

# Ex-Presidential Counsel Tells of White House's Concern Over Demonstrations

## Conversation with Walters

Q. This is another very lengthy question: Mr. Dean, you have testified concerning your conversations on three different occasions with Gen. Vernon Walters, the deputy director of the C.I.A., beginning on the 26th of June. General Walters prepared a memorandum for the record of each of these conversations with you.

In General Walter's memorandum record for your meeting with him on 26 June, you are reported to have asked General Walters whether there was not some way that the Central Intelligence Agency could pay bail for the Watergate defendants and if the men went to prison, could C.I.A. find some way to pay their salaries while they were in jail out of covert action funds.

In your testimony, you made no mention of asking General Walters whether the C.I.A. could pay the Watergate defendants bail or salaries while they were in prison. Was this an intended omission on your part in the interest of saving them or do you deny that you made these specific requests of General Walters?

A. I recall I did make those requests and as I say, the omission was not intentional. I have never really read in full General Walter's depositions. So the answer is that, in fact, I recall that, that was discussed.

Q. Mr. Dean, I believe you testified that on March 26, while you were at Camp David, you called Mr. Maroulis, the attorney for Mr. Liddy, and asked for a statement by Mr. Liddy that you had no prior knowledge of the Watergate break-in. Is that correct? A. That is correct, and I have so testified.

Q. Now, at whose instances did you contact the C.I.A., that is, General Walters? A. After discussing this with Mr. Ehrlichman, he thought that I should explore the possible use of the C.I.A. with regard to assisting in supporting in dealing with the individuals who had been involved in the incident.

Q. So the C.I.A., an effort was made to involve the C.I.A. also the F.B.I., Mr. Gray, destroyed some documents which came from Mr. Hunt's safe, did he not? A. That is correct.

## Domestic Intelligence

Q. Now, I call your attention to what I designate as Document Number 3 and ask if you will read this document to the committee.

A. This is a memorandum for Mr. Huston, subject, Domestic Intelligence Review; I might add here it is from Mr. Haldeman to Mr. Huston—"The recommendations you have proposed as a result of the review have been approved by the President. He does not, however, want to follow the procedure you have outlined on Page 4 of your memorandum regarding implementation.

"He would prefer that the thing simply be put into motion on the basis of this approval. The formal official memorandum should, of course, be prepared than should be the device by which to carry it out.

"I realize this is contrary to your feeling as to the best way to get this done. I feel very strongly that this procedure won't work and you had better let me know and we will take another stab at it. Otherwise let's go ahead."

Q. Now, that letter can only be construed as a statement on the part of Mr. H. R. Haldeman to Mr. Tom Charles Huston, the aide in charge of domestic intelligence, to the effect that the President of the U. S. had approved his recommendations about removing the limitations on surreptitious, or rather, on electronic surveillance and penetration, surreptitious entry or burglary, the use of mail coverage, and of sources of information on the campuses and the military undercover agents for the purposes of gathering information upon the objectives of that.

A. That is correct, Mr. Chairman.

Q. Now, do you know that this plan was put into effect—was, rather, approved for use by the President without the prior knowledge of Mr. Mitchell?

A. I do not know that for a fact, no, sir. When I talked to Mr. Mitchell about it, it

had reached the stage that they wanted to do something. Mr. Mitchell and I talked about it and we decided that the best thing to do was to create the I.E.C.

Q. Now, the I.E.C., in effect, was a proposal to set up a group representing or representatives from the F.B.I., C.I.A., N.S.A., D.I.A., and the counter-intelligence units of the Army, the Navy, and the Air Force to furnish information about the activities of all of these agencies to the White House?

A. I believe that is correct.

Q. Now, as a lawyer, you are aware of the fact that the Section 403(d) of Title 50 of the U.S. Code provides that the C.I.A. "shall have no police, subpoena, law enforcement powers, or internal security functions."

A. Yes, I was entirely aware of that.

## Statute on C.I.A.

Q. Yet, despite the fact that the statute forbade the C.I.A. exercising any internal security functions, here was a coordination of activities of the C.I.A. in the domestic intelligence field, was there not? And notwithstanding the fact that the statute gave them no internal security functions, they were called upon to evaluate domestic intelligence-gathering by other agencies?

A. That is correct.

Q. Did you ever receive any instruction from anybody to the effect that the President had rescinded these plans recommended by Mr. Huston?

A. No. To the contrary, as this document indicates, on Sept. 18, I was asked to see what I could do to get the first step started on the document.

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# Text of White House Analysis of Dean's Testimony Before Senate Watergate Unit

Special to The New York Times

WASHINGTON, June 27—

Following is a draft of a White House analysis of the testimony of John W. Dean 3d submitted to the Senate Watergate committee today together with a series of questions to be asked of Mr. Dean. A revised version of the draft analysis was read at the committee's hearing today by Senator Daniel K. Inouye, Democrat of Hawaii, and commented on at various points by Mr. Dean. The transcript of the hearings, including the final version of the draft analysis and Mr. Dean's comments, was not available for publication for this edition. The questions will be asked of Mr. Dean tomorrow.

It is a matter of record that John Dean knew of and participated in the planning that went into the break-in at Watergate, though the extent of his knowledge of that specific operation or of his approval of the plan ultimately adopted have not yet been established. There is no reason to doubt, however, that John Dean was the principal actor in the Watergate cover-up, and that while other motivations may have played a part, he had a great interest in covering up for himself.

Dean came to the White House from Justice from a background of working on problems of demonstrations and intelligence. Among those working under him at the White House were Tom Huston and Caulfield. Dean was involved in discussions in 1971 about the Sandwedge Plan Caulfield proposed. Ehrlichman was told that the original authors of the \$1-million plan were Dean and Liddy. Whatever the fact about this, it is clear that Dean attended the meetings that led up to a decision of the Watergate plan. Dean introduced Mitchell (who had sponsored Dean for his White House position) to Liddy.

Dean, Liddy, and Magruder met to discuss intelligence plans of the kind on Jan. 27, 1972, and thereafter with Mitchell on some later date. Dean was not present at the final meeting on March 30 when the \$20,000 plan was approved. It is not clear whether he was not present because he disapproved or sim-

ply because he was not in Key Biscayne or because he wanted to try to keep his own record clean. He is reported as having said that he "didn't think it was appropriate for him to be in on these conversations." He is also reported to have said, at a meeting in Mitchell's office, that "we shouldn't discuss this in front of Mitchell or in the Attorney General's office."

At some point during the spring Magruder phoned Dean and asked him to talk to Liddy to try and calm him down. Also on March 26, 1973, Dean told Haldeman that in the spring of 1972 he had told Haldeman that he had been to two meetings at which unacceptable and outlandish ideas and intelligence gathering had been rejected by himself and by Mitchell and that he, Dean, proposed not to attend any more such meetings. (Haldeman may be off on this date—compare Haldeman deposition). Haldeman has no personal recollection of Dean telling him about the meetings at the time but is "willing to accept that as a possibility."

Whatever the facts may be on the matters that are uncertain in the spring of 1972 about Dean's knowledge or approval of the break-in, it must have been clear to Dean, as a lawyer, when he heard on June 17th of Watergate, that he was in personal difficulty. The Watergate affair was so clearly the outgrowth of the discussions and plans he had been in on that he might be well be regarded as a conspirator with regard to them. He must immediately have had reason to realize that his patron, Mitchell, would also be involved.

There is some indication that Ehrlichman called Dean on June 17th to advise him of the problem and to direct him to take charge of it for the White House. Even without an instruction, this would have been his responsibility, as counsel for the President, from the time of the occurrence and he was active in that role from the moment of his return to the city a day or two after the break-in.

On June 19th Dean met with Liddy and learned,

Ellsberg break-in. (that Dean met with Liddy and others is confirmed in Magruder testimony) There was also a meeting that day by Dean with Mitchell, Strachan, Mardian, and Magruder to discuss a cover-up. A series of meetings, also including LaRue, followed throughout the summer.

Dean was not merely one of the architects of the cover-up plan. He was also perhaps its most active participant. It was Dean who suggested to Haldeman that the F.B.I. was concerned that it might run into a C.I.A. operation, on behalf of Mitchell, who it was Dean, purportedly acted to Ehrlichman several weeks after the break-in to obtain approval for fund-raising by Kalmbach for the arrested persons. It was Dean who reviewed the papers found in Hunt's safe and declared that they were "politically sensitive" and should be given special treatment.

It was Dean and Mitchell who prepared Magruder for his perjurious grand jury testimony. On Aug. 29th when Colson prepared a memorandum stating the facts as he knew them, and suggested it be sent to Silbert, it was Dean who said: "For God's sake destroy the memo, it impeaches Magruder." It was Dean who was the agent in some of the money dealings with the arrested persons. It was Dean who gave Caulfield instructions on how he was to handle McCord.

## 'Perfectly Situated'

Throughout all of this Dean was perfectly situated to master-mind and to carry out a cover-up since, as counsel to the President and the man in charge for the White House, he had full access to what was happening in the investigation by the F.B.I. He sat in on F.B.I. interviews with White House

witnesses and received investigative reports. Dean and Ehrlichman met with Attorney General Kleindienst late in July. The Attorney General described the investigation and said that "it did not appear that any White House people or any high-ranking committee people were involved in the pre-

break-in."

History fails to record that at that moment Dean corrected the Attorney General's erroneous impression by pointing out that, however innocently Mitchell, Magruder, and Dean had all been involved in planning of operations of which Watergate was an obvious derivative, or that Strachan had knowledge of the fruits of this kind of operation, or that all of them were suborning perjury and otherwise seeking to conceal the facts.

Dean's activity in the cover-up also made him, perhaps unwittingly, the principal author of the political and constitutional crisis that Watergate now epitomizes. It would have been embarrassing to the President if the true facts had become known shortly after June 17th, but it is the kind of embarrassment that an immensely popular President could have easily have weathered.

The political problem has been magnified 1000-fold because the truth is coming to light so belatedly, because of insinuations that the White House was a party to the cover-up, and, above all, because the White House was led to say things about Watergate that have since been found to have been untrue. These added consequences were John Dean's doing.

Dean was responsible within the White House for becoming apprised of what had happened. From June 17th on Dean had periodic conversations with Ehrlichman "about virtually every aspect of this case." Dean reported also to Haldeman and to Ziegler, to him he gave repeated assurances that he made an "intensive investigation" and had found no White House involvement. Dean was "the foundation of the proposition that the White House was not involved."

With the election passed and public interest in Watergate on the wane, Dean may have thought that this cover-up had been a success, although he purported to continue an ongoing investigation. In February, however,

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continued

26 JUN 1973

# Dean Says White House Put a 'Friend' in C.I.A.

By MARJORIE HUNTER  
Special to The New York Times

WASHINGTON, June 25 — John W. Dean 3d testified today that he had been told by a top Nixon aide that the White House had put its own "good friend" into the Central Intelligence Agency in order to "have some influence over the agency."

That "good friend," Mr. Dean told the Senate Watergate committee, is Lieut. Gen. Vernon A. Walters, Deputy Director of the C.I.A. and frequent interpreter for President Nixon on foreign trips.

This latest disclosure of alleged White House efforts to involve the C.I.A. in domestic activities came amid increasing demands by Congress for tighter control over the top secret agency.

Within the last few weeks, former and present officials of the C.I.A. have trooped to Capitol Hill in unprecedented numbers to be questioned for hours at a time upon the agency's role in the Watergate affair.

Out of these harings by both Senate and House committees and subcommittees have come startling revelations of C.I.A. cooperation with the White House on strictly domestic operations—a field that its own charter would seemingly rule out of bounds.

And out of these hearings have come equally stunning accounts of White House efforts to enlist C.I.A. aid in covering up the Watergate scandals.

### Shoulder the Blame

Mr. Dean's testimony today supported earlier accounts by General Walters and other C.I.A. officials of White House efforts to get the agency to shoulder the blame for the break-in at the Democratic National Committee headquarters in the Watergate complex last June 17.

At the same time, the Dean testimony appeared to shed light on what had been a publicly unanswered question: Why had the White House passed over Richard M. Helms, at that time Director of Central Intelligence, to negotiate almost solely with his deputy on the Watergate matter?

Mr. Dean testified that, a few days after the Watergate break-in, L. Patrick Gray, then acting Director of the Federal Bureau of Investigation, suggested to him that it might

have been a C.I.A. operation because of the number of former agency people involved. Mr. Dean said that he later told John D. Ehrlichmann, the President's domestic affairs adviser, of Mr. Gray's suggestion and that Mr. Ehrlichmann told him to call the agency and explore the matter.

"He then told me that I should deal with General Walters because he was a good friend of the White House and the White House had put him

in the Deputy Director position so they could have some influence over the agency," Mr. Dean testified.

### Assurance for Ehrlichman

Mr. Dean said he later informed Mr. Ehrlichman that General Walters had assured him that agency involvement in the Watergate was impossible.

Mr. Dean said that Mr. Ehrlichman responded by saying "something to the effect that General Walters seems to have forgotten how he got where he is today."

A spokesman for the C.I.A. said that General Walters would have no comment on the Dean testimony.

Shocked by these and other disclosures, Congressional critics and supporters alike are now calling for stern measures to assert firmer control over the agency.

### Won House Approval

Just last week, the first move to curb C.I.A. activities came with House approval of a ban on agency assistance to domestic law enforcement agencies. The Senate has not acted.

The provision, sponsored by Representative Elizabeth Holtzman, Democrat of Brooklyn, was promoted by disclosures that agency employees had been training police officers in New York City and other cities in clandestine activities.

Mike Mansfield, Democrat of Montana, the Senate majority leader, plans to renew his unsuccessful drive of many years ago to establish a joint Senate-House committee to oversee operations of the C.I.A. and other Government intelligence agencies.

Senator Stuart Symington, Democrat of Missouri, the acting chairman of the Senate Armed Services Committee, has said that he will conduct a full-

which the agency has operated since its establishment 25 years ago.

