Bennett-working flack for Hughes, interviewed by Kevin 5/15/75 after backgroubding by me by phone. Backgrounder only.
CIA doublecrossed him by not telling him of WH flap.
Calims he is not Deep Throat.
When he took over Mullen two Mexican operations, one illicit. It was eliminated.
Mullen did not launder money. Another unnamed (CIA by inference) company did.
His "handle" Ervin meant no more than that he had a friend who was a friend of Ervin's who would (and did) tell Ervin Mullen is an honorable man. Ervin said to have said probably not need as witness.
Mullen prepared with answers to all questions. Kevin says one of the sharpest he has ever met.
He volunteered nothing but what it served his interest to say. He avoided much and did not volunteer the essential about the agency's clients or his personal WH relations.
While he did not know that Agee had defected, denies Agee's account of the laundering. Seems improbable he was not told, as CIA's records indicate.
Gave name Singapore operative. Filled in some blanks in published material, with names.
In only office second floor Encinada offices that has no name on door.

If there was a major Hughes/CIA operations. domestic, foreign or both, of which Bennet was part or of which he knew, Hughes keeping him going and in a job is a way of keeping him on ice - silently aside from the silence self-interest requires.

SFChronicle JUL 31 1974

Justice Department Reversal

Stubborn U.S. Ju

Indicts Hughes

Las Vegas

The Department of Justice yielded to a Nevada Federal Grand Jury yesterday and permitted the indictment of Howard R. Hughes, the reclusive industrialist, on the charge that he and his associates manipulated stock markets to cut the price he paid when he bought Air West Airlines in 1968.

Only a day before the grand jury had balked when it was asked to indict Hughes' associates but not to indict the billionaire himself.

Those who were indicted yesterday along with Hughes are Robert A. Maheu, once Hughes' manager here; Chester C. Davis, chief counsel of Summa Corporation, a Hughes holding company, and David Charney, film producer and long-time friend of Hughes.

Sources who would not be quoted by name said that the Securities and Exchange Commission staff notified the Department of Justice yesterday that a civil action would be filed against Hughes if no criminal actions were brought in the Air West matter.

This would have the effect of unveiling the evidence that has been gathered to substantiate the contention that federal statutes were violated when Hughes purchased Air West, a regional air line, on Dec. 31, 1968.

For whatever reason, officials of the Justice Department in Washington reversed their position, and yesterday summoned the grand jury back into session.

Also, control of the presentation of the new indictment was restored to V. DeVoe Heaton, U.S. attorney for Nevada.

After Heaton recently objected vigorously to the Washington decision that Hughes was not to be a defendant, he was forced by his superiors to withdraw from the case and to turn it over to one of his assistants.

The grand jury balked when his assistant, Dean Vernon, presented the indictment for voting Monday.

No spokesman for the Department of Justice has been willing to explain during the last week why officials in Washington were adamant that Hughes not be indicted.

Late last year Justice Department officials approved an indictment that named Hughes. That indictment was dismissed by a federal judge on January 30 as being badly drawn. Six months was allowed for reindictment and that term expired last night.

New York Times

...nicle

JUL 3 0 1974

Jury Refusal

No Indictment In Hughes Case

Las Vegas

A federal grand jury refused yesterday to vote an indictment that was specially drawn by Department of Justice officials in Washington with the intention of excluding Howard R. Hughes, the reclusive industrialist, from a list of defendants.

The local U.S. attorney, who had objected to leaving Hughes off the indictment, was not allowed by his superiors to present the re-drawn charges to the grand jury.

While the language of the indictment was not known, its general purpose was to supplant one voted last December 31 and subsequently dismissed by a judge as having been faultily executed.

Hughes and a group of his employees and associates were all named as co-conspirators in the earlier indictment. The indictment turned down yesterday was offered to the same grand jury.

U.S. Attorney V. DeVoe Heaton would not say whether further consideration would be given again today when time for such consideration expires.

A spokesman for the Department of Justice said in Washington that the department would make no comment until the matter is resolved. The spokesman hinted that further evidence would be presented to the Grand Jury today.

It was not known who were listed on the indictment the jury rejected yesterday. Last year's list, in addition to Hughes, included Robert A. Maheu, once manager of the Hughes properties in Nevada, now no longer connected with Hughes; Chester C. Davis, chief counsel of the Summa Corp., the Hughes holding company; David B. Charney, a film producer and long-time friend of Hughes, and Hughes' real estate expert Hubert Nall.

The earlier indictment had charged the five with having conspired to beat down the price of Air West airline stock before Hughes bought the company, and with having coerced reluctant directors of the airline to agree to the sale.

