouldn't know or that wouldn't be in your knowledge and would be in theirs, but as far as the actual operations of the CIA, is there anything that you feel the White House knows that you don't know, you and the Director?

GENERAL WALTERS: We could know if we went into it, but there are cases where the White House is sometimes supported or something is done for them in foreign countries by members of the CIA, and it would be awkward for me to go into details...

SENATOR WEICKER: And without the knowledge of the CIA?

GENERAL WALTERS: Well, I think if it's clearly evident that it's coming from the White House, at least at this time, without the knowledge is difficult to say, without the knowledge of the CIA. This is why I felt someone in the CIA might know and why I checked with the geographic people.

SENATOR WEICKER: Well, then, my last question is very simply this. Is it possible for Mr. Haldeman or Mr. Ehrlichman to give direction to a CIA agent without the Director or the Assistant Director knowing?

GENERAL WALTERS: To give instructions, I don't believe so, sir.

SENATOR ERVIN: Senator Talmadge.

SENATOR HERMAN TALMDAGE: General Walters, for how long and in what capacity have you known President Nixon?

GENERAL WALTERS: I have known President Nixon, I believe, Senator, since 1957. As I testified earlier, I served as his interpreter during a trip he made through eight countries in South America. Subsequently I saw him only on the anniversary of the stoning in Caracas, where the car was attacked by a mob. He used to give a party during the time -- the many years he was Vice President, he used to give a party once a year. I went to that. In the years

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between Mr. Nixon's departure from the White House and his reelection as President, I saw him perhaps three times in those eight or nine or whatever it was years. After Mr. Nixon became President, I accompanied him on two trips around Europe. I saw him on an occasional basis. As I have testified earlier, I have not seen Mr. Nixon privately to talk to since the 2nd of May, 1972 when he swore me in as Deputy Director of the agency. I've had one phone call with him in that time frame. He called me for something concerning his trip to Moscow. Nothing else was discussed.

SENATOR TALMADGE: Would you say that your relationship was personal as well as professional?

GENERAL WALTERS: I would say yes, Senator. When you've shared the kind of danger that I mentioned this morning, there is a certain element, but I would like to bring out that I have also served as interpreter to President Truman, to President Johnson, and to President Eisenhower.

SENATOR TALMADGE: We've had some testimony, General, before the committee here that the White House was making efforts to make all the agencies more responsive to the White House. Would you say that your appointment as Deputy Director of the CIA was an effort to make that agency more responsive to the White House?

GENERAL WALTERS: I would say, Senator, that normally a President appoints people, presidential appointees, because he has confidence in them. There has been some testimony that I've heard to the effect that someone had said that I was put in the agency in order to influence agency policy. In all fairness, I would like to say that with the single exception of the events about which I am testifying today, no one in the White House, the President or anyone else, has ever sought to influence agency policy through me.

SENATOR TALMADGE: I'm told that you have a very outstanding background for the position that you hold. Is it true you speak eight different languages?

GENERAL WALTERS: Yes, Senator, it is.

SENATOR TALMADGE: I'm also told that on one occasion when the President was in France, when you were there as military attache, that he made a 15-minute speech, you listened to it and repeated it verbatim in French. Is that correct?

GENERAL WALTERS: That's very flattering, but I doubt if it was verbatim, Senator.

SENATOR TALMADGE: I wondered if your memory was that phenomenal. Now, General, there's one very important point here

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in your testimony. I don't know whether it's escaped the attention of others, but it's important from my standpoint. You have a memo dated here July the 13th, 1972, and in that memo -- do you have it before you? You read it into the record, I believe. It's on the occasion that the President called Mr. Gray to congratulate him on the FBI action which had frustrated the aircraft hijacking in San Francisco, and I picked up your exact language at that point. "The President asked him,," referring to Gray, "if he had talked to me about the case." What case are you referring to?

GENERAL WALTERS: The Watergate case, I would presume, sir. That was my understanding of it.

SENATOR TALMADGE: I had assumed that that was what you had reference to in this memo. "Gray replied that he had." That meant that you and Gray had conferred, of course, about the Watergate case, and Gray at that point, the Director of the FBI, was reporting that fact to the President of the United States.

GENERAL WALTERS: That was my understanding from what Mr. Gray told me.

SENATOR TALMADGE: All right. Go on down further now. "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 that he felt that the President should get rid of the people that were involved. Any attempt to involve the FBI or the CIA in this case would only prove a mortal wound,," and you say that was your words, "and would achieve nothing. The President then said, 'Then,'," I'm quoting direct the President now, "'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," meaning you, "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 said okay."

Is that a correct verbatim quotation from your statement?

GENERAL WALTERS: That is a correct verbatim quotation, Senator. But as I added earlier, I do recollect -- I did not put it in the memorandum -- Gray saying that the President had told him to go ahead with his investigation.

SENATOR TALMADGE: Now, am I to conclude from that that at that point, and that was July, early July 1972, the President of the United States had the opinion of the Acting Director of the Federal Bureau of Investigation and the Deputy Director of the Central Intelligence Agency that there was something going on wrong in the White House staff and he ought to correct it?

GENERAL WALTERS: This is my assumption from my recollection of what Mr. Gray told me.

SENATOR TALMADGE: That would be my conclusion from reading your remarks here. Now, am I to assume from your testimony that you felt that these repeated efforts from the White House staff, on the part of Haldeman and Ehrlichman, and subsequently Mr. Dean, when they tried to get you involved in a cover-up, against your best judgment, against your own will, that it was an effort on the White House staff's part to get you and Mr. Gray, the Director of the Federal Bureau of Investigation, to act in concert to cover up this case?

GENERAL WALTERS: Senator, I would like to draw a distinction between the three people you have mentioned. As I have testified earlier, I believed at the time that Mr. Haldeman asked me to go to see Mr. Gray that he did have -- could have some information. Mr. Ehrlichman, as I recall it, in all fairness, did not take part in this conversation.

My first conversation with Dean on the 26th made me suspicious. When he asked me if the agency could pay bail and te salary of these people when they were in jail, I became convinced that the option of doing something improper was being explored. I would remind, however, that I had no further conversation with Mr. Ehrlichman or Mr. Haldeman at any time after the 23rd of June, so there was really a differentiation in what the three people were asking me to do. As I have said before, if I had thought Mr. Haldeman was asking me to do something improper, I wouldn't have done it.