There are also proposals to revise the agency's basic law, either to outlaw domestic operations specifically or to require that any such domestic involvement be permitted only upon the personal request of the President.

### Domestic Activities Barred

The National Security Act of 1947, under which the intelligence agency was created, was designed to prohibit it from conducting domestic operations, by stating that it "shall have no police, subpoena, law-enforcement or internal security functions."

But the act also contains two major loopholes:

First, it gives the Director of Central Intelligence the responsibility of "protecting intelligence sources and methods from unauthorized disclosure."

Second, the act gives the agency authority "to perform

such other functions and duties relating to intelligence" as the National Security Council, an arm of the Presidency, "may from time to time direct."

Furthermore, secret executive orders, interpreting the National Security Act, have been issued through the years, creating what some call the C.I.A.'s "secret charter," now the target of Senator Symington's planned investigation.

While earlier efforts to assert greater Congressional control over the C.I.A. were successfully blocked by successive Administrations, the recent disclosures in the Watergate affair have stunned Congress.

### Cushman Agreed

Among the disclosures were the following:

In the summer of 1971 Gen. Robert A. Cushman, at that time deputy director of the agency and now commandant of the Marine Corps, agreed to a White House request to supply E. Howard Hunt Jr. with a wig, false identification papers and other items later used in burglarizing the California office of Dr. Daniel Ellsberg's former psychiatrist.

Scarcely weeks later, Mr. Helms, then director of the agency and now Ambassador to Iran, agreed to another White House request for preparation of a psychological profile of Dr.

Ellsberg, who was later indicted for leaking the secret Pentagon papers on American involvement in Southeast Asia.

Mr. Helms and General Walters, the deputy director of the agency, have told of Mr. Ehrlichman, two of President Nixon's top aides, to persuade the agency to halt an inquiry by the Federal Bureau of Investigation into Nixon re-election campaign funds that were channeled through a Mexico City bank to hide their source. Some of these funds were found on the persons of the men caught breaking into the Democratic National Committee headquarters.

General Walters also has told of efforts by Mr. Dean to get the C.I.A. involved in a further cover-up of the Watergate affair by asking the agency to pay bail and salaries for the jailed burglars.

# DEAN TELLS INQUIRY THAT NIXON TOOK PART IN WATERGATE COVER-UP FOR EIGHT MONTHS; HE ALSO NAMES HALDEMAN AND EHRLICHMAN

## RECALLS WARNING

### Declares He Told the President Episode Was 'a Cancer'

By JAMES M. NAUGHTON

Special to The New York Times

WASHINGTON, June 25 —

John W. Dean 3d, asserting that President Nixon had failed to heed a warning that the Watergate case was "a cancer growing on the Presidency," testified today that the President had taken part in the Watergate cover-up for as long as eight months.

Mr. Dean, the dismissed White House legal counsel, told

Excerpts from statement by Dean, Pages 32 to 35.

the Senate's investigating committee that he still clung to a belief that Mr. Nixon "did not realize or appreciate at any time the implications of his involvement."

Nonetheless, in a day-long, matter-of-fact recitation of Mr. Dean's own involvement in the Watergate cover-up and in 47 documents that he submitted to the Senate committee, he described a widespread effort to mask the extent of the conspiracy that he said spread from the White House staff, the Committee for the Re-

of the President, the Department of Justice and, ultimately, to the oval office of the White House.

#### 245-Page Account

His head bowed as he read calmly from a 245-page prepared account, Mr. Dean publicly detailed for the first time the following allegations of Mr. Nixon's own involvement:

"The President complimented him last September for having helped to assure that the Government's investigation of the Watergate case "had stopped with [G. Gordon] Liddy," one of the convicted Watergate conspirators.

"In February, the President asked him to report directly to Mr. Nixon on what he learned of the continuing investigations because H. R. Haldeman and John D. Ehrlichman, the two senior domestic aides to the President, "were principals in the matter," and also meeting with Mr. Dean was taking up too much of their time.

"The President discussed with him on March 13 the demands by the Watergate conspirators for large sums of money to maintain their silence and that when Mr. Dean told him it could cost more than \$1-million, Mr. Nixon "told me that was no problem."

"The President had told him of discussions early this year with Mr. Ehrlichman and Charles W. Colson, a former special counsel to the President, about a promise to grant executive clemency to F. Lee

Watergate defendants.

"The President directed that the Administration try to curtail the Senate investigation and block an attempted inquiry into Watergate by the House Banking and Currency Committee last September. The President also ordered aides to make sure that L. Patrick Gray 3d, the former acting director of the Federal Bureau of Investigation, would be "pulled up short" in his testimony last spring to the Senate Judiciary Committee.

"At one point, in a meeting, on March 21, the President discussed with his aides the possibility that the cover-up might be kept secret if John N. Mitchell, the former Attorney General and director of Mr. Nixon's re-election campaign, could be persuaded to assume publicly responsibility for the burglary and wiretapping of the Democratic headquarters at Watergate a year ago.

"After he (Dean) had resolved to try to "end the mess without mortally wounding the President" by giving information to Government prosecutors, the President apparently tape recorded an April 15 meeting with him and asked a number of "leading questions" in an evident effort to create a record that would "protect himself."

"The President tried to get him, in a "tense conversation" on April 16, to sign two letters of resignation that tended to incriminate Mr. Dean, but he "looked the President squarely in the eyes and told him I would not sign the letters" or become a "White House scapegoat."

Senate Select Committee on Presidential Campaign Activities consumed the entire hearing today. Members of the committee will interrogate him tomorrow and Wednesday and they plan to call Mr. Mitchell as the next witness on Thursday.

Mr. Dean did not provide any firsthand information to link the President to prior knowledge of the Watergate burglary and the arrests of five men inside the Democratic National Committee offices. But he told, in a fourth-hand account, of having been advised in February that Mr. Haldeman had "cleared" with the President Liddy's \$250,000 master plan to gather information on the Democratic opposition in the 1972 campaign.

Furthermore, he said he was told last Nov. 15 by Mr. Haldeman and Mr. Ehrlichman that Mr. Nixon had decided he must obtain the resignation of Dwight L. Chapin, the former White House apartments secretary, because of Mr. Chapin's involvement with Donald H. Segratti, the alleged director of a broad campaign of sabotage of Democratic Presidential candidacies.

#### Reports Burglary Order

The former White House counsel said that another aide to Mr. Nixon, Egil Krogh Jr., had told him on March 29 that the authority for a September, 1971, burglary of the office of a psychiatrist treating Dr. Daniel Ellsberg had come "right out of the oval office."

Mr. Dean's account was the first before the Senate committee to accuse Mr. Nixon categorically of involvement in the cover-up. He sat alone at the witness table, his wife, Maureen, and his lawyers seated one row behind him, to dramatize what he had said last week was the loneliness of his plight in making accusations about the President.

# Excerpts From Statement by Dean to Senate Committee Investigating Watergate

WASHINGTON, June 25—  
Following are excerpts from the prepared statement of John W. Dean 3d before the Senate Watergate Commission today:

To one who was in the White House and became somewhat familiar with its interworkings, the Watergate matter was an inevitable outgrowth of a climate of excessive concern over the political impact of demonstrators, excessive concern over leaks, an insatiable appetite for political intelligence, all coupled with a do-it-yourself White House staff, regardless of the law. However, the fact that many of the elements of this climate culminated with the creation of a covert intelligence operation as part of the President's re-election committee was not by conscious design, rather an accident of fate.

It was not until I joined the White House staff in July of 1970 that I fully realized the strong feelings that the President and his staff had toward antiwar demonstrators—and demonstrators in general.

The White House (principally Ehrlichman) often made or cleared the final decisions regarding demonstration activity.

The White House was continually seeking intelligence information about demonstration leaders and their supporters that would either discredit them personally or indicate that the demonstration was in fact sponsored by some foreign enemy. There were also White House requests for information regarding ties between major political figures (specifically members of the U.S. Senate) who opposed the President's war policies and the demonstration leaders.

### Staff Called 'Disbelieving'

I also recall that the information regarding demonstrators—or rather lack of information showing connections between the demonstration leaders and foreign governments or major political figures—was often reported to a disbelieving and complaining White House staff that felt the entire system for gathering such intelligence

was worthless. I was hearing complaints from the President personally as late as March 12th of this year.

Approximately one month after I arrived at the White House I was informed about the project to restructure the Government's intelligence gathering capacities vis-a-vis demonstrators and domestic radicals. The revised domestic intelligence plan was submitted in a document for the President.

The committee has in its possession a copy of that document and certain related memoranda pursuant to the order of Judge Sirica. After I was told of the Presidential-approved plan that called for bugging, burglarizing, mailcovers and the like, I was instructed by Haldeman to see what I could do to get the plan implemented. I thought the plan was totally uncalculated for and unjustified.

I talked with Mitchell about the plan, and he said he knew there was a great desire at the White House to see the plan implemented, but he agreed fully with F.B.I. director Hoover, who opposed the plan, with one exception: Mitchell thought that an interagency evaluation committee might be useful, because it was not good to have the F.B.I. standing alone without the information of other intelligence agencies. After my conversation with Mitchell, I wrote a memorandum requesting that the evaluation committee be established, and the restraints could be removed later.

### Set Up In 1971

The Interagency Evaluation Committee was created, as I recall, in early 1971. I requested that Jack Caulfield, who had been assigned to my office, serve as the White House liaison to the I.E.C., and when Mr. Caulfield left the White House, Mr. David Wilson of my staff served as liaison. I am unaware of the I.E.C. ever having engaged in any illegal assignments, and certainly no such assignment was ever requested by my office. The reports from the I.E.C., or summaries of the reports were forwarded to Haldeman and sometimes Ehrlichman.

In addition to the intelligence reports from the I.E.C., similar intelligence reports re-

garding demonstrators and radical groups from the F.B.I. and on some occasions, from the C.I.A.

I became directly and personally aware of the President's own interest in my reports regarding demonstrations when he called me during a demonstration of the Vietnam Veterans Against the War on the Mall in front of the Capitol. This was the occasion in May, 1971, I believe that is the date, when the Government first sought to enjoin the demonstration and later backed down. The President called me for a first hand report during the demonstration and expressed his concern that I keep him abreast of what was occurring. Accordingly, we prepared hourly status reports and sent them to the President.

I was made aware of the President's strong feelings about even the smallest of demonstrations during the late winter of 1971, when the President happened to look out the windows of the residence of the White House and saw a lone man with a large 10-foot sign stretched out in front of Lafayette Park.

I ran into Mr. Dwight Chapin who said that he was going to get some "thugs" to remove that man from Lafayette Park. He said it would take him a few hours to get them, but they could do the job. I told him I didn't believe that was necessary. I then called the Secret Service and within 30 minutes the man had been convinced that he should move to the back-side of Lafayette Park. There the sign was out of sight from the White House. I told Mr. Chapin he could call off the troops.

### Akron Trip Recalled

I also recall that the first time I ever traveled with the President was on his trip in 1971 to the Football Hall of Fame.

When the President arrived at the motel where he was spending the night in Akron, across the street were chanting, Vietcong-Flag-waving demonstrators. The President told the Secret Service agent beside him, in some other hotel, to get the demonstrators out

of there. The word was passed, but the demonstrators couldn't be moved.

It was after observing that incident a major part of any Presidential trip advance operation was insuring that demonstrators were unseen and unheard by the President.

In early February of 1972, I learned that any means—legal or illegal—were authorized by Mr. Haldeman to deal with demonstrators when the President was traveling or appearing some place. I would like to add that when I learned of the illegal means that were being employed, I advised that such tactics not be employed in the future and if demonstrations occurred—they occurred.

There was a continuing dissatisfaction with the available intelligence reports. The President himself discussed this with me in early March of this year, as a part of the planned counter-offensive for dealing with the Senate Watergate investigation. The President wanted to show that his opponents had employed demonstrators against him during his re-election campaign.

We never found a scintilla of viable evidence indicating that these demonstrators were part of a master plan; nor that they were funded by the Democratic political funds; nor that they had any direct connection with the McGovern campaign. This was explained to Mr. Haldeman, but the President believed that the opposite was, in fact, true.

### Phone Tap Described

I believe that most anyone who worked at the White House during the past four years can attest to the concern that prevailed regarding leaks—any and all leaks. I would guess that I had been at the White House almost a year before Caulfield told me that he had been directed by Ehrlichman to wiretap a newsman's telephone in pursuit of a leak. He told me that he had been directed to perform the wiretap when Mr. Hoover was unwilling, but Mr. Ehrlichman wished to proceed.

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STAT

# Dean: Watergate Matter Was Outgrowth of a Climate

*This is an excerpted text of the long, prepared statement read with minor changes, by former White House Counsel John W. Dean III to the Senate select Watergate committee yesterday.*

It was during my meeting with Gray on June 22nd that we also talked about his theories of the case as it was beginning to unfold. I remember well that he drew a diagram for me showing his theories. At that time Mr. Gray had the following theories: it was a set up job by a double agent; it was a CIA operation because of the number of former CIA people involved; or it was someone in the re-election committee who was responsible.

Before the meeting ended, I recall that Gray and I again had a brief discussion of the problems of an investigation in the White House. Gray expressed his awareness of the potential problems of such an investigation and also told me that if I needed any information I should call either Mr. Mark Felt or himself. Gray also in-

## FIRST DEALINGS WITH THE CIA

It was during the meeting in Mitchell's office on June 23rd or 24th that Mardian first raised the proposition that the CIA could take care of this entire matter if they wished, in that they had funds and covert procedures for distributing funds. I was personally unaware of the workings of the CIA, but Mardian and Mitchell appeared knowledgeable. As a result of this conversation, which was prompted by my reporting that Gray thought the CIA might be involved Mitchell suggested I explore with Ehrlichman and Haldeman having the White House contact the CIA for assistance. It was also argued that the individuals involved in the Watergate incident, as former CIA operatives, might compromise the CIA in some manner, and the CIA should be interested in assisting.