The earlier indictment came after an investigation by the staff of the Securities and Exchange Commission into the Air West purchases, and resulted from complaints by stockholders who felt they had been cheated.

Over the last week, it has become known in Washington that the Justice Department and Heaton were at loggerheads over the reindictment of Hughes. Last week informed sources there said Heaton had been removed from handling the case, which was then turned over to a member of his staff, Dean Vernon.

Yesterday, while the grand jury met with Vernon, Heaton was in his office working on other matters.

New York Times

Atkins - told by Mardian a Dean "it appears that the lawyer may have been a CIA source." 6/13/73. Ogarrio had complained to Allen of FBI harassment in seeking to learn who his client was & Allen phoned Atkins.

In context, one of Ehr's spontaneous answers to Weicker's questions 7/27/73 is that there had been a CIA operation that was involved in Mexico + with Ogarrio. He spoke of it as a real thing. I believe it is possible that Hunt had put contacts of the past into use, told the WH + GL was trying to exploit it.

Mexico
file

The Connection of "The Mexican Connection"

Mexico, which figured innocently in all three major political assassinations, has a Watergate involvement in which that country again is innocent.

Young Crispin Curiel Gonzalez died in a small-town jail, alleged by hanging himself, after fleeing the United States and speaking about a conspiracy to assassinate Robert F. Kennedy. James Earl Ray, who is accused of killing Dr. Martin Luther King, is said to have smuggled into and out of Mexico and to have lived there for several months.

Lee Harvey Oswald, officially designated the assassin of John F. Kennedy, was in Mexico for a short period the end of September and the beginning of October 1963. The first few days of this period coincides with the last few of a several month tour of duty as acting CIA station chief, according to Cumpulsive Spy. This was Hunt's fourth known Mexican assignment. The first was in the early 1950s, when Buckley worked for CIA under him; Next the mid-50s when he was part of overthrowing the Guatemalan government. His first cover assignment for the Bay of Pigs, dating to 1960, was in Mexico. Hunt was very well connected there, as he describes in Give Us This Day, the circles of connections including the police.

On page 63, without mentioning the country, he writes about how he hid $115,000 a month the CIA was spending through him on the to-be government-in-exile. He was afraid the money would be hi-jacked from him or the Cuban treasurer, so instead of taking it in cash it "was arranged through a series of foreign banks." Or, cleansed of connection, hence, "laundered."

The beginning of the week immediately after the break-in at Democratic headquarters, the serially-numbered $100 bills had been traced to Barker's Miami bank account and thence to checks drawn on the Banco Internacionale account of an aging corporation lawyer, Manuel Ogarrio Daguerre. At this point in the investigation, aside from internal pressures on the FBI not to do its job tremenduous White House pressure was applied, with Nixon himself directing that the FBI not investigate the Mexican connection, allegedly in order not to disclose secret CIA "national security" operations.

There never was any real investigation of this Mexican CREEP-Nixon-Hunt/Barker Mexican laundering of secret Nixon cash. Barker skimmed a few thou from the two clandestine contributions, $89,000 from Gulf Resources and Chemical Corporation, of Houston, Texas, and $25,000 said to have been collected by Minnesotan Dwayne Andreas, who gave it to to CREEP's mid-west finance chairman Kenneth W. Dahlberg, who gave it to CREEP national finance chairman Maurice Stans, who eventually gave it to Liddy, who did not take it to the bank on the street-floor level of the 1700 Pennsylvania Avenue Building in which CREEP's offices were.

Andreas, a soybean oil tycoon, had been strong for Swnator Hubert Humphrey until this election, had contributed heavily to his campaigns, and during this campaign was seen often at Republican Galas with prominent Republican personalities. These connections and appearances were well reported. What was ignored, in the papers and in the official investigations, was contained in writing in a July 6, 1972 letter from Deputy Director, Central Intelligence General Vernon A. Walter to Pat Gray,"On ~~xxxx~~ 28 June the Director of Cenral Intelligence also informed you orally regarding our information concerning Mr. Kenneth Harry Dahlberg. The last recorded contact of the Agency with Mr. Dahlberg was in May ~~of~~ 1961." (9H3852). But he was "liaison" to general counsel Walters on June 29, 1972 (9H 3819

It was oral, so there are no original records. And May 1961 was the month after the disaster of the Bay of Pigs.

Provocative that this connection with the Mexican connection was never fully investigated, minor though as it may be as compared to the rest of what was by=passed in all the investigations.

That there may once have been the intent to either expose or learn enough to cover ~~xx~~ Hunt's Mexican connections and part of what he was doing out there with Jackson was briefly and inconspicuously in the press just before the aborted trial of the original seven defendants, of whom Hunt and the Cubans entered guilty pleas at the last mine and minute and did not stand trial.