SENATOR TALMADGE: Yes, I'm certain you would not have, sir. There's one final thing I would like to ask you, sir. You have been on a professional basis with the President of the United States, as well as a personal basis. You saw what was happening in his staff to get two of the most important agencies in the United States involved in obstruction of justice. Why didn't you, sir, ask for an appointment with the President and go over and tell him frankly what was happening?

GENERAL WALTERS: Sir, I felt that would have been circumventing my channels. I reported it to my superior, Mr. Helms, and I reported it to the Acting Director of the FBI.

SENATOR TALMADGE: You didn't think you should go higher than that.

GENERAL WALTERS: If I had been pushed, if I had been told to do something improper, I would have. I made this quite plain to Dean. He was exploring with me. I made quite plain to him, from the very first meeting, that if he attempted to order or direct me to implicate the agency in any way, I would resign and I would go and tell the President, and I didn't hear much from Mr. Dean after that.

SENATOR TALMADGE: You've had a long and distinguished career in the Army now. If you saw something going on as a first

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lieutenant that you knew was absolutely inherently wrong and ought to be corrected, would you ever have the occasion to bypass the captain and go see the major in an effort to get it corrected?

GENERAL WALTERS: If I saw something going on wrong, I believe I would, Senator. But I must repeat that what Mr. Dean was asking me to do -- he wasn't asking me. It was all tentative exploration. Had Mr. Dean at any time ordered me to do something improper, I would have asked to see the President.

SENATOR TALMADGE: I'm not talking about that. There's no reflection whatever on your conduct, General. I commend you for it. You were asked to get involved in the obstruction of justice and you didn't do it. But you did know that some of the closest confidants and advisers to the President of the United States were involved in that conspiracy, and you didn't inform the President. Why not?

GENERAL WALTERS: I don't quite take the same assumption on the question that you do, Senator, but I will try and answer it.

First of all, to go back to the climate of this time, the agency was under attack with various unjustified accusations. My interviews with Mr. Dean were alone. It was his word against mine. If I had gone out and simply accused him of trying to involve me in something, and he had said no, the environment in the United States at that time would not necessarily have been favorable to my unsupported word. I would have simply involved the agency in further publicity in support of something I could not prove, other than by my statement.

My overwhelming concern, Senator, at this time, as it is today, because I believe that an effective CIA is essential to the United States. Had I gotten us involved in a donnybrook, which I couldn't prove other than by my unsupported word, I would not have served the purpose that I was attempting to serve.

SENATOR TALMADGE: General, I have no further questions. I want to compliment you on your long and distinguished service to your country and your absolute candor in testifying before this committee.

GENERAL WALTERS: Thank you very much, Senator.

SENATOR ERVIN: Senator Gurney.

SENATOR EDWARD GURNEY: General, there are two different versions about what Mr. Haldeman said to you at that first meeting. In your memo, and I read from the memo, it says, "Haldeman then stated I could tell Gray that I had talked to the White House and

suggested that the investigation not be pushed further."

In your testimony before the Appropriations Committee, you had this to say, and this from the record of the Appropriations Committee, "Mr. Haldeman said this, 'It has been decided that you, Walters, will go to Mr. Gray and tell him that if the investigation of the Mexican finance part of this thing is pursued, it may uncover some CIA assets.'"

That is somewhat different. Which order did he actually give you, or what did he say to you?

GENERAL WALTERS: Senator, being a lesser man than Matthew, Mark, Luke and John, I also occasionally -- I do not, in retrospect, in thinking it back and refreshing my memory, I do not recall him mentioning money.

SENATOR GURNEY: I'm not trying to trip you up, General, please believe. But there is a tremendous difference between these two versions. One version is that Haldeman is ordering you to order the FBI to stop. The other one is to inform the FBI that if they pursue this Mexican money business, it may uncover some CIA assets. And those are two diametrically different things.

GENERAL WALTERS: My best recollection, Senator, as I see it, was that the pursuit of this investigation in Mexico -- in Mexico, and limited only to Mexico -- could endanger CIA assets. Whether the money aspect came into my mind because Gray mentioned it when I talked to him, which was prior to my testimony before the House Appropriations Committee, but long subsequent to the memorandum I wrote, I would rather, in this case, trust the memorandum I wrote five days later than the testimony I might have given a long time later, influenced by what I knew subsequently that the Mexican thing involved money. Right presently, my recollection is that money, specifically, was not mentioned.

SENATOR GURNEY: Well, that really isn't the thing that I'm talking about. The money is kind of incidental here. What I'm talking about is whether Mr. Haldeman directed you to go to the FBI and tell them not to, let's use your own words here, "push the investigation further."

GENERAL WALTERS: That is correct, Senator.

SENATOR GURNEY: That really is ordering the FBI to stop. The other one is saying to the FBI that if you pursue something in Mexico, whether it's money or anything else, that's unimportant, that it may interfere with the CIA.

And one of the reasons why this is so important and why I'm asking it is that one version, the version you gave before the Appropriations Committee, coincides, I think, with what the President told Haldeman to do. The other one, in your memorandum,

coincides more with what apparently was going on in the White House that we've learned before this committee here in these last several weeks, and that was a cover-up. That's why it's important to get this thing pinned down, if we can.

GENERAL WALTERS: The only thing I can tell you, Senator, is to the best of my recollection at the present time, in all the light of what I know, I was told, "You will go to Mr. Gray and you will tell him that if the investigation in Mexico is pushed further, it may" -- I didn't say stop -- "It may uncover some CIA assets."

SENATOR GURNEY: Well, that coincides more with the testimony that you gave before the Appropriations Committee and less with your memorandum here. Now then, after you finished this meeting with Haldeman and Ehrlichman, you and Director Helms, you mentioned that you left the meeting and you chatted together for a moment and Mr. Helms reminded you to tell Pat Gray that there was a rapport between the two agencies.

GENERAL WALTERS: Yes, sir.

SENATOR GURNEY: But didn't you and Director Helms discuss this very unusual meeting and this very unusual order? Here is Haldeman, the presidential assistant, ordering you to go to the FBI and instruct them to do something and not do something. Didn't you and the Director discuss that unusual meeting?

GENERAL WALTERS: I think we both felt that Mr. Haldeman might have some information to which we were not privy.

SENATOR GURNEY: Well, did you ask him?

GENERAL WALTERS: Did I ask who, sir?