On Monday morning, June 26th, I spoke with Ehrlichman regarding this suggestion. He thought it was a good idea and worth exploring. He told me to call the CIA and explore it with them. I told him that I had never dealt with anyone at the CIA and did not know CIA Director (Richard) Helms. He told me that I should not call Mr. Helms, rather General Walters. I told him I did not know General Walters either. He then told me that he and Haldeman had had a little chat—as he called it—with Mr. Helms and General Walters a few days earlier about their dealings with the FBI in relationship to the investigation. He was not specific. He then told me that I should deal with General Walters because he was a good friend of the White House and the White House had put him in the deputy director position so they could have some influence over the agency. He told me that I should tell General Walters that I was calling because he (Ehrlichman) had requested that I follow up on the earlier meeting they had and if there were any problems General Walters should call him.

(Walters) seemed somewhat surprised and uncertain about my call, so I told him that he might like to check with Mr. Ehrlichman. He said he would get back to me and he later called me back to set up a meeting to visit me about noon that day.

When General Walters came to my office I told him again that I was meeting with him at Ehrlichman's request. I made some general comments about the Watergate case. It was from my discussion with Walters that I became aware of the fact that Ehrlichman and Haldeman had discussed the Dahlberg

Watergate but could result in persons, totally uninvolved, being embarrassed. I also told him that I understood the FBI had developed three possible theories of the case, which I explained and then asked if, in fact, any of the men arrested were persons that were working for the CIA. General Walters assured me that they were not. I then told him that I had been asked to explore every possible means of dealing with this rather embarrassing and troublesome situation, because some of the men involved were looking for assistance.

I asked him if there was any possible way the CIA could be of assistance in providing support for the individuals involved. General Walters told me that while it could, of course, be done, he told me that he knew the Director's feelings about such a matter and the Director would only do it on a direct order from the President. He then went on to say that to do anything to compound the situation would be most unwise and that to involve the CIA would only compound the problem because it would require that the President become directly involved.

Subsequent to my meeting with General Walters, I reported back to Ehrlichman that Walters had informed me that any involvement by the CIA in this matter was impossible. I recall that when I reported this to Ehrlichman, he very cynically said, "Very interesting."

He told me that I should talk with General Walters further and push him a little harder to see if the CIA couldn't help out, particularly with regard to the unnecessary pursuit of investigative leads. I also recall Ehrlichman saying something to the effect that General Walters seems to have forgotten how he got where he is today.

## MR. KALMBACH AND SILENCE MONEY

I would now like to turn back again to the end of June, 1972. After my meetings with General Walters and subsequent meeting with Haldeman and Ehrlichman, I informed Mitchell that there could be no CIA assistance. To the best of my recollection, this occurred on the afternoon of June 23th, in a meeting in Mr. Mitchell's office and I believe that Mr. Larue and Mr. Mardian were also present. There was a discussion of the need for support money in exchange for the silence for the men in jail and if the CIA could not do it they would have to find money somewhere else. Mr. Larue indicated that Mr. Stans had only a

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formed me that he was going to meet with the CIA to discuss their possible involvement and he would let me know the outcome of that meeting.

I believe he said \$70,000 or \$80,000, but more would be needed.

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# Excerpts From John Dean's Testimony

✓ Following are excerpts from the first half of the testimony of John W. Dean III, former White House counsel, before the Senate Watergate committee today.

To one who was in the White House and became somewhat familiar with its inter-workings, the Watergate matter was an inevitable outgrowth of a climate of excessive concern over the political impact of demonstrators, excessive concern over leaks, an insatiable appetite for political intelligence, all coupled with a do-it-yourself White House staff, regardless of the law.

However, the fact that many of the elements of this climate culminated with the creation of a covert intelligence operation as a part of the President's re-election committee was not by conscious designs, rather an accident of fate.

These, of course, are my conclusions, but I believe they are well founded in fact. This committee, however, is not interested in my conclusions, rather it is interested in the facts as I know them. Rather than my characterizing the climate and attitudes, I shall — as requested — present the facts which themselves evidence the precursors of the Watergate incident.

IT WAS NOT until I joined the White House staff in July of 1970 that I fully realized the strong feelings that the President and his staff had toward anti-war demonstrators — and demonstrators in general. But even before my joining the White House staff I was partially aware of this presidential concern, a concern that, in turn, permeated much of the White House.

IT WAS approximately one month after I arrived at the White House that I was informed about the project that had been going on before I arrived to restructure the government's intelligence-gathering capacities vis-a-vis demonstrators and domestic radicals. . . . The revised domestic intelligence plan was submitted in a document for the President.

The committee has in its possession a copy of that document and certain related memoranda pursuant to the order of Judge Sirica. After I was told of the presidentially approved plan, that called for bugging, burglarizing, mail covers and the like, I was instructed by Haldeman to see what I could do to get the plan implemented. I thought the plan was totally uncalled for and unjustified. . . .

The Interagency Evaluation Committee (IEC) was created, as I recall, in early 1971. I requested that Jack Caulfield, who

had been assigned to my office, serve as the White House liaison to the IEC. . . . I am unaware of the IEC ever having engaged in any illegal assignments, and certainly no such assignment was ever requested by my office. . . .

The committee has asked me about concern over leaks. I believe that most anyone who worked at the White House during the past four years can attest to the concern that prevailed regarding leaks—any and all—leaks. . . . I have submitted to the committee (Exhibit No. 2) documents evidencing the types of investigations made.

WHILE THERE was an always-present concern about leaks, that concern took a quantum jump when The New York Times began publishing the Pentagon Papers in June of 1971. . . .

To the best of my recollection — I have been unable to get confirmation through the White House records — it was late June or early July that Jack Caulfield came to me to tell me that Colson had called him in, at Ehrlichman's direction and instructed him to burglarize the Brookings Institute in an effort to determine if they had certain leaked documents.

What prompted Mr. Caulfield to come to me was that he thought the matter was most unwise and that his instructions from Colson were insane. He informed me that Mr. Ulasewicz had "cased" the Brookings Institute . . . but the security system at the Brookings building was extremely tight and it would be very difficult to break in. Caulfield told me that he had so informed Colson, but Colson had instructed him to pursue the matter and if necessary to plant a fire bomb in the building and retrieve the documents during the commotion that would ensue.

Caulfield convinced me that Colson was intent on proceeding, by one means or another, so I advised Caulfield that he should do nothing further, that I would immediately fly to California and tell Ehrlichman that this entire thing was insane. . . . I sat with Mr. Robert Mardian on the flight, who told me he was going to see the President about a highly important matter that he could not discuss with me — a matter which I will refer to later.

When I arrived in California I arranged to see Ehrlichman and told him that the burglary of Brookings was insane. . . . He said OK and he called Mr. Colson to call it off, and I called Mr. Caulfield to tell him it was called off.

It was not until almost a year later that I learned the reason for Mardian's trip to see the President. Mr. Mardian later told

me, in a social conversation, that he had gone to see the President to get instructions regarding the disposition of wiretaps logs that related to newsmen and White House staffers who were suspected of leaking. These logs had been in possession of Mr. William Sullivan, an assistant director of the FBI, and were, per Mr. Mardian's instructions from the President, given to Ehrlichman.

I had occasion to raise a question about these logs with Ehrlichman during the fall of 1972, and he flatly denied to me that he had the logs. I did not tell him at that time I had been told he had them.

About Feb. 22 or 23 of this year, Time magazine notified the White House it was going to print a story that the White House had undertaken wiretaps of newsmen and White House staff and requested a response.

The White House press office notified me of this inquiry. I called Mr. Mark Felt at the FBI to ask him first, what the facts were, and secondly, how such a story could leak. Mr. Felt told me that it was true, that Mr. Sullivan knew all the facts and that he had no idea how it leaked. . . . I then called Mr. Ehrlichman and told him about the fourth-coming story in Time magazine. . . . I also told him I knew he had the logs because Mr. Mardian had told me. This time he admitted they were in his safe. I asked him how Mr. Ziegler should handle it. He said Mr. Ziegler should flatly deny it — period. I thanked him, called Mr. Ziegler and so advised him.

TURNING now to the so-called "plumbers" unit that was created to deal with leaks. The first I heard of the plumbers unit was in late July of 1971. I do not recall ever being actually advised in advance that such a unit was being created in the White House, but I stumbled into it unknowingly when Mr. Egil Krogh happened to mention it to me. I was not involved in its establishment; I only know that Mr. Krogh and Mr. David Young were running it under Ehrlichman's direction. . . .

THE PRE re-election White House thrived on political gossip and political intelligence.

It was not until I joined the White House staff and Caulfield was placed on my staff that I learned that Caulfield was assigned to develop political intelligence on Sen. Edward Kennedy. Mr. Caulfield told me that within some six hours of the accident

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continued

## Deeper and Deeper

Enter Lieutenant General Vernon A. Walters, bringing with him some fairly hard evidence on the Watergate cover-up: his recollections, written down immediately afterward, of conversations with John Ehrlichman, H. R. Haldeman, John Dean, and L. Patrick Gray in the weeks after the burglary. Unless the Walters memoranda are out-and-out forgeries (which seems unlikely), it is reasonable to believe 1) that CIA director Richard Helms assured Haldeman and Ehrlichman that an investigation of Watergate would not threaten covert CIA operations; 2) that Haldeman asked Walters, Deputy Director of CIA, to ask Gray to soft-pedal the investigations; 3) that Gray seemed willing enough, but needed an excuse; 4) that Dean strove mightily to involve the CIA in a cover-up, even suggesting the Agency go bail for the five arrested burglars; 5) that Gray had concluded by early July that the case couldn't be covered up, and had so advised President Nixon.

The Walters memoranda, of course, cast doubt on Nixon's claim of May 22 that the Watergate investigation was curbed in the interest of national security—unless, that is, Haldeman and Ehrlichman lied to their boss about Helms' assurances, or simply failed to tell him. Still, Walters' contribution to the meager file of hard evidence moves the cover-up no closer to Nixon than Nixon himself has already admitted. For the "Nixon connection," we have little more than the word of John Dean, who, we are now told, discussed the cover-up with Nixon "35 or forty" times between January and April of this year; that Nixon knew all about what was going on, etc. All this, understand, is from "reliable sources," "sources close to Mr. Dean," and company. As the *New York Times* remarks, toward the end of a long story solemnly quoting Sources, "Mr. Dean has been openly using the press in his effort to gain complete immunity for himself." Sources can say anything in the world and indulge in the most flagrant sensationalism; will surely do so, if that will gain Dean the immunity he so greatly desires. Once on the witness stand, Dean himself can tell stories prosaic by comparison: It may turn out that at those dozens of meetings, Nixon did nothing more sinister than nag Dean to get cracking on that Watergate report he was supposed to be writing. There will sit Dean, immune; the Sources will be nowhere to be found. But until Dean gets immunity and/or testifies, the circus will continue.

The White House hardly helped itself when it first refused, then unrefused to deliver logs of the Dean-Nixon meetings—no more than written notations that they occurred—to the Ervin Committee and to the special prosecutor, Professor Cox. The doctrine of executive privilege, as understood in the White House, now seems not to ex-

tend beyond the person of the President: Nixon has made it perfectly clear he will not appear before the Ervin Committee, or the grand jury. Nobody seriously expected him to—though a number of liberals now say he should submit to "cross-examination" by the press.

Meanwhile, the various investigations drag on. The conflict between Senator Ervin ("Let the truth be known") and Professor Cox ("Let the guilty be punished") remains unresolved. About all that's certain is: 1) The Ervin hearings will drag on and on, even unto the 1974 congressional elections, if some Democrats have their way (and if impeachment moves by the likes of maverick Pete McCloskey are successfully squelched); and 2) nobody will be punished by the courts: Given our enlightened views on the effect of pretrial publicity, the coverers-up of Watergate couldn't get a fair trial on the moon.



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# WHITE HOUSE DATA AND DEAN'S DIFFER ABOUT WATERGATE

## Ex-Aide Said to Have Denied Nixon Information About Cover-Up Until March 21

## PANEL GETS 2 VERSIONS

## Dean Insists Before Senate Inquiry President Knew About the Plot Earlier

By DAVID E. ROSENBAUM

Special to The New York Times

WASHINGTON, June 20—A

White House account of President Nixon's conversations this year with John W. Dean 3d charges that Mr. Dean, despite constant pressure from the President, withheld from Mr. Nixon all information about White House involvement in the Watergate burglary and cover-up until March 21.

On the other hand, a summary prepared by lawyers on

Excerpts from Dean summary  
and Nixon log, Page 28.

the Senate Watergate committee of their interrogation of Mr. Dean last Saturday contains Mr. Dean's assertion that Mr. Nixon knew earlier about the cover-up plot.

Much of the evidence against the President that Mr. Dean gave the committee staff is hearsay, according to the summary. But he told of some direct conversations with the President in which aspects of the cover-up had been discussed.

### U. S.-Soviet Summitry

With the Senate committee in recess for a week, the capital had planned to devote its full attention to the United States and Soviet summitry.

But details of Mr. Dean's long interview last week have been filtering into print for several days, amid suggestions that the White House and

the Senate investigators, each recognizing the importance of Mr. Dean's testimony in public next week, were trying to shape the public's attitude toward his eventual appearance.

Much of what was contained in both the White House document and the abbreviated account of Mr. Dean's testimony had come to light previously. But there were some new or more detailed allegations by Mr. Dean, a central figure in the Watergate case. They included the following:

¶That the President, in a conversation with Mr. Dean last September, directed an effort to block a Watergate investigation by a House committee and urged Mr. Dean to prepare to "take care of" reporters unfriendly to the White House.

¶That Charles W. Colson, a former White House special counsel, and John D. Ehrlichman, the former domestic adviser to the President, had sought from Mr. Nixon permission to promise executive clemency to E. Howard Hunt Jr., one of the Watergate conspirators. Mr. Dean said that he had "heard this" from Mr. Colson and later this spring had a "discussion with the President" about the clemency offer.