None of the Hunt story about Jackson makes sense. It is an improvised cover for something else. However, if true, there was no need for the prosecutors to have any interest in Jackson becauss Hunt's absence from Washington was not a charge in the indictment and

it was not connected with any charge. Nonetheless, at the end of a Washington Post story of January 9, 1973 devoted to the top Republicans who were to be called as trial witnesses, there is this reference to Hunt "old friend" of CIA days, the clandestine agent turned Los Angeles lawyer:

"Among the new names the witness list brings into the case are those of Morton B. Jackson, his secretary, Esther C. Kirby, and a former receptionist for his firm, Mary Dangurg.

"In an interview with The Washington Post last month Jackson said that he had acted as an attorney for Hunt and Liddy. He declined to discuss the nature of that legal relationship.

Claiming an attorney-client relationship makes silence possible because that relationship is priveleged. Jackson was Hunt's California attorney at most and Hunt had no need for a California attorney unless he was going to fight expected extradition. None of this would have been possible had Hunt not gone there for no apparent reason. Liddy was there for a day only. For what did he need an attorney? This was the oft-used dodge to hide what the lawyers knew. rejected repeatedly in court and in open hearings as no more than a ~~tans~~ transparent subterfuge. It is a pseudo-legal way of hiding the incriminating.

This also indicates that prior to Jackson's name being added to the witness list there had been leaks to the Post with which it had been able to do nothing.

Watergate

"Sources close to the investigation said that Miss Denburg ~~enburg~~ told the FBI that Jackson was involved in a complicated corporate arrangement that was used to pay for services provided to the Committee for the Re-Election of the President.

"In a later interview Jackson flatly denied this as 'totally untrue,' saying the sole source is Miss Denburg...she was not in a position to know and she had no access to such information.'

"Sources say that the FBI reports statebthat Hunt stayed with Jackson in Los Angeles for about a week after June 17 when Hunt dropped from sight and was sought by 150 FBI agents.

Jackson declined to discuss this or a trip he took to Mexico City during Hunt's reported visit in June./"

The version appearing elsewhere is that Hunt and Jakkson both made a short trip to Mexico City. The quoted story contains Jackson's confirmation of a trip to Mexico City, not a denial of it.

This appears in no version of Hunt's non-mysterious disappearance. It was of no interest at all to any of the Congressional investigations and when the Watergate committee questioned Hunt and he was asked about Jackson (9H3690,3698,3754,3783) there was no interest in this trip despite the fact that the committee supposedly was investigating the Mexican laundry as part of its investigation.

34-c fds

Insert on Jackson, after his trip to Mexico

3A

3

Extra space:

If none of Hunt's story about Jackson makes sense it is because that story was a cover never pried by any official investigation. The slightest probing should have fluttered those photogenic eyebrows violently.

Slight a probe as is consulting the Who's Who of lawyers, the Martindale-Hubbell directory, it is, at the least, quote interesting.

Jackson is the senior partner of a new firm, Jackson, Goodstein, Kumler, Copes, Croskey & Smith, of 1901 Avenue of the Stars, Suite 1651. All the partners are listed as still living and active.

Jackson was born at Devils Lake, North Dakota, on July 17, 1921. He was educated at Harvard, took his law degree at the University of Southern California in 1948 and was admitted to the California bar in 1949. He thus was of military age in World War II but lists no military service although his education was delayed by something, making him 28 yrars old when he took and passed the bar examinations. He is a Lieutenant Commander in the Naval Reserve, Retired.

His biography is void, absolutely blank, until 1954, when he lists employment until 1957 not in Southeast Asia but in Geneva, Switzerland, on the Intergovernmental Committee for European Migration, an ideal nest for a spook if there ever was one. Whether or not he was, this biography has him executive assistant to the director for the entire period. A better spot for a spook there could not be in it. He was thereafter with the Department of Justice, Immigration and Naturalization Service, in 1958 and 1959, it says. And in 1962 he became a member of the National Panel of the American Arbitration Association. Except for a few professional memberships of which unlike his partners the dates are not given, this is his entire legal history prior to establishing his firm on a date also not given.

Whether or not it is meaningful - and meaning does seem fairly certain when the consistency of voids in biographies of others coincides with CIA service - what one would expect to find from Hunt's story is totally absent. Jackson is not a criminal lawyer nor is he the kind of lawyer from whom one would seek a recommendation in finding a specialist in criminal law. This is the account of the firm's practise:

"General Corporation, Corporate Securities, Labor, Insurance, Oil and Gas, Real Property, Estate Planning, Trust, Tax and Probate Law, General Civil and Trial Practise in All State and Federal Courts."