SENATOR GURNEY: Mr. Haldeman.

GENERAL WALTERS: I did not ask Mr. Haldeman what information he might have. I felt that if he wanted to tell me, he would have told me.

SENATOR GURNEY: But isn't the mission of the CIA to find out for the President, as well as the Defense Department and the State Department and any other interested agencies, all manner of foreign intelligence that may be dangerous or detrimental to the United States?

GENERAL WALTERS: I believe that is the general mission of the agency, yes, sir.

SENATOR GURNEY: Who would, in this government, be better able to have that kind of information than Mr. Helms and General Walters?

to our sources on this matter. The CIA is quite a large agency, and I do not believe that Mr. Helms, after six years, and I, certainly, after six weeks, did not know the details of all the agency operations in Mexico.

SENATOR GURNEY: I wouldn't expect that either, General, and I'm not really talking about that. I'm saying that it strikes me as though you might have been curious and said, "Mr. Haldeman, what are we doing down in Mexico that you're afraid is going to be interrupted?"

GENERAL WALTERS: Perhaps, in retrospect, I should have, sir. But the nature of the direction that was given to me was quite explicit.

SENATOR GURNEY: Well, but that impresses me, too. It was extremely explicit, and I wonder why there wasn't some question of it or some further inquiry by either you or Director Helms there of Mr. Haldeman.

GENERAL WALTERS: Sir, as soon as I talked to Mr. Gray, I went back to the agency and attempted to check up to see whether this was a fact or not.

SENATOR GURNEY: You mentioned also that -- I think it was in this first meeting, or it may be in one of the Dean meetings. No, it was the first meeting. "The investigation was leading to a lot of important people." Who were these important people?

GENERAL WALTERS: I was not told, sir.

SENATOR GURNEY: Did you ask?

GENERAL WALTERS: No, sir.

SENATOR GURNEY: Did Director Helms ask?

GENERAL WALTERS: I do not believe he did.

SENATOR GURNEY: In a later meeting with Dean -- I think that was the 27th -- Dean said that some of these suspects might talk. Talk about what?

GENERAL WALTERS: I thought he was telling me they might talk and involve the CIA, and it didn't worry me one iota because I knew that there was nothing that they could say which would involve the CIA.

SENATOR GURNEY: Didn't it occur to you that he might be saying that they might talk and involve somebody in the government other than the CIA?

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GENERAL WALTERS: No, sir. That was not the understanding I had of it. The understanding I had was that they might talk and involve the CIA.

SENATOR GURNEY: Maybe in the Committee to Reelect the President?

GENERAL WALTERS: My understanding was that it referred to us, sir, that it was a veiled form of a threat.

SENATOR GURNEY: It didn't occur to you that it might be people in the White House?

GENERAL WALTERS: Well, by the time I had...

SENATOR GURNEY: They might talk about people who were in the White House.

GENERAL WALTERS: This thought did cross my mind. Yes, sir.

SENATOR GURNEY: Did you ask him?

GENERAL WALTERS: No, I did not.

SENATOR GURNEY: This business about the letter from the CIA to the FBI, that the FBI should not go ahead with this investigation because it might compromise security interests. Who asked the agency to write a letter to the FBI?

GENERAL WALTERS: On the 5th of July, Senator, Pat Gray called me and said, "I can't stop this unless I get a letter from you, or the Director, from Helms or from you saying that the further pursuit of this investigation in Mexico will jeopardize CIA assets." That was the first mention of it.

SENATOR GURNEY: Did he indicate that somebody had asked him to talk to you and ask for a letter?

GENERAL WALTERS: I do not have any recollection of that, Senator.

SENATOR GURNEY: Did you ask him?

GENERAL WALTERS: No.

SENATOR GURNEY: It was your impression that he was going ahead and only that could stop him from going ahead.

GENERAL WALTERS: That was my impression, Senator.

SENATOR GURNEY: I won't repeat the question that Senator

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Talmadge asked. I had it here to ask myself, about the long association with the President, and all of these very unusual events that occurred between the White House people and CIA and the FBI that would certainly lead to indicate that all was not well in these requests made of you, and, of course, you realized that, and you didn't do anything about it, and I share Senator Talmadge's feeling that you acted properly. I do indeed, and I don't want to question that. And I won't ask you why you didn't go to the President. He already has done that. But did you ever discuss this with Director Helms and say, "Now, Mr. Helms, all this is going on here. Something really must be very strange. Do you think that we ought to advise the President?" Did you ever discuss that with Mr. Helms?

GENERAL WALTERS: I don't think we did, Senator. I think one of the reasons for that, which is difficult to see in retrospect, is this was compressed in a very short period of time. The whole span of this was from the 23rd to the 28th, in a period of five days. After that, after I told Dean that if he pushed me any further I would go to the President, I never heard from him again.

SENATOR GURNEY: Yes, and I can understand that, and that occurred to me also. But then in February of the next year, here comes a call from Mr. Dean saying, "Now, there's some material over there in the FBI that you gave the FBI -- the CIA gave the FBI. I want you, that is, the CIA, to request that material be returned to you and simply a card put in there with that advice, that it had been returned, without any reference to what the material was."

Now, what did you think Mr. Dean was trying to do then?

GENERAL WALTERS: Well, as I -- you will recall, Senator, he called Dr. Schlesinger, not me. I thought that he was trying to, as I put it, leave an arrow in the Department of Justice files pointing at Langley.

SENATOR GURNEY: But, again, didn't that occur to you and Director Schlesinger, and I do remember now the call was to him. But you and he discussed it, and you also discussed it, did you not, in reviewing all these other facts that had occurred in 1972? Weren't those brought up again? Didn't you say you talked to Director Schlesinger about that?

GENERAL WALTERS: I talked to Director Schlesinger before Dean's call.

SENATOR GURNEY: But he knew about those things.

GENERAL WALTERS: He knew about the events that had gone before. Yes, sir.

SENATOR GURNEY: Well, in your discussions about this

latest request from Mr. Dean, did you and he raise the question that this looks like a cover-up over there at the White House that Mr. Dean may be involved in?

GENERAL WALTERS: No, sir. I think we regarded it as making an improper suggestion to us that would incriminate the agency, which was not implicated. We refused to do this, and Mr. Dean asked nothing further of us.

SENATOR GURNEY: But why would he want to incriminate the agency? That wouldn't do him any good, or the cause that he was so eagerly working at at that particular time, would it?