¶That Mr. Dean had been instructed by Mr. Ehrlichman and H. R. Haldeman, the former White House chief of staff, to enlist the aid of Lieut. Gen. Vernon A. Walters, the deputy director of the Central Intelligence Agency, in covering up the Watergate conspiracy. Mr. Dean's account was that the White House aides said that General Walters "owed his allegiance to the White House," but that the C.I.A. official had declined to help.

¶That Mr. Nixon had told Mr. Dean that the late director of the Federal Bureau of Investigation, J. Edgar Hoover, had advised the President that he "had been bugged" in the 1968 campaign, and that Mr. Nixon believed the White House should use the information to its advantage at some point.

List of Dates Released

The White House released several days ago a list of the dates when the information met with Mr. Nixon, but not until the summary sent to the Senate committee became avail-

able today had there been any indication of the White House version of the substance of the discussions.

### Papers Made Available

The White House account was submitted to the Senate committee this week. It and the summary of the investigators' interview with Mr. Dean, the former White House counsel, were made available to The New York Times by persons with access to committee documents.

The White House account was five pages long and, according to Senate sources, was prepared by J. Fred Buzhardt Jr., special counsel to the President. It contains the White House's version of the substance of 18 meetings this year between the President and Mr. Dean.

Mr. Dean and White House spokesman have agreed that there were more than 35 discussions between President Nixon and his former counsel between late January and April of this year, some face-to-face, and others by telephone.

### Met Almost Daily

From March 1 until March 23, according to the account, the President and Mr. Dean met about the Watergate affair almost daily.

In answer to questions from the President, Mr. Dean said time and again at the early meetings that there was no White House involvement in the burglary or the cover-up, the account states. But it says that Mr. Nixon was told by Mr. Dean on March 13 that Gordon C. Strachan, then the top assistant to H. R. Haldeman, White House chief of staff, "could be involved."

It was not until March 21, the account states, that Mr. Dean "gave the President his theory of what happened."

He told the President "that Magruder probably knew, that Mitchell possibly knew, that Strachan probably knew, that Haldeman had possibly seen the fruits of the wiretaps through Strachan, that Ehrlichman was vulnerable because of his approval of Kalmbach's fun-raising efforts, the document states.

### Members Got Summary

The Senate committee summary of Mr. Dean's private testimony — reducing his 5½ hours of testimony last Saturday to seven sparse and tantalizingly vague pages of allegations — was prepared by a junior staff member and distributed to the seven commit-

tee members, including Samuel Dash, the chief counsel.

The summary presented a vivid picture of widespread attempts within the upper reaches of the White House and the Committee for the Re-election of the President to

cover up the magnitude of the Watergate case.

Mr. Dean accused H. R. Haldeman, the former White House chief of staff, of having ordered the destruction of information obtained from the Watergate wiretap, of having joined in planning efforts to obtain White House influence over the Republican members of the Senate investigating committee and of attempting to persuade John N. Mitchell, the former campaign director and Attorney General, to "take the heat" off other officials by assuming the blame for the Watergate break-in.

Mr. Dean, according to the summary, alleged that John D. Ehrlichman, the former Presidential adviser on domestic matters, had put pressure on Mr. Dean to "lean on" Lieut. Gen. Vernon A. Walters, the deputy director of the Central Intelligence Agency, to persuade General Walters to involve the agency in a cover-up.

According to the summary, General Walters "said it would be a bad idea," but Mr. Ehrlichman was "dissatisfied" when Mr. Dean reported the intelligence official's reluctance to help.

### Linked to Meeting

Furthermore, Mr. Dean said that Mr. Ehrlichman had instructed him to throw wiretapping equipment "in [the] river" after the material had been discovered in the White House safe of E. Howard Hunt Jr., one of the Watergate conspirators.

Mr. Dean was said to have linked Mr. Ehrlichman to a meeting on Feb. 10 this year at which the plans to try to undermine the Senate investigations were discussed.

Mr. Dean, according to the summary, is prepared to testify to the full Senate committee when he appears before it next week that Mr. Mitchell admitted approving the plans to bug the Democratic headquarters but said that he believed at the time that more care would be taken to assure that the participants could not be traced to the President's campaign committee.

The summary contains the most serious allegations to date that Charles W. Colson, the former special counsel to the President, was involved in the

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CONTINUED

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# List From Staff and White House Notes

Special to The New York Times

WASHINGTON, June 20—

Following is a list of names in the Senate Watergate Committees staff summary prepared after the interview with John W. Dean cd:

H. R. Haldeman, former White House chief of staff and assistant to the President.

Frederick V. Malek, former special assistant to the President.

Lawrence M. Higby, deputy assistant to the President.

Gordon C. Strachan, former assistant to Mr. Haldeman.

Lawrence F. O'Brien, former chairman of the National Democratic Committee.

John J. Caulfield, former employe of the Committee for the re-election of the President.

John D. Ehrlichmann, a former assistant to the President for domestic affairs.

John N. Mitchell, former Attorney General and former director of the Committee to Re-elect the President.

Paul N. McCloskey Jr., Republican Congressman from California.

Anthony Ulasewicz, former detective, New York Police Department, and former aide to Mr. Caulfield at the Committee to Re-elect the President.

Jeb Stuart Magruder, former deputy director of the Committee for the Re-election of the President.

G. Gordon Liddy, former White House counsel and official of the Re-election Committee who was convicted of conspiracy in the Watergate case.

Robert C. Mardian, former official of the Committee for the Re-election of the President.

Frederick C. LaRue, former White House aide and chief deputy to Mr. Mitchell at the Committee for the Re-election of the President.

Vernon A. Walters, deputy director of the Central Intelligence Agency.

Richard Helms, former di-

rector of the Central Intelligence Agency.

E. Howard Hunt Jr., former C.I.A. agent and White House consultant convicted of spying in the Watergate case.

Richard G. Kleindienst, former Attorney General.

Charles W. Colson, former special counsel to the President.

Herbert W. Kalmbach, former personal attorney to the President.

Richard A. Moore, special counsel to the President.

Kenneth W. Parkinson, chief attorney for the Committee for the Re-election of the President.

Paul O'Brien, attorney for the Committee for the Re-election of the President.

L. Patrick Gray 3d, former acting director of the Federal Bureau of Investigation.

J. Edgar Hoover, former director of the Federal Bureau of Investigation.

William E. Timmons, assistant to the President for Congressional relations.

Wright Patman, Democratic Congressman from Texas and chairman of the House Banking and Currency Committee.

W. Richard Howard, special assistant to the President and former assistant to Charles W. Colson.

William O. Bittman, attorney for Hunt.

James W. McCord Jr., convicted Watergate conspirator and former security director of the Committee for the Re-election of the President.

Howard H. Baker Jr., Republican Senator from Tennessee and vice chairman of the Senate Select Committee on Presidential Campaign Activities.

Wallace H. Johnson, assistant Attorney General, Land and Natural Resources Division, and former special assistant for legislative affairs on the White House staff.

James P. Jordan, legislative assistant to Senator Baker.

Egil Krogh Jr., former chief

assistant to John D. Ehrlichman.

Daniél Ellsberg, a co-defendant in the Pentagon papers case that was dismissed in Los Angeles on May 11 on grounds of governmental misconduct.

John J. Sirica, chief judge of the United States District Court for the District of Columbia.

Charles N. Shaffer, one of several lawyers for Mr. Dean.

Following are names included in the White House notes but not in the Senate staff summary:

Dwight L. Chapin, former deputy assistant to the President.

Donald H. Segretti, the key figure in a broad campaign to sabotage Democratic political activities.

Kenneth S. Rietz, former head of the Republican National Committee's "new majority" campaign for 1974 Republican candidates.

Samuel Dash, chief counsel and staff director of the Senate Select Committee on Presidential Campaign Activities.

Robert L. Vesco, New Jersey financier indicted by a Federal grand jury in New York last month along with Mr. Mitchell and Maurice H. Stans, former Secretary of Commerce, and charged with conspiracy to defraud the United States and obstruct justice (Vesco also secretly made a \$200,000 cash contribution to the President's re-election campaign while under investigation by the Securities and Exchange Commission).

Edward J. Gurney, Republican Senator from Florida and member of the Senate Select Committee on Presidential Campaign Activities.

Sam J. Ervin Jr., Democratic Senator from North Carolina and chairman of the Select Committee on Presidential Campaign Activities.

Henry E. Petersen, an assistant Attorney General who was placed in sole charge of the Watergate investigation in late March.

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# A WATERGATE WHO'S WHO

**RICHARD MILHOUS NIXON, 60, President of the United States.**

*"I will not place the blame on subordinates—on people whose zeal exceeded their judgment, and who may have done wrong in a cause they deeply believed to be right. In any organization, the man at the top must bear the responsibility. That responsibility, therefore, belongs here, in this office. I accept it. And I pledge to you tonight, from this office, that I will do everything in my power to ensure that the guilty are brought to justice . . ."*



**RONALD L. ZIEGLER, 33,** is a protégé of H. R. Haldeman, for whom he worked at the J. Walter Thompson advertising agency in Los Angeles. He is President Nixon's press secretary, and was recently given the title of assistant to the President. Ziegler has taken much of the heat from reporters over the Watergate affair and White House denials.

*"This is the operative statement. The way to assess the previous comments is to assess them on the basis that they were made on the information available at the time. The President refers to the fact that there is new material; therefore, this is the operative statement. The others are inoperative."*



**KEN W. CLAWSON, 36,** joined the White House staff in 1972 as deputy director of communications after an 18-year career as a newspaperman. He has been named as a member of the "attack group" which met daily to map propaganda strategy during the reelection campaign, and as author of a spurious letter which damaged Sen. Edmund Muskie's New Hampshire primary effort by an insulting reference to "Canucks." He has denied writing the "Canuck" letter.

*"I've looked into the matter very thoroughly and I am convinced that neither Mr. Colson nor anyone else at the White House had any knowledge of, or participation in, this deplorable incident at the DNC."*



**BRUCE KEHRLI, 28,** a one-time administrative assistant in the West Coast office of the J. Walter Thompson advertising agency, joined the White House staff as an aide to former Thompson executive H. R. Haldeman. Now a special assistant to the President, Kehrli has been identified as the man who emptied the contents of E. Howard Hunt's White House safe two days after the Watergate break-in and turned over the contents to John Dean.

*"I am not aware of any dirty tricks."*

*Continued*

# How the FBI and CIA Played the Game

by Walter Pincus

Within days of the arrest of five men inside Democratic Party headquarters; the then-acting FBI Director L. Patrick Gray III was seeking ways to "low-key" his investigation of leads to higher-ups. That is clear from memoranda of conversations written by CIA Deputy Director Lt. General Vernon Walters during the weeks immediately after the break-in, at a time when Gray and Walters were directly involved in a White House effort to delay—and perhaps completely halt—FBI investigation of five checks—checks that tied the Watergate burglars to the Committee for the Re-election of the President.

Contrary to the general impression that the two men refused to bend to White House pressures, the memos show that, as Walters recalled of a July 6 conversation, they both "shared a long association with the President and a desire to protect him." ("This was a most awkward matter to come up during an election year," Walters quotes Gray as saying.) And indeed they did delay one phase of the bureau investigation for two weeks, from June 23 to July 6, under pressure from presidential aides H. R. Haldeman, John Ehrlichman and John Wesley Dean III. Thereafter, neither man on his own was able to bring himself to do what the White House most wanted—sign a letter citing national security as a reason for halting FBI inquiry into the four Mexican checks totaling \$89,000 and a fifth \$25,000 cashier's check signed by Kenneth Dahlberg.

Why did top White House aides want to shut off such an inquiry? Because they knew the checks had originated as contributions to the Nixon reelection committee, and that only after their receipt in Washington were they transferred to the Miami bank account of Bernard Barker, one of those arrested at the Watergate and later convicted. Perhaps the White House knew where the checks would lead as a result of a conversation convicted conspirator G. Gordon Liddy had on June 20 with Robert Mardian, a Justice Department aide of John Mitchell's who was pulling together information on Watergate. Liddy's statements to Mardian almost certainly were sent on to the White House. Or else the White House knew about the checks from Mexico because it had full prior knowledge of the entire Watergate project—and its financing.

There was a second reason for the White House to delay the FBI investigation of the money. The reelection committee treasurer, Hugh Sloan, Jr., was making it clear both at the White House and at the committee that he thought there was something wrong and that when asked by government investigators, he was going to tell the truth. His most damning evidence: that he had given Liddy \$199,000 in cash for an unknown project. During the two-week delay of the bureau inquiry, efforts were made to quiet Sloan, ranging from suggestions he take a trip (which he did) to perjuring himself (which he did not).

The steps taken to limit the FBI investigation in those first weeks can now be traced from public statements—some of them contradictory—before several congressional committees studying the White House attempts to implicate the CIA, and most notably from memos written for the files by CIA's Lt. General Walters.

To see these events in perspective, we must go back to June 17 and the White House dismissal of Watergate as a "third-rate burglary." At that time, campaign manager John Mitchell was downgrading his full-time employee, James McCord, as a "consultant," cleverly leaving the impression that McCord must have been acting for some other client. And when the name E. Howard Hunt was linked to the break-in (sometimes referred to as a "caper"), the White House described him as a former part-time consultant who had terminated his employment some three months earlier. In short we were to conclude that neither the White House nor the Nixon committee was connected with the "attempted" burglary and bugging. (The public did not of course then know that this was a second break-in, and that phone monitoring of the Democrats had been going on for three weeks.)

On June 20 the FBI Miami field office was directed to review the bank accounts of one of the five men caught at the Watergate, Bernard Barker. His business account showed a deposit on April 20 of five checks totaling \$114,000 and the withdrawal of that same amount—in cash—over the next two weeks. The bank supplied the FBI with copies of the checks—four on a Mexico City bank signed by Manuel Ogarrío, and one carrying Dahlberg's name on a Boca Raton bank. That information was immediately forwarded to Washington and probably was in Gray's hands late Wednesday. Gray had just returned from California, where he had been during the five days preceding. During his absence, the bu-

# GRAY IS REPORTED WILLING TO WAIVE TRIAL IMMUNITY

## Ex-F.B.I. Official Is Said to Be Ready to Testify on Watergate Dealings

### INQUIRY RESUMES TODAY

## Dean's Lawyers Ask Judge to Throw Out Subpoena or Grant Him Immunity

By SEYMOUR M. HERSH

Special to The New York Times

WASHINGTON, June 11—L.