Nothing about defending bagmen, wire-tappers, forgers or any other kind of Watergater on the supposed lam and in need of a good lawyer.

Among the firms "representative clients" are some prestigeous corporations, IBM heading the list.

Hunt hid out with Jackson when the FBI had a 150-agent manhunt out for him, not the ~~general practise of a lawyer~~ normal custom of a lawyer, who is an officer of the courts. Had Hunt not been a White House staffer, had he been, say, a black or a Chicano or one of those the FBI considers hippies, Jackson might have anticipated retribution. He might also have expected trouble from the bar association. The law does not generally look with tolerance upon or consider it no more than an act of compassion when one ~~hides~~ shelters a man it says it wants.

Assuming that any spook or ex-spook (if there is such a thing) ever tells the truth about his career -and Hunt didn't - there was remarkably little time for him and Jackson to have formed so lasting and dependable a friendship if Jackson was no more than a secret CIA agent of undescribed specialty in Southeast Asia. While Hunt says in Who's Who that he was a political adviser with the Far East Command for the years ~~1951-4~~ 1952-4, as he admitted when Senator Baker read off part of a staff biography not included in its "witness statement" that Hunt was in Mexico all of 1952 and part of 1953, and for the rest of 1953 until 1957, when he moved to Montevideo, ~~Hunt~~ "your cover ~~was~~ position was that of political adviser to the Defense Department in Latin America, Japan, Spain and several European countries."(9H3726)

How this spook blood-brotherhood was formed is not apparent from the various accounts, all inadequate. One thing does seem certain: if they are truthful it was not in some dense Vietnamese jungle.

This whole business is more impenetrable than jungle because the official investigators

simply didn't do their jobs. And so one is left to wonder whether the void in the Jackson biography until 1954, which exactly coincides with a similar void at a similar time with Buckley, could further duplicate Buckley's history with Hunt - in Mexico.

One is not left to wonder if aside from his intelligence service, if Hunt or been provided did not really want a criminal lawyer, he could have found/a better one for corporate and banking matters, Jackson's legitimate specialties.

Jackson had just the practise, just the experience, for a delicate negotiation over the Mexican laundry and with any Mexican Connection.

And with the claim that he had been retained by both Hunt and Liddy, his mouth was latched unless each released him from his obligation, which neither was about to do.

That was a good cover, retaining him as a lawyer when both were legitimate criminals.

extra space

Neatly coinciding with Jackson's admitted trip to Mexico Lil top 4 fols

Neatly coinciding with this is evidence taken by the Senate Judiciary Committee months beginning February 28, 1973, before the Watergate committee held its first hearings, and published with the title L. Louis Patrick Gray. These are the Gray confirmation hearings. The Watergate committee ignored this evidence.

The FBI did not interview Ogarrio until July 10. They interviewed him again the next day. (p.52) Or, there was plenty of time for someone to reach Ogarrio and prime him with a cover story. The Hunt-Jackson trip is a possibility possible occasion for it.

If the Watergate committee read the newspapers, if not FBI reports, it knew that the 53 serially-numbered $100 bill ~~were and~~ would be and were traced by the FBI. It was an easy, one-day task, requiring only going to Barker's bank, also an easy task for the Miami FBI. In one working day the deposit of the Ogarrio checks was known.

And what the FBI knew was leaked immediately to the White House. Gray testified to it. Dean was the first of a long series of witnesses who so informed the Watergate committee. But even if nobody told the White House and even if nobody told Hunt, once he knew the bills had been taken by the police he knew from his own espionage experience that complete identification was a simple police task.

Whether or not there is any connection, Hunt's trip to Jackson instead of Miami ~~New York~~ coincides with the knowledge in Washington that the money had been traced. The Post had learned of it June 21. at the latest because the next morning's paper has a paragraph quoting unidentified "Miami federal sources" as having traced the money to Barker's Republic National Bank account.

The coincidences in time do not end here. This is also the precise time the White House, including Nixon personally, gave orders to the CIA and used the CIA as its messenger to the FBI not to investigate in Mexico because it would disclose "national security" CIA operations. Denial of this by the Director of Central Intelligence and his deputy did not deter Nixon or his assistants, of whom Ehrlichman was his ramrod on this. It was testified to before the Watergate committee by all three, by Gray and by others.

This provides or permits only two alternatives: Nixon knew what the CIA did not or he was engaged in an immediate and monstrous obstruction of justice in which the integrity of the nation's intelligence service meant nothing to him.