GENERAL WALTERS: I don't know what his motivation was, Senator.

SENATOR GURNEY: Motivation to me looks like he wanted that material out of there so that it wouldn't be seen by the prosecutors or somebody in charge of prosecuting the case. It was definitely a part of the cover-up.

GENERAL WALTERS: That could have been the case. Yes, sir.

SENATOR GURNEY: But anyway, there wasn't any discussion about that.

GENERAL WALTERS: No, sir.

SENATOR GURNEY: Well, I think my time has elapsed, and I certainly agree, as I say, with Senator Talmadge, that the CIA is clean in not involving themselves in this messy business that we've been discussing here for several weeks, but I do wish that somebody had warned the President of the United States. It would have been very helpful, I think. That's all.

SENATOR ERVIN: I'd just like to announce that Senator Montoya is floor manager of the pending bill before the Senate, for that reason cannot be here.

General, at the first approach of John Dean to you was to inquire whether or not the CIA was involved in the Watergate break-in, wasn't it?

GENERAL WALTERS: Yes, Mr. Chairman.

SENATOR ERVIN: And you assured him, as well as everyone else you conversed with, that the CIA had no part in the Watergate burglary.

GENERAL WALTERS: That is correct, Mr. Chairman.

SENATOR ERVIN: Then he told you that he had a problem,

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and his problem was to stop the investigation with the five men that were caught in the Watergate, and he wondered whether the CIA could afford him any assistance, and you informed him that the CIA could not afford him any assistance in the solution of that problem, and would not.

GENERAL WALTERS: That is correct, Mr. Chairman.

SENATOR ERVIN: And, as you state, this whole -- your communications about this matter with either Mr. Dean or anybody else covered a period of only the period from June the 23rd to June the 25th.

GENERAL WALTERS: 8th.

SENATOR ERVIN: 28th, I mean. And that no further approaches of any kind were made to the CIA, and that you assumed that whatever problem -- that the communications you had made to Dean had put an end to any effort to enlist any aid of any kind on the part of the CIA.

GENERAL WALTERS: That was my impression, Mr. Chairman.

SENATOR ERVIN: Now, you were asked whether you thought that you should have made any communication to the President, but you were aware of the fact that on July the 26th -- July the 6th, you were later acquainted by Mr. L. Patrick Gray, the Acting Director of the FBI, that he had communicated with the President, and that he had informed the President that some of his aides were doing him mortal injury.

GENERAL WALTERS: That was what he told me.

SENATOR ERVIN: Now, you have testified so clearly that I have no further questions. I just wish to make two comments.

I assume from your evidence that you accompanied President Nixon when he was Vice President on a tour to South America when he was -- suffered attacks by individuals or groups down there.

GENERAL WALTERS: Yes, sir.

SENATOR ERVIN: And you testified that he displayed great courage, and I would like to say that, from that time, from hearing what I heard over the media and what I read in the newspaper, that I certainly concur in that opinion. I would also like to say that I could concur in your opinion that in the precarious in which our nation now exists, that one of the best ways to make it certain that our nation can remain a free country is to have an efficient and viable organization like the CIA.

GENERAL WALTERS: Thank you very much, Mr. Chairman.

SENATOR ERVIN: Senator Baker.

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SENATOR HOWARD BAKER: General, I've told a number of witnesses, almost every witness, I guess, that they should not assume from my questions that I believe or disbelieve their testimony, or that the nature of the inquiry signifies anxiety or concern on my part or satisfaction, but rather, my questions are designed to elicit particular information, and in some cases, to test that information against the testimony of other witnesses, documentation and circumstances. I'm sure you understand that.

GENERAL WALTERS: I do, Senator.

SENATOR BAKER: It may be that some of the questions I'm going to ask you, you have no personal knowledge of. If that's the case, I'd be happy to be directed to a better primary source of information.

I have today received three bound copies of documentation which I understand was supplied by the CIA to the staff of this committee. I have not yet had an opportunity to examine it. [Inaudible conversation]. I understand from Mr. Dash that the material was supplied by the CIA to the Appropriations Committee and by the staff of the Appropriations Committee to the staff of this committee. But, in any event, the significant thing is that I've only just seen it, and there has not been an opportunity to read it and digest it, so if I skip around a little, it does not mean that I am trying to pinpoint a particular item of being of significant importance, but rather that that's what I've been able to run across so far.

Let me state one other thing in preamble. I am in no way trying to buttress the idea that the CIA was involved in Watergate. I'm making no such allegations. I have a great respect for the CIA and a great appreciation for what it's done, for you, for Director Helms, for all of those other great gentlemen who serve this nation, I believe, very well and very diligently. So, with that preamble, I'd like to ask you a few questions.

I notice in this document a whole series of letters from McCord to the agency. Are you familiar with those letters?

GENERAL WALTERS: I became familiar with them, I would say, in the beginning of June of this year, Senator.

SENATOR BAKER: Now, to begin with, Mr. Chairman, I might note, as we have on previous occasions, that these documents are nominally classified "top secret, handle via COMINT control system only," and marked inside on several pages, "for administrative use only" and "sensitive." We understand -- I understand, Mr. Chairman, that insofar as the evidence that may be -- the material that may be contained in these documents is clearly relevant to the inquiry of this committee, that we have the authority, by communication from the White House and by the inherent authority of this committee of the Congress, to put them in the record notwithstanding.

SENATOR ERVIN: I so construe our authority.

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SENATOR BAKER: Would you bear with me just for a moment, General, while I go back and try to find the McCord letters.

I'm sorry for the delay, Mr. Chairman, but, as I say, it's only while questioning began that I've had an opportunity to look at these documents, and I've noted their location by paper clip, and that turns out not to be the very best form of indexing.

Maybe you can tell me, General, while we're still looking for these letters, how many letters were there from Mr. McCord to the CIA after he was arrested on June 17th that are reflected in these documents?

GENERAL WALTERS: It's quite difficult for me to answer this question since I had no personal contact and knowledge of them until I heard about them in a general way about a month ago.

SENATOR BAKER: But you are aware that there are a number of them.

GENERAL WALTERS: Yes. I've heard that discussed and mentioned.

SENATOR BAKER: Have you read the letters?

GENERAL WALTERS: No, sir. I have not.