Patrick Gray 3d, the former acting director of the Federal Bureau of Investigation, has agreed to testify without immunity in any Watergate criminal trials about his dealings with President Nixon and other top Administration officials after the June 17, 1972, episode, sources close to the case said today.

Mr. Gray thus would join Herbert W. Kalmbach, formerly Mr. Nixon's personal attorney, and Jeb Stuart Magruder, a former Republican re-election campaign official, as key witnesses for the Federal prosecutors.

Meanwhile, there were these other developments related to the Watergate case:

Lawyers for John W. Dean 3d, the ousted White House counsel, asked Federal District Judge John J. Sirica either to throw out a grand jury subpoena or to grant him immunity from prosecution in return for his testimony in the case, involving the break-in at the Democratic National Committee's headquarters.

Herbert H. Pollard, a former Republican re-election official, is expected to testify when the Senate Watergate committee's hearings resume tomorrow, that the Nixon reelection committee paid a last offer to

graph documents from Senator Edmund S. Muskie's Democratic Presidential campaign.

President José Figueres of Costa Rica suggested strongly that the United States might have a long wait before Costa Rican courts ordered the extradition of Robert L. Vesco, the fugitive financier.

### 'Going To Tell All'

A source close to Mr. Gray said that he had decided to testify without making any demands for immunity in the hope that he would not be indicted as a result of any high-level attempts to cover up the Watergate scandal.

Mr. Gray is going to tell all, the associate said. "There's no question of loyalty or non-loyalty involved," he added.

"Don't forget," the associate added, "it was he [Gray] who first raised the question of the cover-up when he talked to the President"—a reference to Mr. Gray's telephone talk with Mr. Nixon last July 6. At that time, it has since been learned, White House advisers urged Mr. Gray to set aside an F.B.I. inquiry into campaign funds being funneled through Mexico on the false ground that some covert Central Intelligence Agency operations would be compromised.

A Government source confirmed that Mr. Gray had been cooperating for the last month, but refused to say whether a final decision had been made regarding future criminal charges against him. The former F.B.I. official, who resigned April 27 after the Senate delayed his confirmation to head the agency, has not yet appeared before the Federal grand jury, sources said.

Nonetheless, the Federal prosecutors have met privately with him and his attorney, Stephen H. Sachs of Baltimore, at least four times since early May.

"He doesn't want anything," the associate said of Mr. Gray. "He is seeking no deals of any kind."

Mr. Gray has told both the Senate Watergate committee and the Federal prosecutors, according to published accounts, of two alleged instances of cover-up involving John D. Ehrlichman, who resigned April 30 as the President's chief domestic adviser.

On June 28, 1972, 11 days after the Watergate break-in,

was summoned to a White House meeting with Mr. Ehrlichman and Mr. Dean at which he was urged to destroy documents that had been taken from the safe of E. Howard Hunt Jr., a member of the break-in team.

As Mr. Gray is said to have recounted it, during that meeting Mr. Ehrlichman asked Mr. Dean why it was necessary for Mr. Gray to handle the papers, saying: "You drive over the bridge [across the Potomac River to Virginia] every night; why don't you throw them over?"

At the same time, both Mr. Ehrlichman and H. R. Halde- man, the White House chief of staff who also resigned April 30, allegedly were involved in an effort to convince Mr. Gray to hold off the F.B.I. inquiry into a check for \$80,000 that had been cleared through a Mexican bank — and ultimately was used to finance part of the Watergate operation — on the ground that it would compromise some C.I.A. operations.

The investigation was delayed from June 23 until July 6, according to published accounts, although high-ranking C.I.A. officials had told the White House on June 29 that the agency had no connection whatever with the crime.

Mr. Gray has acknowledged that he permitted the two-week lag in the initial Mexican inquiry to take place, but also said, during testimony last month to a Senate Appropriations subcommittee, that at its end he warned Mr. Nixon that "people on your staff are trying to mortally wound you" by delaying the inquiry.

In his statement May 22 on Watergate, the President referred to that conversation, which had already been made public in part, and summarized in this way:

"During the conversation, Mr. Gray discussed with me the progress of the Watergate investigation, and I asked him whether he had talked to General Walters [Lieut. Gen. Vernon A. Walters, deputy director of the C.I.A.]. Mr. Gray said that he had, and that General Walters had assured him that the C.I.A. was not involved. In the discussion, Mr. Gray suggested that the matter of the Watergate might lead higher. I told him to press ahead with his investigation."

Both the Federal prosecutors and officials close to Archibald Cox, the special Watergate prosecutor who is still reviewing the vast files accumulated during the year-long investigation, are known to believe that naivete and eagerness to please

source put it—of senior White House aides. As such, these officials have said he could be considered less culpable than those aides who actually directed the cover-up.

### Indictments Coming

On May 25, United States Attorney Harold H. Titus Jr. announced that indictments would be handed down in the Watergate scandal within 60 to 90 days. He also said that one of the key figures in the case—subsequently identified as Mr. Magruder—had agreed to plead guilty and serve as a prosecution witness at any trials.

In a statement, Mr. Titus added that "others who had also admitted their culpability" were engaged in discussions with the prosecutors in an effort to work out conditions for their cooperation.

Last week, The New York Times reported that Mr. Kalmbach, who had been an associate of Mr. Nixon's since 1960, had agreed to cooperate in the hope of avoiding indictment or, at the least, being charged with lesser crimes. The California lawyer has been linked to the raising of cash that was ultimately used as pay-off money for the Watergate defendants and their attorneys.

Government sources acknowledged that Mr. Gray and Mr. Kalmbach might not be charged in connection with the Watergate cover-up, but pointed out that the two men were needed as witnesses against other persons who played more important roles in shaping the Nixon Administration initial reaction to the scandal.

There have been press reports and speculation that more than 20 defendants would be indicted by the grand jury at the end of its hearings. However, The Times's sources ruled out any mass indictments, noting that such trials often drag on for more than a year and bore the jurors.

"You've got to get a unanimous verdict to convict," one source said, "and we want to convict."

At least four top Administration officials are known to be among the key targets of the current grand jury problem. They are Mr. Dean, Mr. Halde- man, Mr. Ehrlichman and John N. Mitchell, former Attorney General and one-time director of the Committee for the Re-election of the President.

In a related development, Mr. Cox announced that the three Watergate prosecutors—Earl J. Silbert, Seymour Glazer and Donald E. Campbell — would have early this week into his offices in downtown Wash- ington.

"The purpose of this move," Mr. Cox said in a statement, "is to enable their work with members of my staff to go forward more conveniently and effectively."

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THE ADMINISTRATION

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# Of Memory and National Security

Ever since the Watergate scandal broke wide open, it had seemed probable that Nixon's former closest aides, John D. Ehrlichman and H.R. Haldeman, knew as many of the secrets of the sordid affair as anyone else. Last week both men stepped forward for the first time to define their own roles in a small but crucial aspect of the case. Testifying before a Senate appropriations subcommittee on their dealings with the CIA, Haldeman and Ehrlichman proved short on memory but very long on devotion to national security as a justification for their actions—clearly taking their cue from the President's own curious and unsettling manifesto of the week before.

Ehrlichman had been accused in previous Senate testimony of ordering

that defense, he seemed to be preparing a fall-back position in case his memory was later refreshed. Hypothetically entertaining the notion that he might have called the CIA on Hunt's behalf but forgotten about it, Ehrlichman said, "It must have been the first and only time I did so without presidential direction, and apparently at the request of someone else who phoned me or came to see me in California [San Clemente] to ask me to do so."

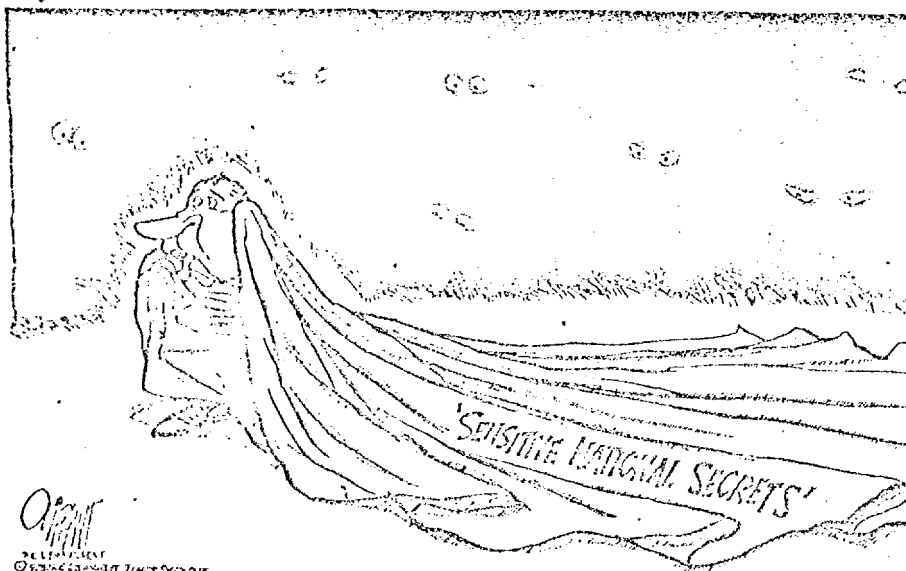
The following day, Marine Corps Commandant General Robert E. Cushman Jr., the former deputy director of the CIA and the man who had implicated Ehrlichman originally, reaffirmed his recollection that Ehrlichman had instructed him to help Hunt. Daily CIA staff notes proving his contention, Cush-

learned that the FBI investigation might harm the agency. He said he believed the CIA would be making a mistake if it pretended an investigation would not disclose some of its current operations." Nixon also told him, he said, that he hoped the CIA officers were "not covering up for their subordinates."

**Small Sample.** The most visible investigators of Watergate—the members of the Senate Select Committee on Presidential Campaign Activities—were recessed all last week, but Chairman Sam Ervin Jr. had apparently taken his work home with him. After thumbing through the papers that former Presidential Counsel John W. Dean III had removed from his White House office, and specifically examining documents spelling out the Administration's 1970 blueprint for increased surveillance of domestic dissidents and agitators, Ervin accused the architects of the Administration's program of "a Gestapo mentality." The usually soft-spoken Senator from North Carolina declared that "it would be a great shock to the American people" if the documents were released and the public were to learn the details of the domestic spy operations that Nixon had requested. According to Dean, who is hoping for total immunity in exchange for his testimony (see THE LAW), the documents are but a small sample of the kind of information he possesses.

Ervin is preparing to present the full 1970 Administration spy proposal to his committee, urging his colleagues to publish it in its entirety. It seems more and more likely that the White House

CIA 1.02 Cushman, Robert  
L. WALTERS, VERNON  
(orig under Ehrlichman)



Security Blanket

CIA assistance for E. Howard Hunt Jr., a White House "plumber" who, after receiving such aid, helped engineer the burglary of Daniel Ellsberg's psychiatrist's office. Both Ehrlichman and Haldeman had also been accused by former CIA officials of obstructing the FBI's investigation of Watergate. Specifically, they were said to have asked the CIA officials to get in touch with FBI Acting Director L. Patrick Gray III and tell him to go easy in his investigation on the ground that his agency's probe might expose CIA operations.

In a courtly, low-keyed soliloquy, Ehrlichman tried his best to brush away both accusations. He claimed he had no idea who had requested CIA assistance for Hunt, but said he was sure it had not been himself. Or rather, he was almost sure. "The best I can say to help the committee," said Ehrlichman, "is that I do not recall doing so, and the particular circumstances of the matter do not argue that I did. Even in making

man said, had been turned over to the "necessary congressional committees."

Both Ehrlichman and Haldeman responded to the second allegation being investigated by the subcommittee—the attempt to use the CIA in the Watergate cover-up—by insisting that that had not been their intention. They readily admitted that they did instruct CIA Deputy Director Vernon Walters to warn Gray that his agency's Watergate investigation might blow the cover of CIA operatives. But they claimed they did so at the specific request of President Nixon, and for legitimate reasons. Picking up the President's national-security theme, Ehrlichman said that "such questions had to be asked and answered, in the national interest."

Such was Nixon's concern, said Ehrlichman, that even after the two top CIA officials had assured the White House that no CIA operations were entailed in the investigation, he still personally believed and

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# CIA, Helms in the domestic

By Thomas B. Ross

Sun-Times Bureau

WASHINGTON — Recent testimony and disclosures in the Watergate scandal indicate the Central Intelligence Agency has become deeply involved in domestic activities in violation of the spirit, if not the letter, of the law under which it was created.

The incriminating new evidence relates principally to the CIA's role in the Watergate cover-up and in President Nixon's secret plan to expand the domestic intelligence network in 1970.

Three congressional committees, two in the Senate and one in the House, are reviewing evidence to see whether the law has been transgressed criminally and whether it needs to be strengthened to prevent abuse.

Lt. Gen. Vernon A. Walters, deputy director of the CIA, has conceded he implicated the agency in domestic politics by following White House orders and urging the FBI to limit its Watergate investigation to those arrested in the break-in — that is, let the higher-ups go free.

Richard M. Helms, then CIA director and now ambassador to Iran, attended the meeting at which Walters was given his instructions in the President's name. Helms gave categorical assurance to H.R. Haldeman, then White House chief of staff, that the CIA was completely uninvolved with Watergate and thus could not be compromised by an investigation.

But nonetheless Walters' testimony indicated that Helms did nothing to stop his deputy from carrying out a illegal order and did nothing to cover up the FBI's false impression for two critical weeks, during which key aspects of the investigation remained untouched.