In considering these alternatives aside from the immediately foregoing a number of facts should be kept in mind. There are the Nixon-Cushman-Hunt connections and the Nixon-Walters connection of the past. If nobody else in the White House knew it - and because he was in charge of their work it is likely Ehrlichman did- all the Cubans had CIA pasts, as did Hunt and McCord. Of all the people involved, Liddy alone had no CIA past. There are also the Mullen-CIA existing and long-time relationship and the close Mullen/Bennett White House connection, which means the White House knew what Mullen and Bennett did and knew it promptly. Hunt also knew this, as he did all about his own crew and their operations, as well as all about himself. Hunt was in touch with the White House about 4 a.m. June 17, which is as fast as possible, was back in his White House office at about that time, and in addition to aside from telephonic and indirect contact, was there in person on June 19. It is a safe assumption that his hazardous June 19 visit, which followed the FBI's attempt to interview him on the 17th and Szulc's warning on the 18th was not for social purposes.

Unfortunately, the Watergate committee did not question him about all he did at the White House that day or ~~xxxx~~ why he really went there at all.

On the surface, whether or not germaine, there is an enormous CIA involvement in all Watergate aspects and in other Nixon/Hunt operations that became public knowledge only long after the initial arrests.

The language of General Walters' memo to Pat Gray of July 6 tends to tie all of this together even more, not to eliminate the possibility of ~~xxx~~ ~~xxxxxxx~~ actual or involuntary CIA involvement.

But separating the suspicious from the real is complicated because the investigations were super-spectacular whitewashes, as the Mexican connection illustrates. Then there is Nixon's ~~xxx~~ personal character and that of his White House and his administration, which tend to the paranoid, are characterized by secrecy and base priority on personal loyalty and dedication to authoritarianism - a conspiratorial gang for whom normal behavior was largely immoral, unethical, politically and philosophically ~~worn~~ wrong when it did not cross over into overt illegality. They had something to hide, as did the

Republican Party and Nixon's personal creature, CREEP. It dignifies the word to describe Pat Gray as Nixon's lackey; and the FBI has learned that cottoning to the administration in power is no deterrant to success and promotions and is a way to avoiding difficulties. And the CIA is so seemingly pointlessly secret that, until its complicity in these scandals was public knowledge and the directorship changed from a career man, the road leading to its well-known main building in suburban Wqshington, on the south shore of the Potomac near McLean, bore a fake identification although there was no secret at all about its well publicized location.

Secrecy as a way of life with the CIA is not as silly as it may seem. If it regards everything as secret it is able to hide the innocent that can lead to what is not innocent. It protects itself against the consequences of its own sins. In The Watergate these sins were ethically and morally wrong and were illegal. In turn this led to serious personal crimes that went uncharged and were officially ~~covered over~~ whitewashed. The official hiding of the CIA's transgressions against law and society cross over into so many - really all - official investigations. Had those in charge ~~combined to see~~ conspired to protect it the result could not have been more effective against retribution.

An illustration of the seemingly pointless secrecy is the ease with which some of the masking in that Walters to Gray memo of July 9 can be filled in without thorough investigation and in some instances with a high degree of certainty. This secretiveness, superficially justified as the protection of sources or agents, termed "assets", ~~or~~ examination can be deciphered. Why, then did the CIA hide what could be filled in with such ease by any intelligence service? It did the same thing with the names of employees. There is an obvious explanation: to cover the non-investigation of itself. To make it possible for the Watergate committee to whitewash without dirtying its own face.

When it works out this well there need be no actual conspiracy. The result is the same. And there is less risk.

As an illustration of how the committee whitewashed, there is the questioning of Hunt by Senator Howard Baker, Nixon's unappreciated and unofficial representative as vice chairman agonizing in a quest for truth. He was tracing Hunt's background, he said

from the "The resume the staff has supplied me."(9j3725?) Among the factual errors or deliberate covering up (9H3726) is that Hunt's "activities" subsequent to his being "personal assiatant" to CIA Director Allen W. Dulles" which followed 19 months of assignment to the Bay of Pigs "are not entirely known;" "[illegible] returned to Washington [illegible] in 1968;" from 1970 to 1971, you were vice president of the Robert R. Mullen & Co., where you continued to work until you became a White House

"you were in Mexico City from 1953 to 1956" and "moved to Mexico City" as part of his Bay of Pigs preparations. Baker omitted Hunt's last assignement there as acting station chief in 1963 and his being in Mexico during the CIA 's overthrowing of the elected Guatemalan government.