SENATOR BAKER: I'm referring now to what appears to be copy number two, Tab N, and the first entry is a letter dated January 5th, 1972, which simply says, "Notes," and is unsigned, but which has accompanying it a Xerox copy of an envelope addressed to Paul F. Gaynor, G-A-Y-N-O-R, 4629 35th Street, North Arlington, Virginia. Do you recognize that name?

GENERAL WALTERS: I believe that is a member of our organization, yes.

SENATOR BAKER: Is that a standard method of reaching or conveying information to your agency?

GENERAL WALTERS: I wouldn't know, sir.

SENATOR BAKER: Do you know who Mr. Gaynor is?

GENERAL WALTERS: I know that he is an agency employee. I do not know him...

SENATOR BAKER: Do you know why Mr. McCord would be writing to him?

GENERAL WALTERS: I have heard it said that he knew Mr. McCord when Mr. McCord was still working with the agency.

SENATOR BAKER: Can you tell us what Mr. Gaynor's function

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is at the CIA?

GENERAL WALTERS: I believe he works in the Office of Security, Senator. I'm not sure of that, but I believe he works in the Office...

SENATOR BAKER: Did he work with Mr. McCord when Mr. McCord was in the Office of Security?

GENERAL WALTERS: I have been given that to understand. I have no personal knowledge of it.

SENATOR BAKER: Much of this is information we already have from the testimony of Mr. McCord, and I guess an additional preamble might be in order. I'm not trying to contradict the testimony of Mr. McCord. As a matter of fact, much of this corroborates it. But I want to do this to reach a final area of inquiry.

The January 5th, 1972, quote, note says, "The outfit tried to lay the operation at the feet of the CIA this week and failed."

Paragraph 2. "Yesterday, they tried to get all the defendants to plead guilty, thus protecting those higher up from involvement, and that failed. Barker and Hunt allegedly were willing to plead, so it is said, McCord and Liddy refused.

"3. In revenge, now the prosecution is planning to state that the motives of at least some of the defendants was blackmail. This came out in the ACLU hearings today in which the ACLU lawyer said that he was told this by the prosecution, that blackmail was the motive.

"4. The outfit is even getting predictable. It was anticipated that when I refused to implicate CIA they would undertake a massive character assassination attempt.

"5. The judge is not buying this ploy. He indicated as much this morning, referring to it as a cover story and indicating that the world was watching this case, the Democrats were criticizing its handling, and that the jury was going to get to the bottom of it. He said that he would personally examine the tapes of testimony and send any of the grand jury that involved higher-ups or lower figures involved. Some of the newsmen say they are scapegoats. We are scapegoats. They are right."

"Corrected telephone call data. Call to Israeli Embassy September 21st, 1972, 8:35 A.M. Telephone 762-8720. Call to Chilean Embassy October 10, 1972, 4:50 P.M. Telephone number the same." There are ditto marks under it.

Do you have any idea why Mr. McCord would be passing on that information to the CIA?

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GENERAL WALTERS: I have no idea why he might, sir, except -- what I've read in the newspapers, I gather he still felt a sense of loyalty to the CIA, and he was anxious that it not be blamed for something for which it was not responsible.

SENATOR BAKER: And once again, I'm not trying to put you on the spot, but is the fair inference to draw from that information that Mr. McCord was at least hoping that you would investigate whether or not those calls to those two embassies were recorded?

GENERAL WALTERS: I do not know what he was thinking, Senator. As I told you, I had no knowledge of this letter until June of this year.

SENATOR BAKER: Thank you, General.

GENERAL WALTERS: The existence of it.

SENATOR BAKER: The next page. "It would appear that we headed them off at the pass -- It would appear that we've headed them off at the pass. The crisis appears to be over." Also addressed to Mr. Gaynor.

Are you familiar with that statement?

GENERAL WALTERS: I believe these were published in the newspapers, unless I'm mistaken.

SENATOR BAKER: These letters?

GENERAL WALTERS: I don't know whether they were, but I have read them somewhere and I have heard that statement before. Yes, sir.

SENATOR BAKER: "We took them up to the brink on this, but I don't believe they'll try it again." I'm reading parts of it because it's very long.

Mr. Chairman, I ask unanimous consent that the collection of McCord letters, together with the cover envelopes, might be received in evidence as an exhibit.

SENATOR ERVIN: Without objection, it is so ordered.

SENATOR BAKER: The next item is unaddressed, but it's dated December 29th, 1972, and it appears to have been transmitted in an envelope also addressed to Mr. Paul F. Gaynor, postmarked from Rockville, Maryland on the 29th of December, at the same address.

"What is needed," is the salutation, "evidence of illegal government wiretapping of our telephones, either of -- on national security grounds or domestic security grounds, both of which are

done on authority of the Attorney General's signature alone. There were two national security calls by me from our home phone, 762-0187, one was made to the Israeli Embassy on blank, and the other was made to the Chilean Embassy on blank. Both calls were witnessed by my wife. I am convinced that from at least June 17th-early July, there was a wiretap on our home and office phones on authority of the AG's signature alone.

"On June 26th, 1972, the Supreme Court declared such wiretaps illegal, and several cases have been dismissed on these grounds recently, rather than disclose the adversary proceeding -- in the adversary proceedings, the contents of such calls and conversations and the names of the party involved. There is no question but that our home and office phones are still being tapped. It is being done without a court order. We are in an excellent position to have the cases dropped. What I need is proof -- logs, transcripts or testimony from an FBI agent or two who had monitored such calls. Evidence of perjury or false swearing by Gary Bittenbender (?), the MPD" -- I take it to mean the Metropolitan Police Department officer -- "I know he is lying. Some additional evidence, even circumstantial, would help."

Going on and reading other portions of the thing -- I think in fairness to some semblance of completeness of this thing, since I am omitting parts of the letter, but they will in their entirety be included in the record, I might say that also on this tab there are statements as follows by Mr. McCord.

"I released Gerald Alch as my defense attorney in the Watergate case. In meetings recently in which plans for our defense in the Watergate trial were discussed, he persisted in a proposal that I claim that the Watergate operation was a CIA operation. That is flatly untrue, and when I rejected it, he then went on to make a second proposal.

"The second proposal then was that I claim that the four Cubans and I cooked up the bugging operation on our own. This was also untrue.

