



# EMPLOYEE BULLETIN

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## DDCI STATEMENT ABOUT THE WATERGATE CASE

The following statement was made by Lieutenant General Vernon A. Walters during a recent appearance before a Congressional Committee.

On 23 June 1972 I was ordered by a phone message from my office to be at the White House at about 1300 with Director Helms. I had lunch with Mr. Helms and we went to Mr. Ehrlichman's office at the White House. Present were Mr. Ehrlichman, Mr. Haldeman, Mr. Helms and myself. As I recall it, Mr. Haldeman said that the Watergate incident was causing trouble and was being exploited by the opposition. It had been decided at the White House that I would go to Acting FBI Director Gray and tell him that now that the five suspects were arrested, further enquiries into the Mexican aspects of this matter might jeopardize some of the CIA's covert activities in that area. An appointment was made for me to see Mr. Gray at 1430 that same day. I went over and told him that I had been directed by top White House officials to tell him that further investigation into the Mexican aspects of the Watergate episode might jeopardize some of the Agency's covert actions in that area. He said that he understood the agreement between the FBI and the Agency regarding their sources but that this was a complicated case. He would not violate the agreement with CIA regarding sources. On my return to the Agency I checked to see whether there was any danger in the Agency's covert sources if the Mexican part of the investigation continued and ascertained that no one believed that this was the case. No one had any knowledge of the plan to bug the Democratic National Committee.

On June 26 the Counsel to the President John Dean called me and asked me to come and see him about the matter I had discussed with Haldeman and Ehrlichman. He said I could check with Ehrlichman and I did. He said I could talk to Dean so I went to Dean's office at 1145 on June 26.

I informed Dean that I had checked carefully to see whether there was any jeopardy to the Agency's sources by a further investigation of the Mexican sources of this matter and had found there was none. Dean then asked whether the CIA might have taken part in the Watergate episode without my knowing it. I said that this was not

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possible. I knew that the Agency had had no part in the operation against the Democratic National Committee. I therefore could not say that further investigation would jeopardize Agency sources. I felt that someone had bungled badly and that the responsible parties should be fired. He asked whether there was not some way in which the Agency might have been involved. I said that I had checked with Director Helms and was convinced it was not. Any attempt to stifle this investigation would destroy the effectiveness of the Agency and the FBI and would be a grave disservice to the President. I would not do that. He asked whether I had any ideas on how to handle the issue. He asked whether I had any ideas on how to handle the issue and I replied that those responsible should be fired. He seemed disappointed and I left.

The following day I saw Dean again in his office at his request. He again reviewed the Watergate Case saying that some witnesses were getting scared and were "wobbling". I said that no matter how scared they got, they could not involve CIA because it was not involved in the bugging of the Watergate. He then asked if the CIA could not furnish bail and pay the suspects' salaries while they were in jail, using covert action funds for this purpose.

I replied that this was out of the question. It would implicate the Agency in something in which it was not implicated. Any such action by the Agency would imply an order from the highest level and I would not be a party to any such action. It would be a grave disservice to the President and the country and would destroy the CIA's credibility with the Congress and the people. I would resign rather than do this and, if ordered to do it, I would ask to see the President to explain the reasons for my refusal. Furthermore, when the Agency expended funds in the U.S., we had to report this to the Oversight Committees of the Agency in Congress. He was much taken aback by this and agreed that risks of implicating the CIA and FBI in this matter would be enormous. I said that what was now a painful wound could become a mortal one. What was now a "conventional explosion could be turned into a multi-megaton explosion". I again advised him to fire the responsible parties.

Again Dean sent for me on the 28th of June and I saw him at his office at 1130 that day. He enquired whether I had learned anything more about CIA involvement. I replied that there was no involvement of the Agency in the bugging of the Watergate. He then asked whether I had any ideas and I said that I had none which could be helpful. Perhaps the Cubans who were anti-Castro might have had a hand in it but the CIA did not.

On July 5 I received a call from Acting Director of the FBI Gray saying that he could not stop further investigation of the Mexican aspects of this matter unless he had a formal letter from the Director of CIA. He was asking me to write this letter. I went to his office and I saw him at 1200 the following morning.

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I told him that I could not tell him that further investigation would jeopardize the Agency's covert sources. I had checked on this and it was not so. I had ascertained that General Cushman had initially authorized the issuance of some equipment to Howard Hunt without knowing its purpose other than it was, as I understood it, to shut off "leaks". This was long before the Watergate bugging. Since then I had carefully checked and there was no other involvement of any sort by the CIA in the operation against the Watergate. I said that I felt that attempts to cover this up or to influence the CIA or FBI would be a grave disservice to their integrity and a disservice to the President and the country. I would have no part in this and was quite prepared to resign on this issue. He said that he would resign if the integrity of our agencies and he too was prepared to resign on this issue. I gave Gray a list of the equipment the Agency had given Hunt and the account of our dealings with the former CIA employees up to the termination of their employment with the Agency long before the Watergate episode.

I saw Gray again on the 12th of July and gave him one additional memorandum regarding the contact furnished Hunt. We reviewed the matter reiterating the position we had taken previously. I said that I had told Dean that the best solution would be to fire those responsible. Gray said he had made the same recommendation. Once again we agreed that anything that might damage the integrity of the FBI and CIA would be a grave disservice to the President and the Government.

In February 1973 shortly after Dr. Schlesinger became Director I told him of my conversations with Haldeman, Ehrlichman and Dean. In February Dean called Dr. Schlesinger to see if the Agency could get back from the FBI the material it had sent to the Justice Department concerning our contact with Hunt. Dr. Schlesinger and I agreed that this could not be done. I attempted to contact Dean but he was in Florida. On his return I saw Dean at his office on February 21 and told him that we could not ask the FBI for the material back. That would only serve to implicate the CIA and I could not and would not do it. I had seen Acting FBI Director Gray that morning and told him of Dean's request and our refusal. He agreed saying that he could not do such a thing.

Since that date I have had no further contact with Dean. The above represents my recollection of what occurred and the dates are checked in my appointment book.

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