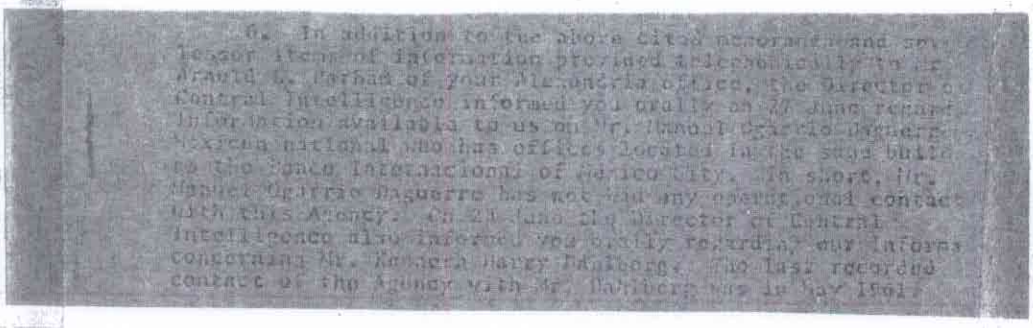
Now with the name Ogarrio known to Baker and with the interest the committee supposedly had in this shenanigans with large sums of campaign secret if not illegal funds and their entirely illegal use and the whole affair, would not this have been an ideal opportunity to ask Hunt if he had ever known Ogarrio or if he had had any direct or indirect association or contact with him at any time or did he know anyone who knew Ogarrio?

There is not even the suggestion of this kind of obvious question. Nor was there any public questioning of the omission.

Magnifying this suppression is the language of Walters July 6,1972 letter to Pat Gray, two of the numbered paragrpahs in particular. Note the bracketing of both Ogarrio and Dahlberg in the single paragrpah, as a single subject, and the use of key limiting words that qualify the meaning into possible meaninglessness:

insert ofg

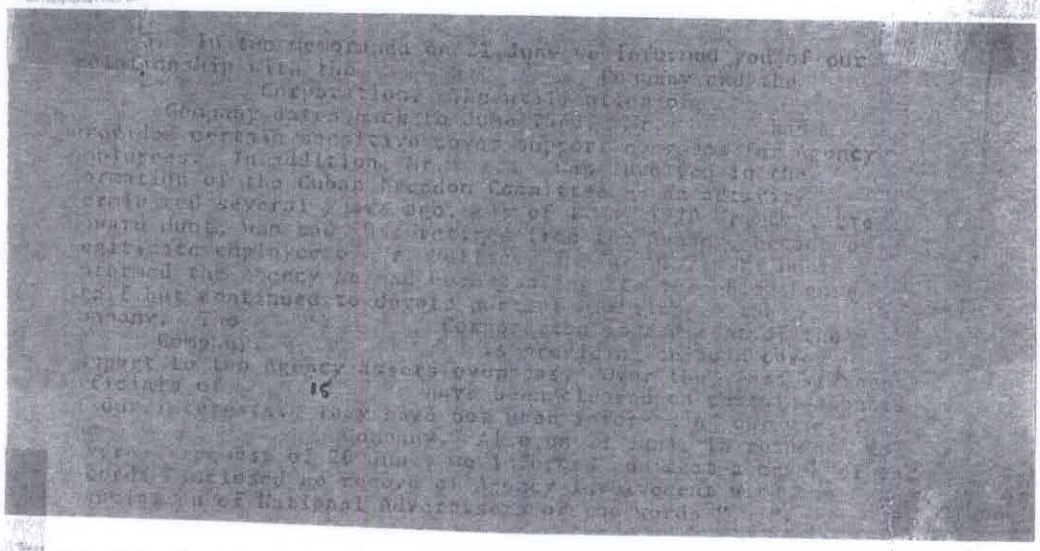
The CIA does not say Ogarrio "has not had any contact with this Agency." By inserting the limitation "operational" it says only that Ogarrio has never been a spy for it. In fact, the insertion as much as said that Ogarrio had other than "operational contact" or what is described in the other paragrpah as an "asset."



What was called for was an unequivocal statement that there had never been any CIA-Ogarrio association of any kind, period. In the absence of ~~it~~ this unequivocal statement, there is a reasonable presumption it could not be made and that in fact Ogarrio was an "asset."

The same is true of thelanguage about Dahlberg. It does not say the CIA's "last contact" with him was in May 1961. Injecting the limitation"recorded" at least suggests unrecorded contacts. At best it is equivocal and less than an absolute denial of association.

The other paragraph is:



Filling ~~in~~ ~~all~~ all the blanks referring to the "Compnay" is childishly easy. There are 18 typing spaces whited out. with proper spacing this exactly fits "Robert R. Mullen" Each of the short spaces exactly accomodates "Mullen."