Moreover, Helms made a point to inform the committees in Congress responsible for assessing the CIA that the White

House had attempted to use the agency illegally in domestic politics. In fact, during his confirmation hearings as ambassador to Iran, he gave sworn testimony that the CIA was in no way involved in Watergate or any other domestic operation.

Last week, however, to protect White House documents, leaked to the press, showed that Helms had been involved deeply in formulating an internal security plan that would have had the agency preparing "domestic intelligence estimates" and spying on "American students (and others) traveling or living abroad."

Yet during the confirmation hearings earlier this year, the following exchange took place:

SEN. CLIFFORD CURTIS: "I would like to draw your attention that in 1969 and 1970 the White House asked that all

## activities soup

intelligence agencies join in an effort to learn as much as they could about the anti-war movement. . . . Do you know anything about any activity on the part of the CIA in that connection?"

HELMS: "I do not recall whether we were asked, but we were not involved because, it seemed to me, that was a clear violation of our charter."

Called back to answer new allegations against the CIA, Helms asserted: "I do not recall any specific requests by an individual to do such things. There have been at various times conversations about whether it would be desirable to have the agency do certain types of operations which the FBI were not performing satisfactorily. This has been something that has been totally and 100 per cent resisted."

By stark contrast, the chief White House architect of the domestic spying plan advised Mr. Nixon: "I went into this exercise fearful that CIA would refuse to co-operate. In fact, Dick Helms was most co-operative and helpful, and the only stumbling block was Mr. (J. Edgar) Hoover (the late FBI director)."

The President also was advised that certain parts of the plan were "clearly illegal." A close reading of the 1947 National Security Act, creating the CIA, would suggest that the agency's very involvement in drawing up the plan was one of them.

The act authorizes the CIA to engage only in the collection and dissemination of foreign intelligence. It does not authorize the agency to conduct special operations—surveillance, bugging and the like—either at home or abroad.

In fact, it specifically provides that "the agency shall have no police, subpoena, law-enforcement, or internal security functions" (italics added).

The statements of key congressmen at the time the act was passed make it abundantly clear that they believed the CIA was flatly prohibited from taking part in any domestic intelligence activities, either in planning or execution.

Nevertheless, the act did contain a little-noticed loophole authorizing the CIA "to perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct."

Since the NSC, when reduced to its essence, is the President himself, the loophole can be read to empower the President to use the CIA any way he sees fit.

And it is clear that from the start, Presidents did just that. A year after the act went into effect, President Harry S. Truman resorted to the loophole to intervene secretly in the Italian election against the Communists.



RICHARD M. HELMS

continued

## Corruption of CIA Officials

The Central Intelligence Agency (CIA) will be a long time recovering from the Watergate scandal though it had no part in the break-in and bugging of Democratic National Headquarters. The texts published this week of memorandums by Lt. Gen. Vernon Walters, deputy director of the CIA, show that the CIA played a shocking early part in attempts to cover up Watergate.

A Walters memo dated June 28, 1972, shows that Walters and CIA Director Richard Helms were summoned to the White House to meet with John Ehrlichman and H.R. Haldeman on June 23. According to the memo, the two CIA officials were told that the Watergate affair "was getting embarrassing" and Walters should call on acting FBI 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, etc."

Walters wrote that Helms informed Haldeman and Ehrlichman that the CIA was in no way connected with Watergate, but when Haldeman said Walters "could tell Gray that I had talked to the White House and suggested that the investigation not be pushed further . . . I then agreed to talk to Gray, as directed."

The meeting between Walters and Gray took place the same day. The Walters memo about that conversation, also dated June 28, shows Walters told Gray that "while the further investigation of the Watergate affair had not touched any current or ongoing covert projects of the agency, its continuation might lead to some projects . . . 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."

Walters subsequently balked at being a party to the cover-up, and later memos showed he rebuffed efforts by John Dean to further compromise the CIA. By July 6 Walters had leveled with Gray and told him that "in all honesty I could not tell him to cease future investigations on the grounds that it would compromise the security interests of the United States."

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Before thinking better of participating in the cover-up, however, Walters had advised Dean how the White House might extricate itself from Watergate with a minimum of embarrassment. Walters told Dean it "would be plausible" to allow people to believe that Watergate was the work of anti-Castro Cubans because "this affair already had a strong Cuban flavor and that everyone knew that the Cubans were conspiratorial."

The admission that Walters was willing initially to do White House bidding and lie to the director of the FBI to cover up Watergate is all the more damning coming in memos by Walters, in his own words, written soon after—and in many cases the same day—as the events he described.

The CIA official, to his credit, refused to go along with the plot after awhile. But it is indefensible that he went along as far as he did. Equally reprehensible was the willingness of then-CIA Director Helms to allow Walters to be sent on his cover-up mission to Gray.

Walters and Helms thus knew of efforts to obstruct justice in connection with Watergate in the very earliest stages of the investigation. They apparently did nothing about it.

Walters is still deputy director of the CIA. Helms is U.S. ambassador to Iran. Both men ought to be relieved.



## ...the C.I.A....

The memoranda prepared by Central Intelligence Agency officials published in The Times on Monday spell out in painfully clear detail the Nixon Administration's effort to pervert the C.I.A. for its own domestic political purposes.

In the first of these memoranda, Gen. Vernon A. Walters, deputy director of C.I.A., set down what Richard Helms, the head of C.I.A., told H. R. Haldeman and John Ehrlichman in the latter's office at the White House on June 23, 1972:

"Director Helms said he had talked to Gray [the acting director of the Federal Bureau of Investigation] on the previous day and made plain to him that the agency [C.I.A.] was not behind this matter and that it was not connected with it. None of the suspects was working for it nor had worked for the agency in the last two years. He had told Gray that none of his investigators was touching any covert projects of the agency, current or ongoing."

In any properly run Administration, that definitive statement from the head of the C.I.A. should have ended any further discussion. But the Nixon men were obviously not deterred for a moment.

"Haldeman then stated that I could tell Gray that I had talked to the White House and suggested that the investigation not be pushed further. . . . I then agreed to talk to Gray, as directed," the Walters memorandum continues.

The question immediately arises—why did the White House not convey its instructions directly to Mr. Gray? It is sad that General Walters evidently felt it necessary to accept this demeaning assignment, but after two weeks of play-acting he refused to be used any further. On July 6, he told Mr. Gray: "In all honesty I could not tell him to cease future investigations on the grounds that it would compromise the security interests of the United States."

Meanwhile, John Dean, the President's counsel, had tried to draw the C.I.A. more deeply into the conspiracy by suggesting that the agency provide bail for the defendants and pay their salaries, requests which the C.I.A. wisely rejected.

President Nixon's responsibility for this perversion of the C.I.A. is heavy. Since Mr. Haldeman was the President's chief aide and since only the President can command the C.I.A., the authority behind the instructions was evident.

Mr. Nixon has already admitted some responsibility: "I instructed Mr. Haldeman and Mr. Ehrlichman to insure that the investigation of the break-in not expose either an unrelated covert operation of the C.I.A. or activities of the White House investigations unit—and to see that this was personally coordinated between General Walters and Mr. Gray."

Since no "unrelated covert operation" of the C.I.A. was endangered, the agency was being used as a screen to protect the White House investigation unit, the so-called "plumbers." The activities of these plumbers have not yet been fully investigated and exposed, but it is already clear that some of their secret deeds were illegal.

# Voice of America Curbed on Broadcasts of Watergate Story

By William Claiborne,  
Washington Post Staff Writer

The Voice of America news staff has been instructed by government officials not to broadcast Watergate disclosures that are attributed to unidentified sources.

The order has touched off what one high VOA official termed a "vehement difference of opinion" between the government-operated radio network and its parent agency, the U.S. Information Agency.

It has also resulted in distress in the newsrooms of VOA, where the partial gag on Watergate is viewed as an obstacle to covering a major story that free nation newspapers all over the world are reporting fully.

The instructions prompted

VOA editors to kill a story on Sunday that it had already sent to its outlets. The story, published in The Washington Post and The New York Times, quoted "reliable sources" as saying that former presidential counsel John W. Dean has told federal investigators that he discussed the Watergate cover-up with President Nixon on at least 35 occasions between January and April of this year.

James Keogh, director of the USIA, said he had ordered the VOA attribution policy and that it will remain in effect.

"My guidance has been to cover the Watergate story factually, but do not use rumor, speculation, hearsay or

anonymous accusation." Keogh said he felt the Dean story fell within the latter category.

"You have to realize that this is a very sensitive thing for us—the impression that the foreign audience gets," said Keogh. "It's difficult for people to understand what we're doing. In some countries, they might get the impression of something conspiratorial about this (the broadcasts themselves)."

Keogh said the VOA had been instructed to explain that the Watergate affair is "interplay between a free press, the executive branch and the legislative and judicial branches of government."

Although Keogh's comments seemed to preclude a reversal of his policy, the deputy director of VOA, William D. Miller, said, "We are still discussing this, and there are differences that are unsolved."

Miller said there is still a basic question of interpretation involved in weighing each new Watergate disclosure.

"One man's rumor is another man's fact," said Miller. "There is a vehement difference of opinion; as of now, we stand on our (story) file."

Examination of the files over the past four months has shown that the VOA covered the Watergate case thoroughly and impartially, drawing upon its own repor-

tage and unattributed accounts carried in newspapers and by commercial networks.

In one March commentary, it praised the press and Chief U.S. District Judge John J. Sirica for bringing to light many of the case's disclosures.

However, staff members at the VOA said the current unrest over the network's attribution policy came to a head on Sunday and that the Keogh instructions have been "expressed in stronger terms" in the past several days.

One VOA executive said he received indications last Friday that the Watergate policy would be more strictly enforced.

Staff members, in the VOA newsroom said that the overnight shift wrote a broadcast based on The Post and The Times stories about Dean and that the story was sent to VOA transmitters in Europe, the Middle East and Southeast Asia for beaming to all points of the globe.

However, at 11 a.m. on Sunday, according to the staffers, an advisory was sent out instructing all foreign VOA editors to "make no further use" of the Watergate story.

The story "kill" was based on a note left by the duty editor that day to the effect that "Mr. Keogh won't allow VOA to carry unnamed sources," according to one staff member.

Finally, at 2:30 p.m. Sunday, VOA sent a rewritten Watergate story that began with a White House denial of The Post and Times stories.

Miller said the story "kill" was made because "somebody misinterpreted the instructions we had." He said when senior editors realized what had happened, they re-instated the story, leading with the White House denial.

Keogh said yesterday unattributed stories in newspapers can be picked up by the VOA when they are followed by specific denials. "If an accusation is important enough to warrant a denial, it's a different thing," he said.

Staff members said the

VOA also was not permitted to broadcast a Watergate story that ran Monday in The Times and on Tuesday in The Post until the White House had officially denied it. The story—based on memoranda written by Central Intelligence Agency deputy director Vernon Walters—indicated the White House regarded Watergate as a "political bombshell" and not as a national security threat.

The staff member said there has been no organized effort in the VOA newsroom to get Keogh to change his mind, but added that some newsmen have been trying to tell the USIA that "you can't go wrong if you tell it like it is."

# Security Issue Is Disputed

By Laurence Stern

Washington Post Staff Writer

Gen. Vernon A. Walters was a veteran of the Fifth Crisis, Richard Nixon's stormy tour of South America in 1958.

L. Patrick Gray III was a political foot soldier in the Sixth Crisis, the 1960 quest for the Presidency.

On June 23, 1972 the two men came face-to-face at FBI headquarters in Washington as the Seventh Crisis began to thicken and swirl around the White House.

What emerges from the Walters narrative is an intriguing melodrama in which presidential and institutional loyalties, as well as personal ambition, are entwined in a White House effort to stave off an election-year political scandal.

In its practical effect the White House scheme, as recounted by Walters, would have stopped dead an impending FBI investigation into the "laundering" of Nixon re-election funds through a Mexican bank.

It was propounded by the President's chief of staff, H. R. (Bob) Haldeman to Walters and his boss, former CIA Director Richard M. Helms at the White House the same day Walters was sent to see Gray. Walters acknowledged that initially he acquiesced and then resisted the cover-up scheme. Helms throughout stood firm against it.

The Walters account documents the fact that the White House obsession with Watergate's "Mexican connection" was not national security — the concern expressed by President Nixon — but rather the specter of massive political embarrassment to the President. The pending FBI investigation would have established the first solid link between the Watergate burglars and the Committee to Re-Elect the President.

Gray at the time aspired to become permanent director of the FBI. Walters was No. 2 in the CIA at a time when the continued tenure of No. 1, Helms, was by no means assured.

Under the plan first proposed by Haldeman, the CIA through Walters was to warn the FBI, namely Gray, that the prospective investigation in Mexico would expose covert CIA activities—and therefore should be called off.

At the initial June 23 White House meeting that set the stage for the Walters-Gray contacts, Haldeman's role was so described by the general:

"Haldeman said that 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 investigation was leading to a lot of important people and this could get worse. He asked what the connection with the agency (CIA) 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 (FBI 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, etc."

At that point, Walters said, Haldeman told him to go to Gray and tell him "that I had talked to the White House and suggested that the investigation not be pushed further. Gray (was) receptive, as he was looking for guidance in the matter."

These instructions were given to him, said Walters, despite repeated assertions by CIA Director Helms that the agency was not concerned about the FBI investigation exposing any covert programs.

In his meeting with Gray, Walters related, he followed Haldeman's instructions. The acting FBI director replied that "his problem was how to low-key the matter now that it was launched." And Gray acknowledged that "it was a matter of a check on a Mexican bank for \$29,000." That was the total of four checks deposited through the Mexican

bank account, allegedly to conceal the origin of the money.

"Gray then said that this was a most awkward matter to come up during an election year and he would see what he could do," Walters related.

By his own admission Walters then directly contradicted the judgment his boss, Helms, had early that day given Haldeman and John D. Ehrlichman at the White House.

"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."

In fact the investigation was under the supervision of neither Gray nor Walters but immediately the United States Attorney for the District and ultimately the Attorney General, who was at the time John D. Mitchell.