"When the hundreds of dedicated fine men and women of the CIA can no longer write intelligent summaries and reports with integrity, without fear of political recrimination, when their fine director is being summarily discharged in order to make way for a politician who will write or rewrite intelligence the way the politicians want them written, instead of the way the truth and best judgment dictates, our nation is in the deepest of trouble and freedom itself was never so imperiled. Nazi Germany rose and fell under exactly the same philosophy of governmental operations."

Now, I understand that I'm imposing on you, General, but do you -- can you give us any insight into why Mr. McCord was passing on these reports to the CIA on a regular basis, addressed

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to this person? Have you ever inquired into it or can you give me any insight?

GENERAL WALTERS: I haven't really inquired into it. I've just heard it discussed. I gather that Mr. McCord, at least in this period, still felt an intense feeling of loyalty towards the agency. He did believe that somebody was trying to frame it.

SENATOR BAKER: But it did seem like he was asking for help from the CIA.

GENERAL WALTERS: He may have been, sir, but, as I say, I did not see these letters.

I would like to make one comment, however. It is perfectly obvious that anyone who thinks Dr. Schlesinger can be pushed around or made to write anything that will suit anybody has never met Dr. Schlesinger.

SENATOR BAKER: I entirely agree with you. I have met Dr. Schlesinger. I've had some rather heated debates with Dr. Schlesinger when he was Chairman of the Atomic Energy Commission, since I'm on the Joint Committee on Atomic Energy, and I must say, we came away, neither of us claiming victory, I think, but I came away with a very, very heightened respect for his integrity and also for his toughness.

GENERAL WALTERS: Six months of working for him gave me the same feeling...

SENATOR BAKER: I wouldn't imply for a moment, nor would I condone the implication that that description would fit Dr. Schlesinger. I don't believe it for a second. Now, I've just violated the rule that I put on myself that I won't comment on the testimony, but in that one I will.

GENERAL WALTERS: Sir, if I may, I'd like to say that my statements apply to James Schlesinger.

SENATOR BAKER: Pardon?

GENERAL WALTERS: My statements apply to James Schlesinger, who is the Secretary of Defense.

SENATOR BAKER: That's right. And he was once head of the CIA and before that, Chairman of the Atomic Energy Commission. And who knows what he may be next.

[Laughter]

SENATOR BAKER: I'm reading now from the memo of December 29th, 1972, also in an envelope addressed to Paul Gaynor. One paragraph reads:

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"Their persistence in wanting to let Gary Alch call Helms to testify and to call Vic Marchetti to lay the background re. CIA employees once caught in the act refusing to admit it, also re. custom and tradition of CIA along this line."

Reading now from paragraph 4:

"The fixed police officer's report, that of Gary Bittenbender, not Carl, as previously reported. The impact of his statement is one which can be read two ways, giving them a fallback position. One, that I claimed to him at the time of the arraignment that this was a CIA operation, and B, that this was an operation that we, the Cubans and I, cooked up on our own. No such statements were made. They're absolutely false."

Now here is a simple sheet of paper that has the words "Mitchell, Dean, Magruder, Colson and Liddy" on it, attached to that memo with no explanation. And beyond that:

"The MPD officer's name is Carl Bittenbender. The pressure is still on. They can go to hell. Any time you need me to testify before a congressional committee in your behalf, just yell."

Now, this was addressed to Mr. Gaynor of the CIA. Was there any thought that you know of in the CIA of calling Mr. McCord to testify on behalf of the CIA?

GENERAL WALTERS: No, sir. Not that I've ever heard of.

SENATOR BAKER: Another one, handwritten to Mr. Paul Gaynor, postmarked Washington, D.C. The post date is illegible, and there's none on the typed memorandum.

"Jack. Sorry to have to write you this letter, but felt you had to know. If Helms goes and if the WG operation is laid at CIA's feet, where it does not belong, every tree in the forest will fall. It will be a scorched desert. The whole matter is at the percipice right now. Just pass the message that if they want it to blow, they're on exactly the right course. I'm sorry that you will get hurt in the fallout."

Another one, December 22nd, 1972, addressed to Mr. Paul Gaynor at a different address, 1005 South Quebec, Arlington, Virginia.

"Dear Paul. There is tremendous pressure to put the operation off on the company."

Is the CIA referred to internally sometimes as the company?

GENERAL WALTERS: Sometimes.

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SENATOR BAKER: "Don't worry about me no matter what you hear. The way to head this off is to flood the newspapers with leaks or anonymous letters that the plan is to place the blame on the company for the operation. This is of immediate importance because the plans are in the formative stage now and be preempted now, if the story is leaked so that the press is alerted. It may not be headed off later when it is too late. The fix is on one of the police officers in the MPD Intelligence Department to testify that one of the defendants told him the defendants were company people and it was a company operation. He has probably been promised promotion for changing his story to this effect. Be careful in your dealings with them. I will do all I can to keep you informed. Keep the faith."

And another one, addressed to Mr. Richard Helms, Director, Central Intelligence Agency, Langley, Virginia, and a postmark, I believe, of July 30th, 1972, marked personal.

"From time to time I'll send along things you may be interested in from an info standpoint. This is a copy of a letter which I sent to my lawyer. With best regards." Unsigned.

And another one. There is no accompanying envelope, as far as this compilation indicates.

"Dear blank. A few interesting bits of information you'll be interested in. When Paul O'Brien was engaged by the committee as their lawyer in this case, the committee told him that the operation was a CIA operation. He says he did not learn otherwise until one of the defendants told him the facts and he says he blew up over it. The prosecution under Silbert had, of course, begun that line with Judge Belson from the very first hearing, although never coming right out and saying so, it was inferred by him in every hearing that I witnessed, and learned that he did so with the other defendants in the bond hearings. Now that the CIA story has not held water, or more correctly, will not be allowed to stand by the CIA, the prosecution is now planning to charge that Liddy stole the money for the operation from the committee and in turn bribed McCord and Hunt to participate, giving McCord a \$16,000 bribe on one occasion, witnessed by a participant who had turned state's evidence. Rest assured that I will not be a patsy to this latest ploy. They'll have to dream up a better one than this latest story. The state's witnesses not only be impeached on the stand, be charged with perjury before the grand jury and the federal official if it has to be such a statement to them [sic]. If the committee officials have alleged that Liddy stole the funds for such operation, they also have perjured themselves. They're subject to such a prosecution. Liddy may stand still for this, but I will not."

And a final paragraph, and Mr. Chairman, I'll stop reading.