Because there was no real investigation and because Mullen was not about to break down and confess all, witness the toruble Bennett went to in his ~~Dis~~Department of Disinformation operation, all the clients of the Mullen company are not known. However, there is one that is known whose name exactly fits the blank spaces, General Foods.

(Mullen has a totally ignored "European affiliate" named "Interprogress," with which it is "trying to increase trade behind the Iron Curtain,"/a description that exactly fits much earlier Andreas-~~Dahlberg~~ operations, ~~reported~~ publicly reported firs an unsuccessful endeavor by Dwayne Andreas under the Eisenhower administration and Nixon and re-hating Vice President.(Chi Sun-Times 1/14/74) Interprogress fits in space but not in sense.)

(Post 10/8/72)

12

And it just so happens that the same Michael Douglas Caddy, who Hunt retained in for $8,500, cash in advance, emergency/to represent the five arrested and would not accept to represent him was his friend and associate in the Mullen company/ on in special projects is Michael Douglas Caddy who represented and the same General Foods in Mullen.

General Foods fit in sense as it does in space in the CIA's hiding of names in this letter. With the spaces filled in this paragroah reads:

"3. In two memoranda on 21 June we informed you of our relationship with the Robert R. Mullen Company and of our relationship with the General Foods Corporation. The utilization of the Robert R. Mullen Company dates back to June 1965. Mr. Mullen has provided certain sensitive cover support overseas for Agency personnel. In addition, Mr. Mullen was involved in the formation of the Cuban Freedom committee - - an activity terminated several years ago. As of May 1, 1970, Mr. Everette Howard Hunt, who had just retired from the Agency, became a legitimate employee of Mr. Mullen. In July 1971 Mr. Hunt informed the Agency he had just been assigned to the White House Staff but continued to devote part of his time to the Company. The General Foods Corporation is a client of the Mullen Company. General Foods is providing certain cover support to two Agency assets overseas. Over the years sixteen officials of General Foods have been cle ared on certain aspects of our interests. They havenot been informed of our use of the General Foods Company. Also, on 21 June, in response to verbal request of June 20, we informed you that a check of our records disclosed no record of Agency involvement with the Association of ational Advertisers or the words " ".

How many "words"will fit in three spaces is a mystery we can dispense with, as we perforce must with the association, despite its inclusion in a paragraph so rich in content if the blanks have been filled in even partly accurately. It is, of course, possible that another or other Mullen clients can fit some of the space and sense.

From the top Mullen has been a CIAbfront from 1965, which just coincides with Hunt's use of the Littauer & Wilkinson address and that, in turn, coincides with the killing of the first prospect for the first book on the Warren Commission and the first to suggest that Lee Harevy Oswald had intelligence connections.

In saying that the first day of his retirement from CIA Hunt became a "legitimate" employee is to confirm my own investigation, which showed him to be using a Mullen cover when he was a CIA employee.

This also says that the FBI had reason to have suspicions from the first instant - not the dates of requests and responses (June 20 and 21) - and that from the first there was no FBI innocence.

That Hunt had been "assigned" to work at the White House suggests by Mullen, not merely as a consultant paid for the time he worked there by the White House only. If true, this makes sense of the little time for which Hunt charged the White House while he was spending virtually full time working for Nixon.

The rest says that the two companies are long-time spookeries.

Hunt would have known all of this if Nixon and/or others in the White House had claimed, no knowledge of any of it. So, whether or not it relates to Mexico, as Nixon ~~said~~ there is a basis for his having said that investigation in Mexico would disclose "national security" information. On its part, in limiting what it said to the laundering of the clandestine money, the CIA denied no more than investigating it would expose current CIA operations. In his testimony Helms limited this to the Bay of Pigs, was permitted to by not being questioned at all, and took the position that was all public and liquidated. (8H3238)

There are other Mexican connections that belong in a different context. There is no reason to assume they were not known to Nixon and/or the White House top staff.

Pat Gray gave the FBI's explanation of not tracing the Mesican connection and superficially he had a legitimate explanation: the CIA asked him to hold off/in order not to (9H3452ff) expose its operations. Helms/and Cushman,/in turn, testified to doing this against their (8H3237ff etc.) better judgement because Ehrlichman leaned on them and they feared, as Helms put it, that with the White House's sources, it just might know what he didn't. insert citations (8H3238

