

NYT?

# SAYS HE ALLOWED A LAG IN INDUSTRY

## Continues a Plea by Walters That F.B.I. Action Would Regularize C.I.A. Role

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BY JAMES B. HANER

WASHINGTON — Gen. Walter S. Rostow, former director of the Federal Bureau of Investigation, said today that he had allowed a lag in the industry of the Central Intelligence Agency, which he said was necessary to allow the agency to catch up with the Soviet Union.

Mr. Rostow, who was acting director of the F.B.I. from 1961 to 1965, said he had allowed the lag because he believed that the agency was doing a better job than the F.B.I. was.

His testimony, recounted later by Senator John L. McClellan of Arkansas, the subcommittee chairman, conflicted in one major respect with that given several Congressional committees in the last few weeks by Lieut. Gen. Vernon A. Walters, Deputy Director of Central Intelligence.

General Walters had said in an affidavit that on June 23, he was ordered by H. R. Haldeman, then White House chief of staff, to persuade Mr. Gray to pull off the F.B.I. investigation into campaign funds "funneled" through a Mexican City bank.

The general said that he went to see Mr. Gray that same day and told him the matter had been referred to the top White House officials. He said he then told the F.B.I. that further investigation into the matter was unnecessary.

Today, according to Senator



Lt. Patrick Gray, former acting F.B.I. director, before Senate Appropriations Subcommittee yesterday.

### Haldeman Role Cited

General Walters had said in an affidavit that on June 23, he was ordered by H. R. Haldeman, then White House chief of staff, to persuade Mr. Gray to pull off the F.B.I. investigation into campaign funds "funneled" through a Mexican City bank.

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...interest in these people. ... both feel that people of the White House staff are careless and indifferent in their use of both the F.B.I. and C.I.A. and we have the feeling that this can be injurious to both of our agencies and can be wounding to the president.

"Careless and Indifferent"

Mr. Gray said that he then called Mr. MacGregor to inform the President and "he said that he would handle it."

Just 37 minutes later according to Mr. Gray, President Nixon called him to congratulate him on the F.B.I. handling of an airline hijacking. Mr. Gray said that he told the President:

**Call to Nixon**

Mr. Gray said today that on July 8, General Walters came to his office and informed him that C.I.A. operations would not be jeopardized by the F.B.I. inquiry.

Mr. Gray said that he and the general decided that the C.I.A. and F.B.I. were being "used" to hamper the investigation and they agreed that President Nixon should know what was going on. General Walters had also said this in his testimony.

Just before they parted that morning, Mr. Gray testified that he turned to General Walters and said: "Dick, you should be telling the President because you know him better."

General Walters had said the same thing to General Walters.

"Mr. President, there is something I want to speak to you about. Dick Walters and I feel that people on your staff are trying to mortally wound you by using the C.I.A. and F.B.I. and by confusing the question of C.I.A. interest in, or not in, people the F.B.I. wishes to interview. I have just talked to Clark MacGregor and asked him to speak to you about this."

Mr. Gray then quoted the President as saying: "Pat, you just continue to conduct your aggressive and thorough investigation."

Mr. Gray testified that the investigation was then resumed without further interference. President Nixon, in his version of that conversation with Mr. Gray, said he had committed to the F.B.I.

However, Mr. Gray placed a call that morning to Clark MacGregor, a White House aide, who was with President Nixon in California.

Mr. Gray told the committee today that he said to Mr. MacGregor:

"Dick Walters and I are uneasy and concerned because of the confusion and uncertainty in determining whether or not the F.B.I. is interfering with the C.I.A. interest in these people."

continued "During the conversation, Mr. Gray discussed with me the progress of the Watergate investigation, and I asked him whether he had talked with General Walters. 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 interest of the C.I.A. in these people was not being interfered with by the F.B.I."

McCallan, Mr. Gray said that General Walters had not informed him at that meeting that he was acting under White House orders. Mr. Gray said he set the investigation lag because he thought covert C.I.A. operations in Mexico might indeed be jeopardized, as suggested by General Walters.

Mr. Gray kept telling us they were having that period when I was confused and doubting if I was uneasy and if I knew it these people.