"As I have mentioned before, I don't think a fair trial

is ever going to be obtained in Washington for the reasons I have heretofore stated -- the prejudicial press coverage, the high percentage of registered Democratic voters from whom the jury would be picked, and the pro-government leanings of such a jury, most of whom would be employed by the government and subject to a bias or duress from the prosecution -- are only some of the reasons. The matter of timing of a change of venue motion is, I realize, best left in the hands of the lawyers. The fact remains that I have lived in Washington since 1942 and know certain things about the District of Columbia from firsthand knowledge, having lived there in the past, that I wanted you to be aware of."

Now, General, as I say, I haven't had time to read all this. There's a veritable forest of paper clips that I've put on this thing already, and I'm gonna read it over the weekend, if I can, and I want to talk about it some more. It would appear obvious to me that since you came on board in your present capacity, or your service in other capacities to the agency, that you do not have firsthand knowledge of this.

GENERAL WALTERS: I was on board at the time, but I do not have firsthand knowledge of it.

SENATOR BAKER: I'd appreciate your advice on who would have firsthand knowledge of it so that I can talk to them.

GENERAL WALTERS: I would say probably the best man to talk to would be Mr. Osborne, who is our Director of Security.

SENATOR BAKER: Can you venture any estimate, based on your examination...

GENERAL WALTERS: Or Mr. Helms.

SENATOR BAKER: All right, sir. Thank you.

Can you venture any estimate, based on your knowledge of CIA operations of Mr. Hunt, or the facts, as you've found them, since June 17th, on any reasonable basis, as to why Mr. McCord would be giving you this information periodically and regularly?

GENERAL WALTERS: I tried to explain it previously, Senator. I believe Mr. Hunt felt a very strong sense of loyalty to the agency. I believe he felt there was a conspiracy against the agency, to involve it and discredit it, and this is what I believe, and this is purely my own personal opinion, and I can't substantiate it with anything other than my judgment, that he wanted...

SENATOR BAKER: Would you conduct an investigation or cause one to be done at the CIA on why McCord was in touch, and certain other matters that I'd like to discuss with you privately about this?

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GENERAL WALTERS: Had it come to my knowledge at the time, I would have, Senator.

SENATOR BAKER: Yes, sir. And the one to address that to now would be Mr. Colby?

GENERAL WALTERS: Mr. Colby. Well, technically, it would be me today, but if he's sworn in tomorrow or the next day, it would be him.

SENATOR BAKER: Why don't I ask you and you pass it on to Mr. Colby.

GENERAL WALTERS: I will, Senator.

SENATOR BAKER: All right. Thank you, Mr. Chairman.

SENATOR ERVIN: These letters would indicate -- or rather, these letters, in my judgment, would corroborate certain testimony given by McCord to this committee to the effect that there was a plan among some people to try to blame this on the CIA, and that -- including his own lawyer -- and that he resented it and knew, I believe, with all the intensity of his nature, that the CIA was not implicated in any way in the matter. Is that not a correct...

GENERAL WALTERS: That would be my assumption also, Mr. Chairman.

SENATOR BAKER: Mr. Chairman, I might say, since that represents a commentary on my interrogation, which I appreciate, but that is certainly one interpretation, and that's why I went to some pains to explain that I am not making charges. I am simply inquiring for information. But I'm afraid it is not the only possibility, and I think I owe it to myself and to the committee to try to find out as much as I can, and in addition to talking to Director Colby or possibly to Ambassador Helms or Mr. Osborne or others, I think I'd like to talk to Mr. Gaynor. I think I'd like to know whether he ever answered those letters, and what, if any, action he took. Thank you.

GENERAL WALTERS: Very well, Senator.

SENATOR ERVIN: Well, I certainly concur in your opinion. We ought to get as much light on this subject as we can. Senator Weicker, do you have any further questions?

SENATOR WEICKER: I have a few more questions, Mr. Chairman.

General Walters, you've indicated that Mr. Haldeman gave you a direction -- maybe that's the best way to phrase it -- to carry to the Acting Director of the FBI -- and let me quote exactly from your memorandum here.

"Haldeman said the whole affair was getting embarrassing.
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It was the President's wish that Walters call on Acting Director L. Patrick Gray and suggest to him that since the five suspects had been arrested, this should be sufficient and that it was not advantageous to have the inquiry pushed, especially in Mexico, etcetera. Director Helms said he had talked to Gray on the previous day and made it plain to him that the agency was not behind this matter and that it was not connected with it."

And as I gather, when you and I were talking before, you indicated this well could have been based on something that was within his knowledge that might not be in your knowledge or the knowledge of the Director. Is that correct?

GENERAL WALTERS: That's correct, Senator.

SENATOR WEICKER: Well, if that was the case, why wouldn't he tell you what it was, if this was something within his knowledge?

GENERAL WALTERS: I don't know why he wouldn't tell me.

SENATOR WEICKER: Just one quick question, in passing here. That same paragraph. "And suggest to him that since five suspects had been arrested, that this should be sufficient."

Sufficient for what? Did that ever occur to you?

GENERAL WALTERS: Not really. No, sir. I didn't draw any particular assumption from it.

SENATOR WEICKER: Now, both you and Director Helms have testified that there was a discussion of Mexico. I'd like to leave it in a broad way. I don't know whether it was Director Helms who referred to money. You've indicated it didn't come up then, but there was discussion of Mexico, Mexican relationship, etcetera, rather than anything as specific as money. Is that correct?

GENERAL WALTERS: That is correct, Senator.

SENATOR WEICKER: Do you think that that discussion was substantial enough so that a man of normal recall would remember it. I mean, did it form a part of the discussions that morning?

GENERAL WALTERS: It did, Senator. The way I understood it was he felt that if the FBI continued its investigation in Mexico, in some way which was not clear to me, it would uncover either personnel or activities of the agency in Mexico.

SENATOR WEICKER: So that it did come up in more than just a casual way.

GENERAL WALTERS: Oh, it was quite specific.

SENATOR WEICKER: It was quite specific.

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GENERAL WALTERS: And the request to the FBI to, in a sense, not push the investigation to that point, was limited only to Mexico, nowhere else.

SENATOR WEICKER: Now, may I read to you from Mr. Haldeman's testimony before this committee? On page 6202:

"Mr. Dash: Do you recall discussing at that meeting that one of their concerns was that the CIA might want to have an investigation by the FBI with regard to the Mexican money?"

"Mr. Haldeman: No, I did not.