Three days later Walters was summoned to the White House by presidential counsel John W. Dean III.

Walters related: "He (Dean) said the investigation of the Watergate 'bugging' case was extremely awkward and that there were a lot of leads to important people..."

At that point, according to the Walters account, Dean brought up previously reported suggestions that the CIA might pay the bail of the Watergate suspects or pay their salaries out of covert funds if they were sent to jail.

Walters maintained that he put his foot down and insisted that the CIA would not become implicated in a Watergate cover-up.

Walters said he told Dean that if the CIA were to go along with the scheme "as big as the troubles might be with the Watergate affair... the scandal would be ten times greater." If could, he suggested, implicate the President.

He quoted Dean in a subsequent conversation on June 23 as saying that "the problem was how to stop the FBI investigation beyond the five suspects." Walters said counsel that Watergate "was

a high-explosive bomb but intervention such as he suggested could transform it into a megaton hydrogen bomb... Direct intervention by the agency would be electorally mortal if it became known.

"I noted that scandals had a short life in Washington and that other newer, spicier ones soon replaced them. I urged him not to become unduly agitated by this one," Walter consoled.

A July 5 memorandum records a phone conversation with Gray. "He said that the pressures on him to continue the investigation were great. Unless he had documents from me to the effect that their (FBI) investigation was endangering national security, he would have to go ahead with the investigation" of the money transaction.

The two men met the next day. And it was at that time, according to the Walters account, that both agreed the FBI investigation of the Watergate money laundering in Mexico could not be stopped.

"I had a long association with the President and was as 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 spurious grounds... would serve the President," Walters said.

So the two Nixon loyalists spoke of their respective readiness to resign rather than comply with the White House pressures to stop the FBI investigation in Mexico.

Gray insisted during the conversation that "he had told Ehrlichman and Haldeman that he would prefer to resign, but his resignation would raise many questions that would be detrimental to the President's interest," according to Walters.

Nor did Gray see the need to protect "some mid-level White House figures who had acted imprudently," the CIA deputy added. "He said he was anxious not to talk to Mitchell because he was

4 JUN 1973

# Transcripts of Excerpts From the C.I.A. Memorandums About the Watergate Case

Special to The New York Times

WASHINGTON, June 3—Following are excerpts from nine memorandums and a note of transmittal by Lieut. Gen. Vernon A. Walters, deputy director of the Central Intelligence Agency, and a memorandum by James R. Schlesinger, Director of Central Intelligence, that were supplied last month to a Senate Appropriations subcommittee in connection with its investigation of the Watergate case. The excerpts were transcribed by The New York Times from photocopies of the original documents. The first is a covering note apparently provided to the subcommittee prior to General Walters's testimony last month. The excerpts appear in chronological order.

## COVERING NOTE Dated May 18, 1973

The attached memoranda were never intended to be a full or verbatim account of the meetings they covered. These were notes to refresh my memory if I should need it. Originally, the only copy was held in my personal files.

Apparent inconsistency between my testimony that the President's name was not used by Haldeman in our June 23 conversation and a note that he had said that "It was the President's wish"—I wrote this note five days after the talk. When I showed it to Mr. [Richard] Helms, [Director of Central Intelligence at the time], he pointed out that Haldeman had not actually used the expression, "It was the President's wish." Obviously the thought was implicit in my mind. I did not, however, correct the memo since it was for my own use only. The fact that I agreed with Helms is shown by my saying to [L. Patrick] Gray [Acting Director of the F.B.I.] on 5 July that it was "implicit." And in several other talks, both with Gray and [John W.] Dean [President Nixon's counsel], showing clearly that I did not believe the President knew.

In my talk with Dean on 26 June, I said, "those who were not touched by the matter would be so" if I were to do what Dean wanted.

The fifth paragraph of my memo on my talk with him on 28 June covers this also.

My whole talk with Gray on 6 July also makes this view clear.

Paragraph 5 of my memo of July 28 conversation with Gray also reflects this view.

With regard to the reference to the Cubans in my notes on my talks with Dean on 28 June, he had expressed

the view that there were three hypotheses on the bugging: 1) The Committee to Re-elect the President; 2) The C.I.A.; 3) Some other group. He never admitted any participation by the first group. I told Dean C.I.A. was not involved. He was casting about desperately for someone and pressed me for ideas. My remarks were intended only as a hypothetical assumption.

VERNON G. WALTERS

## MEMO DATED JUNE 28, 1972

On June 23 at 1300 [1 P.M.] on request I called with director Helms on John Ehrlichman and Robert Haldeman at Ehrlichman's office at the White House. Haldeman said that 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 F.B.I. 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 asked 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 that it was not advantageous to have the inquiry pushed, especially in Mexico, etc.

Director Helms said he had talked to Gray on the previous day and made plain to him that the agency was not being investigated and that it was not connected with it.

None of the suspects was working for it nor had worked for the agency in the last two years. He had told Gray that none of his investigators was touching any covert projects of the agency, current or ongoing.

Haldeman then stated that I could tell Gray that I had talked to the White House and suggested that the investigation not be pushed further. Gray [was] receptive as he was looking for guidance in the matter.

The director repeated that the agency was not connected with the matter. I then agreed to talk to Gray, as directed. Ehrlichman implied that I should do this soon and I said that I would try to do it today.

Upon leaving the White House, I discussed the matter briefly with the director. Upon returning to the office, I called Gray [and] indicated that this was a matter of some urgency, and he agreed to see me at 1430 [2:30 P.M.] that day.

VERNON G. WALTERS  
Lieutenant General,  
U.S.A.

## MEMO DATED JUNE 28, 1972

At 1430 on 23 June I called on the acting director

of the F.B.I., L. Patrick Gray, at his office in the F.B.I. building and saw him alone. I said that I had come to see him after talking to the "White House." I cited no names and he asked for none.

I added that I was aware of the director's conversation with him the previous day and while the further investigation of the Watergate affair had not touched any current or ongoing covert projects of the agency, its continuation might lead to some projects.

I recalled that the F.B.I. and the agency had an agreement in this respect and that the bureau had always scrupulously respected it. Gray said that he was aware of this and understood what it was conveying. His problem was how to low-key the matter now that it was launched.

He said that a lot of money was apparently involved and that it was a matter of a check on a Mexi-

can bank for \$89,000. He asked if the name "Dahlberg" meant anything to me and I said it did not. But that was not really significant as I had only been with the agency for a few months.

Gray then said that this was a most awkward matter to come up during an election year and he would see what he could do. 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.

He replied that he understood and would have to study the matter to see how it could best be done. He would have to talk to John Dean about it. Gray said he looked forward to cooperating closely with the agency.

After some pleasantries about J. Edgar Hoover and our past military careers, I left saying that my job had been an awkward one but he had been helpful and I was grateful.

VERNON G. WALTERS

## MEMO DATED JUNE 28, 1972

June 26 at about 10 A.M. I received a phone call from Mr. Dean at the White House. He said he wished to see me about the matter that John Ehrlichman and Bob Haldeman had discussed with me on the 23d of June. I could check this out with them if I wished.

I agreed to call on him at his office in Room 106 [of the] Executive Office Building at 1145 that morning. Immediately after hanging up, I called Ehrlichman to find out if this was all right and after some difficulty I reached him and he said I could talk freely to Dean.

At 1145 I called at Dean's office and saw him alone. He said that the investigation of the Watergate "bugging" case was extremely awkward and that there were a lot of leads to important people and that the F.B.I., which was investigating the matter, was working on three theories: 1) It was organized by the Republican National Committee; 2) It was organized by the [redacted] some other party.

continued

I said that I had discussed this with Director Helms and I was quite sure that the agency was not in any way involved and I knew that the director wished to distance himself and the agency from the matter.

Dean then asked whether I was sure the agency was not involved. He believed that Barker had been involved in a clandestine entry into the Chilean Embassy. I said that I was sure none of the suspects had been on the payroll for the past two years.

Dean then said that some of the accused were getting scared and "wobbling." I said that even so, they could not implicate the agency. Dean then asked whether there was not some way that the agency could pay bail for them (they'd been unable to raise bail), added that it was not just bail, but that if these men went to prison could we [the CIA.] find some way to pay their salaries while they were serving out their convictions?

I said that I must be quite clear. I was a deputy director and as such had only authority specifically delegated to me by the director and was not in the chain of command but that the great strength of the agency and its value to the President of the United States lay in the fact that it was apolitical and had never gotten itself involved in political disputes. Despite the fact that I had only been with the agency a short time, I knew that the director felt strongly about this.

I then said that as big as the troubles might be with the Watergate affair, if the agency were to provide bail

and pay salaries, this would become known sooner or later in the current "leaking" atmosphere of Washington and that at that point, the scandal would be 10 times greater, as such action could only be done upon direction at "the highest level" and that those who were not touched by the matter now certainly would be so.

Dean seemed at first taken aback and then very much impressed by this argument and said that it was certainly a very great risk that would have to be weighed. I repeated that the present affair would be small potatoes compared to what would happen if we did what he wanted and it leaked. He nodded gravely.

I said that, in addition, the agency would be completely discredited with the public and the Congress and would lose all value to the President and the Administration. Again he nodded gravely.

He then asked if I could

think of any way we could help. I said that I could not think of any but I would discuss the matter with the directors and would be in touch with him. However, I felt that I was fully cognizant of the director's feelings in the matter. He thanked me and I left.

VERNON G. WALTERS

### MEMO DATED JUNE 29, 1972

On 28 June, at 1130, John Dean asked me to see him at his office in the Executive Office Building. I found him alone.

He said that the director's meeting with L. Patrick Gray, F.B.I. director, was canceled and that John Ehrlichman had suggested that Gray deal with me instead.

The problem was how to stop the F.B.I. investigation beyond the five suspects. Leads led to two other people—Ken Dahlberg, and a Mexican named Guena. Dean said that the \$89,000 was only related to the bugging case and that Dahlberg was refusing to answer questions. Dean then asked hopefully whether I could do anything or had any suggestions.

I repeated that as the deputy director, I had no independent authority. I was not in the chain of command and had no authority other than that given me by the director. The idea that I act independently had no basis in fact.

Dean then asked what might be done and I said that I realized he had a tough problem, but if there were agency involvement, it could only be at Presidential directive and that the political risks that were concomitant appeared to me to be unacceptable.

At present it was a high-explosive bomb but intervention such as he suggested could transform it into a megaton hydrogen bomb. The present caper was awkward and unpleasant. Direct intervention by the agency would be electorally mortal if it became known and the chances of keeping it secret to the election were almost nil.

I noted that scandals had a short life in Washington and that other newer, spicier ones soon replaced them. I urged him to not 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 and that everyone knew that the Cubans were conspiratorial and anxious to know what the policies of both parties would be toward Castro. They, therefore, had a plausible motive for attempting this amateurish operation. A senior staff technician would deplore.

This might be costly but it would be plausible.

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

After a moment's thought, he said that he felt that Gray's cancellation of the appointment with Director Helms might well be reversed within the next few hours.

Dean thanked me and I left.

VERNON G. WALTERS

### MEMO DATED JULY 5, 1972

#### MEMO FOR THE RECORD

On July 5, '72 at 5:50 P.M., I received a phone call from the acting director of the F.B.I., L. Patrick Gray. He said that the pressures on him to continue the investigation were great. Unless he had documents from me to the effect that their (F.B.I.) investigation was endangering national security, he would have to go ahead with the investigation of Dahlberg and Daguerre. He had talked to John Dean. I said I could not give him an immediate answer but would give him one by 10:00 on 6 July. He said that would be agreeable.

VERNON G. WALTERS

### MEMO DATED JULY 6, 1972

At 10:05 on 6 July I saw acting director L. Patrick Gray at his office. We were alone during our conversation. I handed him the memorandum which is attached and said that it covered the entire relationship between the Watergate suspects and the agency.

In all honesty I could not tell him to cease future investigations on the grounds that it would compromise the security interests of the United States. Even less so could I write him a letter to this effect. He said that he fully understood this. He himself had told Ehrlichman and Haldeman that he could not possibly suppress the investigation of this matter.

Even within the F.B.I. there were leaks. He had called in the components of his field office in Washington and chewed them out on this case because information had leaked to the press concerning the Watergate case which only they had.

I said that the only basis on which he and I could deal was absolute frankness and I wished to recount my involvement in this case. I said that I had been called to the White House with Director Helms and had seen two senior staff assistants (I

specifically did not name Haldeman and Ehrlichman).

I said that we had been told that if this case were investigated further, it would lead to some awkward places, and I had been directed (the implication being that the President directed this although it was not specifically said) to go to acting director Gray and tell him that if this investigation were pursued further, it could uncover some ongoing covert operations of the agency. I had done this.

Subsequently, I had seen Mr. Dean, the White House counsel, and told him that whatever the current and present implications of the Watergate case were, that to implicate the agency would not serve the President but would enormously increase the risks to the President.

I had a long association with the President and was as desirous as anyone of protecting him. I did not believe that a letter from the agency asking he F.B.I. to lay off this investigation on spurious grounds that it would uncover covert operations would serve the President.

Such a letter in the current atmosphere in Washington would become known prior to election. What was now a minor wound would become a mortal wound. I said quite frankly that I wouldn't write such a letter.

Gray thanked me for my frankness and said that this opened the way for fruitful cooperation between us. He would be frank with me, too. He could not suppress this investigation with the F.B.I. He had told Kleindienst this. He told Ehrlichman and Haldeman that he would prefer to resign, but his resignation would raise many questions that would be detrimental to the President's interest.

He did not see why he or I should jeopardize the integrity of our organizations to protect some mid-level White House figures who had acted imprudently. He was prepared to let this go to Ehrlichman, to Haldeman, or to Mitchell, for that matter. He felt it important that the President should be protected from his would-be protectors. He had explained this to Dean as well as to Ehrlichman and to Haldeman.