"Mr. Dash: Mexican relationship?"

"Mr. Haldeman: I don't recall the Mexican question being raised either by the President that morning in his instructions to me to hold the meeting, or by me in the meeting."

Do you dispute Mr. Haldeman's testimony on that point?

GENERAL WALTERS: I must stand on my own recollection of the matter, Senator.

SENATOR WEICKER: I have no further questions, Mr. Chairman.

SENATOR ERVIN: General, on behalf of the committee, I want to thank you for your appearance here and for the testimony which you've given to the committee.

GENERAL WALTERS: Thank you, Mr. Chairman.

SENATOR ERVIN: The committee will stand in recess 'til two o'clock.

REYNOLDS: ...I assume, from Senator Ervin's comment there, that General Walters is now excused from further testimony. He is presently the Deputy Director of the Central Intelligence Agency. Throughout his testimony this morning, there was very little in the way of conflict with what we assume to be the White House position, if the White House position is best expressed by Haldeman and by Ehrlichman. But at the very end, Senator Weicker did raise the question of whether the money and the Mexican money had been discussed in that June 23rd meeting in Mr. Ehrlichman's office in the White House. General Walters said the money mention was quite specific, and then Senator Weicker quoted from Mr. Haldeman's testimony, stating that the money and the Mexican question had not been raised. The question then was put to General Walters, "Are you disputing Mr. Haldeman?" And he said, with that special air of a diplomat, "I stand on my own my recollection." Which means, in fact, he was disputing Mr. Haldeman on that one point.

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Sam Donaldson is standing by outside the Caucus Room. Sam, do you agree generally with my interpretation that General Walters did no real disservice, or no damage, to the White House position this morning?

DONALDSON: Well, I agree with what you've said concerning the fact that General Walters certainly supported the position that John Dean made improper suggestions and advances, and that's the only person that he's indentified in the White House that did so to him. He continues to maintain that Mr. Haldeman did not, and you correctly pointed out the conflicting testimony between Haldeman's version of that meeting and Walters'.

There was another line of questioning of that interested me, pursued, I think, by Senators Talmadge and Gurney. That is, "Why didn't you tell the President?" It's the line that's come up before with other witnesses, Frank. And I thought at that point General Walters squirmed just a little bit. He said he thought it would be improper for him to go outside of channels, that his main concern was to keep the agency out of all of that mess, and, by implication, he left then the concern that once he had done that, he wouldn't do anything more.

As a matter of fact, just to wind up, Frank, he said that he feared that it would be his unsupported word against John Dean's, and maybe people wouldn't believe him.

REYNOLDS: Senator Gurney and Senator Talmadge, too, I gather, are simply not entirely satisfied with the instructions that were given being accepted by Director Helms and by General Walters. Senator Gurney kept insisting that these instructions were quite unusual, and he said, "Why didn't you know then that there was a cover-up underway?"

DONALDSON: Well, also, Senator Weicker brought out, I believe, that when Walters went to see Pat Gray at the FBI, he did not tell Pat Gray that he had been instructed to tell him that. He simply told him that he had been talking with senior White House officials, and then delivered the message that he claims he got from Haldeman, and did not tell Gray that it was really just a message, but left the impression that it was Walters speaking for the CIA.

REYNOLDS: And, as Senator Gurney pointed out, it's very important to try to get the correct version here. What was the impression that Pat Gray had? That this was General Walters' statement, or that he was merely relaying a message from the White House.

Well, Pat Gray will be the next witness and perhaps will have some further information on that subject....

Watergate Burglar Was on CIA Rolls

By Oswald Johnston

Star-News Staff Writer

✓ Former CIA Director Richard M. Helms disclosed today that one of the Watergate burglars was still on retainer with the CIA to monitor Cuban refugee arrivals when the break-in occurred.

✓ Helms, appearing before the Senate Watergate committee to explain the complex CIA connection with the case, made this disclosure under cross-examination by Fred D. Thompson, committee minority counsel.

✓ HELMS revealed that Eugenio R. Martinez, one of the four Cuban emigres involved in the break-in, was on a retainer contract with the CIA at the time of the break-in.

"When it was ascertained he was involved in the break-in," Helms said, "he was cut off right then—as soon as his name was reported to us by the FBI."

Helms explained that Martinez' assignment was to keep the agency informed on recent arrivals from Cuba.

Two of the other Cubans, Bernard L. Barker and Frank A. Sturgis, ave previously been reported to haave been contract employes of the agency at the time of the Bay of Pigs invasion and for a short time afterwards.

THOMPSON, reading from previously secret testimony Helms had given to the Senate Armed Services Committee investigation of the CIA-Watergate link in May, apparently was seeking to discredit Helms' version of an apparent White House attempt to use the agency in blocking investigation of Watergate.

✓ According to Helms' testimony, which has been publicly corroborated by the CIA deputy director, Gen. Vernon A. Walters, White House aides H. R. Haldeman and John D. Ehrlichman told CIA officials six days after the break-in that the Watergate incident could prove embarrassing, and that the FBI should be urged to slow down an investigation in Mexico for fear it would jeopardize CIA operations there.

Thompson, citing Helms' May testimony, quoted the former CIA director as saying the Watergate case was not even mentioned during the June 23, 1972 meeting at which Haldeman and

Ehrlichman gave their orders.

Helms said under questioning today that his recollection of a reference to Watergate as a potential embarrassment to the administration came only after Helms reviewed a memo of the conversation Walters had prepared shortly after it occurred.

Helms, who has been ambassador to Iran since March, was called back to Washington in May to testify before Armed Services and other committees, and he admitted today that he did not study the Walters memo until after his Armed Services Committee testimony.

"Is your testimony based on your memory of Mr. Walters' memory?" Thompson demanded at one point.

Earlier, Helms was insisted that the CIA had been guilty of no involvement in any of the wrong-doing imputed to White House aides.

Referring to a series of conversations he had with then acting FBI director L. Patrick Gray in the immediate aftermath of the June 17 break-in, Helms recalled he repeatedly insisted the CIA "had no involvement in the break-in, no involvement whatsoever."

Then, raising his voice, Helms repeated for the benefit of the room at-large "the message doesn't seem to get across. The agency had nothing to do with the Watergate break-in. Can all the newsmen in the room hear me now?" When he finished, Helms was practically shouting.

Thompson, Fred
CIA, OZ WALTERS,
VERNON