He said he was anxious not to talk to Mitchell because he was afraid that at his confirmation hearings he would be asked whether he had talked to Mitchell about the Watergate case and he wished to be in a position to reply negatively. He said

that he would like to talk to the President about it but he feared that a request from him to see the President would be misinterpreted by the media.

I said that if I were directed to write a letter to him saying that 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 interest.

The potential danger to the President of such a course far outweighed any protective aspects it might have for any other figures in the White House and I was quite prepared to resign myself on this issue. Gray said he understood this fully and hoped I would stick to my guns. I assured him I would.

Gray then said though this was an awkward position, our mutual frankness had created the basis for a new and happy relationship between the two agencies. I said the memorandum I had given him described in detail the exact measure of agency involvement and noninvolvement in this case, including information on Dahlberg and Daguerre. He thanked me again for my frankness and confidence and repeated that he did not believe that he could sit on this matter and that the facts would come out eventually. He walked me to the door.

VERNON G. WALTERS

**MEMO DATED  
JULY 13, 1972**

On 12 July at 14150 I called on acting director L. Patrick Gray at his office and saw him alone.

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

He thanked me and said that this case could not be snuffed out and that it would lead quite high politically.

had gotten the check from Maurice Stans and deposited it in the Mexican bank. It was undoubtedly political money.

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

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

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

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

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

Gray then said that the U. S. Attorney had subpoenaed the financial records of the Committee to Re-elect the President. It had been suggested to him that he stop this. He had replied that he could not. Whoever wanted this done should talk to the Attorney General and see if there was any legal way to do this. He could not.

He said that he had told the President in 1968 that he should beware of his subordinates who try to wear his Commander in Chief stripes. I agreed, saying that in my view the President should be protected from the self-appointed protectors who would harm him while trying to cover their own mistakes.

Gray said that our views coincided on this matter. He would resign on this issue if necessary and I said that in maintaining the integrity of our agencies we were rendering the President the best possible service. I too, was quite prepared to resign on this issue.

He thanked me for my frankness and said that we

personal, frank relationship at outset of our tenure in our respective jobs.

VERNON G. WALTERS

**MEMO DATED  
JULY 28, 1972**

[1]

On Friday, July 28, 1972, at 11 A.M. I called on the acting director of the F.B.I., L. Patrick Gray, at his office in the F.B.I. building. He saw me alone. I said I had come to clarify the last memorandum I had given him in reply to inquiries from Mr. Pirham "Cleo."

[2]

I said that "Cleo" was Mr. Cleo [blank], an electronics engineer who was in contact with Mr. Hunt during August of 1971. Mr. [blank] supplied a recorder pursuant to Mr. Hunt's request and had assisted him to get it in shape for use in overt, not clandestine, recordings of meetings with agents. There was no attempt to make the recorder useful for clandestine activities.

Mr. [blank] had two additional meetings, generated by a phone call to the above number (a sterile telephone in one of our offices), to straighten out some difficulties that had arisen with respect to the microphones. We never recovered the recorder.

Aside from the above contact with respect to the recorder, there were contacts with Mr. Hunt with respect to false documents and disguises for himself and an associate. He was also loaned a clandestine camera, which he returned. We developed one roll of film for Mr. Hunt, of which we have copies showing some unidentified place, possibly the Rand Corporation. We had no contact whatsoever with Mr. Hunt subsequent to 31 August 1971.

He thanked me for this information. I added that when Hunt's requested had escalated, we terminated our assistance to him and had no further contact with him subsequent to 31 August 1971.

He was grateful for this information.

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

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

[7]

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

Vernon A. Walters

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

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

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

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

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

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

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

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

He also indicated that he expected Senator [J.W.] Fulbright to request the Justice Department to produce Stur-

gis for the Senate hearings.

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

Shortly thereafter, I discussed those matters with Bill Colby [then a high-ranking C.I.A. official], who indicated that Sturgis had not been on the payroll for a number of years and that whatever the allegations about the Chilean Embassy, the agency had no connection at all.

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

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

**MEMO DATED  
MAY 11, 1973**

**MEMORANDUM OF  
CONVERSATION OF  
FEB. 21, 1973**

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

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

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

VERNON A. WALTERS

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# C.I.A. MEMOS SHOW POLITICAL FEARS OVER WATERGATE

## Indicate Officials Doubt Inquiry Concerned National Security

By SEYMOUR M. HERSH  
Special to The New York Times

WASHINGTON, June 3—The Federal Bureau of Investigation, the Central Intelligence Agency and high White House officials viewed the investigation in the weeks after the Watergate bugging in June, 1972, as a potential political bombshell and not as a legitimate matter of national security, according to a series of high-level C.I.A. memorandums.

The memorandums were submitted last month to a Senate subcommittee by Lieut. Gen. Vernon A. Walters, deputy director of the C.I.A., and James B. Schlesinger, Director of Central Intelligence.

According to the documents, President Nixon's top White House aides repeatedly warned that the on going F.B.I. investigation into the Watergate episode could lead to high political figures.

Copies of the documents, whose contents had not previously been disclosed, were examined and transcribed by The New York Times.

### Nixon Order to F.B.I.

President Nixon, in his 4000-word statement on May 22 about the Watergate affair, said that he had forbidden the F.B.I. to interfere either with on-going covert C.I.A. operations or with matters of national security that had been handled by a special investigation and set up in 1971 to investigate the penetration of the Pentagon by the Communists or in Vietnam and other matters.

The F.B.I. has not fully explained the circumstances, said in his statement that "elements of the F.B.I. have reported to me that they

incorrectly, that the C.I.A. had been involved." He added that he had requested his two chief aides, H. R. Haldeman and John D. Ehrlichman, "to insure that the F.B.I. would not carry its investigation into areas that might compromise these covert national security areas or those of the C.I.A."

### End to Inquiry Sought

Subsequent testimony last month before a Senate Appropriations Subcommittee on Intelligence, headed by Senator John L. McClellan, Democrat of Arkansas, brought allegations that Mr. Haldeman and Mr. Ehrlichman had urged General Walters to seek a halt to the F.B.I. investigation of a Mexican money-laundering operation that had provided more than \$100,000 in operating funds for the Watergate break-in team.

The nine Walters memorandums and one submitted by Mr. Schlesinger also provided these disclosures:

John W. Dean 3d, the former White House counsel, expressed the belief on June 26 that Bernard L. Barker, a member of the Watergate team, "had been involved in a clandestine entry into the Chilean Embassy." There has been no official confirmation that the White House, the Committee for the Re-election of the President or the Watergate conspirators had any connection with a May, 1972, break-in at the Chilean Embassy.

Cl. Patrick Gray 3d, then acting F.B.I. director, had been urged by some high level officials to force Harold H. Titus

for the District of Columbia, to stop his attempts to subpoena the financial records of the Republican re-election committee as part of the on-going investigation into the financing of the Watergate team. General Walters quoted Mr. Gray as saying: "He could not [stop the subpoena]. Whoever wanted this done should talk to the Attorney General and see if there was any legal way to do this. He [Mr. Gray] could not."

Mr. Dean telephoned Mr. Schlesinger at the C.I.A. on Feb. 9, 1973, to seek advice about a pending Senate Foreign Relations Committee investigation into the International Telephone and Telegraph Corporation in connection with "the Chilean problem." Mr. Schlesinger quoted Mr. Dean as saying that "this investigation could be rather explosive." Similar concern was expressed by Mr. Dean about the Foreign Relations Committee's interest in the Chilean Embassy burglary.

Richard Helms, then the Director of Central Intelligence, told a meeting of top White House aides on June 23 that he had told Mr. Gray by telephone the day before that the C.I.A. had nothing to do with the manipulation or handling of cash inside Mexico. General Walters quoted Mr. Helms as flatly declaring: "None of the suspects [in the Watergate break-in] were working for it nor had worked for the agency in the last two years."

The general further quoted Mr. Helms as saying that "he had told Gray that none of his investigations was touching any covert projects of the agency, current or ongoing." Mr. Haldeman then replied, according to the Walters memorandum, that the general "could tell Gray

that I had talked to the White House and suggested that the investigation not be pushed further." General Walters did as requested, according to his own memorandums.

The White House refused to amplify President Nixon's May 22 statement.

In statements issued after appearances before the Senate Appropriations subcommittee, both Mr. Haldeman and Mr. Ehrlichman have denied accusations that they acted improperly. The former White House aides suggested that any wrongdoing had been initiated by Mr. Dean.

Without mentioning the disclaimer of any C.I.A. involvement that was provided by Mr. Helms last June, Mr. Haldeman declares in a statement issued Thursday that the White House request for a review of the F.B.I. investigation "was done with no

to cover up any aspect of the Watergate investigation itself." Any such activities, he said, were taken without his knowledge.

Mr. Ehrlichman, in his statement, quoted General Walters as being unable to provide assurances to the White House about the possible infringement on C.I.A. activities that would result from an extensive F.B.I. inquiry into the Mexican money trafficking Mr. Ehrlichman also quoted Mr. Nixon as declaring, in July, 1972, after receiving further assurances that no C.I.A. activities would be compromised, that he still "feared" the harmful effects of the F.B.I. investigation.

The Walters memorandums provided a strikingly different

image of those first meetings in late June about the on-going F.B.I. investigation. The general quoted Mr. Haldeman as saying on June 23 that the "whole affair was getting embarrassing and it was the President's wish that Walters call on the acting director [of the F.B.I.] and suggest to him that, since the five [Watergate] suspects had been arrested, this should be sufficient and that it was not advantageous to have the inquiry pushed."

General Walters quoted Mr. Gray as declaring in a subsequent meeting on the same day that "this was a most awkward matter to come up during an election year and he would see what he could do."

Three days later, according to the general's memorandums, he met privately with Mr. Dean — after first getting approval from Mr. Ehrlichman — and was told by Mr. Dean that "some of the accused were getting scared and 'wobbling'."

At another meeting on June 28, Mr. Dean was quoted by General Walters as declaring that "the problem was how to stop the F.B.I. investigation beyond the five suspects... Dean then asked hopefully whether I could do anything or had any suggestions."

The general's reply, as he candidly wrote in his memorandum, was "that the affair already had a strong Cuban flavor" and that the Cubans had "a plausible motive for attempting this amateurish job which any skilled technician would deplore. This might be costly but it would be plausible."



DALLAS, TEX.  
NEWS

E - 242,928  
S - 284,097

JUN 3 1973



## Robert E. Baskin

### CIA Deputy Is Brilliant Officer

#### Senior Political Analyst

The emergence of Maj. Gen. Vernon Walters as a major figure in intelligence operations in the last year or so evokes memories of the early days of Walters' career as an Army officer.

Walters today is deputy director of the Central Intelligence Agency, and he is involved in investigations by a Senate appropriations subcommittee charged with oversight on the CIA. It is not yet clear how much connection he had with either Watergate or the surveillance of Pentagon Paper thief Daniel Ellsberg, but Sen. John McClellan, D-Ark., is a tenacious investigator and will probably get to the bottom of the case long before Sen. Sam. J. Ervin Jr. and his select committee get through with the roll-call of minor figures.

But this is all sort of by the way.

I FIRST KNEW Walters when he was a young first lieutenant at Camp Shelby, Miss., in 1942. He was the intelligence officer (S-2) of the 338th Infantry Regiment of the 85th Division. I was his assistant.

We were on the staff of a courtly Virginia Regular Army officer, Col. Lee S. Gerow, who was schooled in the traditions of Robert E. Lee and ran the regiment with a firm but gentle hand.

Gerow was not long in perceiving that he had an extremely exceptional officer in Walters, and he promoted him quickly to the intelligence staff position.

Walters, a native of New York, had been educated in the United States, England and France. He was fluent in half a dozen languages and at that time was learning Japanese.

This was asset enough for the type of job he was doing, but he also excelled as a teacher.

The importance of intelligence was hard to sell in those days to Army line officers and their men. They inclined to view intelligence with suspicion and

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could not understand that information obtained in contact with the enemy could be valuable to others. The average company commander, getting instruction on the handling of prisoners, was likely to tell you that "we don't plan to take any prisoners."

Senior commanders, though schooled at West Point, were almost equally oblivious to the great importance that accurate intelligence could play in the conduct of battles. They knew vaguely about order of battle, identification of enemy units and the things that build a picture of what the enemy is doing and is likely to do. But they were more concerned with operational matters.

#### Consummate Salesman

In the 338th Walters proved to be a consummate salesman for intelligence. His lectures were sprightly and intriguing.

An indefatigable teacher, he soon had the regiment extremely conscious of intelligence in field operations, and I suppose we were one of the few units in the Army at that time that had shed the old naivete about intelligence that was so often perceived.

It was clear that Walters was destined for higher positions in the Army, and he soon left the 338th, eventually to attain general staff rank. For reasons

still unknown to me, Colonel Gerow named me to succeed him and I held the S-2 post on through the Louisiana and California desert maneuvers, North Africa and Italy until the end of the war. I could only do my best to emulate the example set by Walters.

Over the years I lost track of Walters. However, I did learn that in 1955 he was the interpreter for President Eisenhower and Gen. Charles de Gaulle in Paris and was highly commended for his work.

Earlier, I learned, he had acted as an interpreter for President Truman. In 1958 he accompanied Richard Nixon on his vice-presidential trip to South America which was marred by ugly riots in several places. In the early 1960s he served President Kennedy and later President Johnson.

MY FIRST personal contact with him after the Camp Shelby days was in West Berlin in 1969 when I was traveling with President Nixon's party.

Walters' linguistic ability was such that he could interpret for Nixon in France, Germany and Italy—and other places if called upon to do so. But in West Berlin, particularly, I marvelled at his ability.

He interpreted the remarks of the Berlin mayor into English and then President Nixon's reply into German, each of which lasted four to five minutes.

The astonishing thing about his performance was that he did not take a single note. He listened for the four or five minutes of each speech and then translated it—almost flawlessly, I was told.

Since then Walters has been brought into the CIA as deputy director and now he is involved in Senator McClellan's inquiry. We suspect that he will perform as brilliantly there as he has in the past.