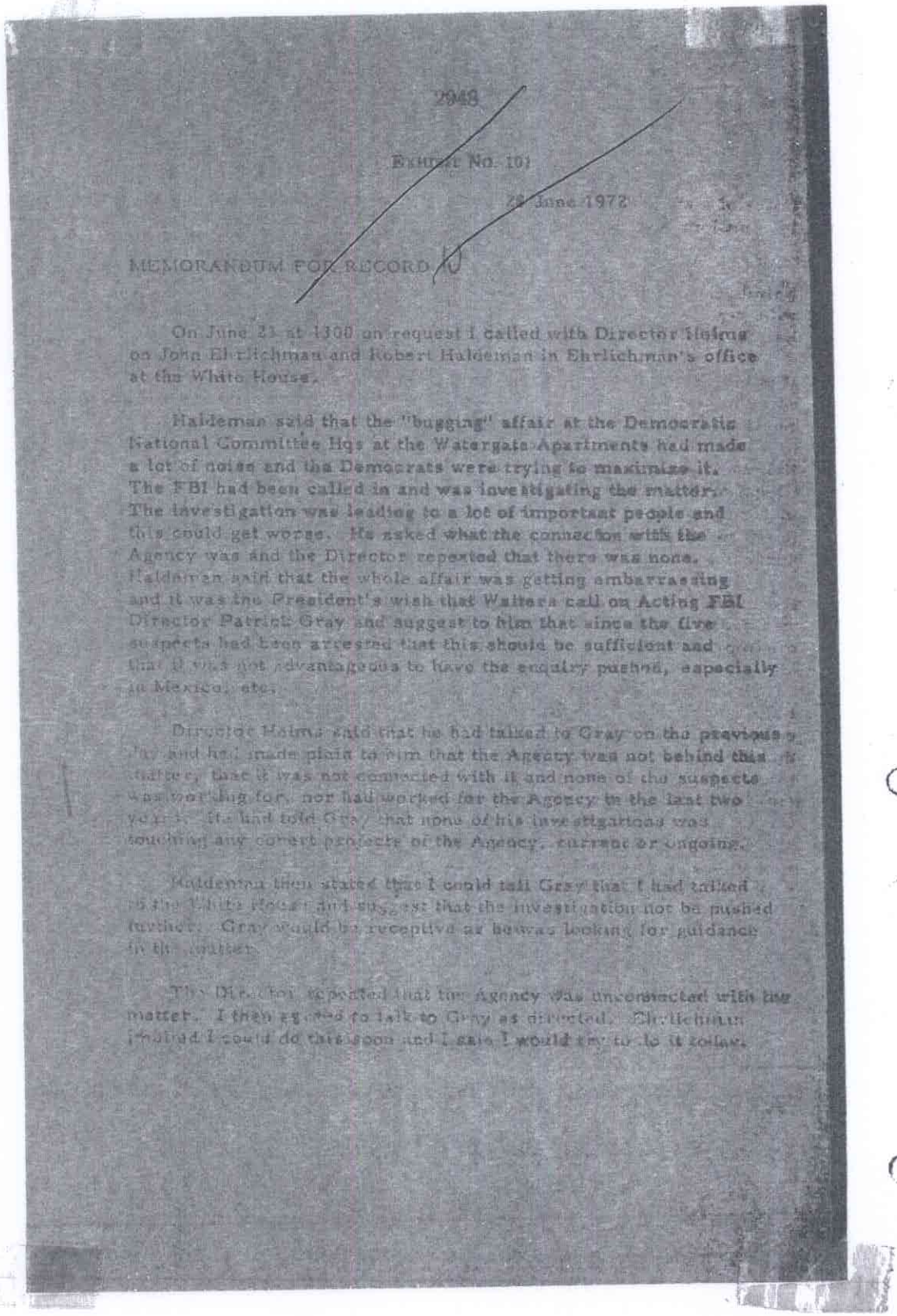
There is, however, a big flaw in this. Ehrlichman did not lean on Helms and Walters until/June 23, (at least two days after the FBI knew about the Ogarrio checks. (H3404) Gates midday ~~June 22~~ (9H3815/16)

Before then the FBI should have completed its tracing and have conducted at least one interview with Ogarrio and officials of the Banco Internacionale, which would have been convenient because they are both in the same building/ on Paseo de la Reforma.

If not interviewing Ogarrio until July 2 & 10 can be explained at all it is in terms of FBI negligence or apprehension over what it knew without conducting any investigation, not to Helms directing ~~Walters~~ Walters to do Nixon's bidding as ~~xxxxx~~ ordered by for the first time Ehrlichman/on June 23.

Not until the day before did Gray develop any worries. In response to his call (to) Helms, Helms told him "he had been meeting on this every day with his men, that they knew the people, that they could not figure it out but that there was no CIA involvement." (emphasis added, 9H3451)

So many forces were pulling against each other, so many new ones had exerted themselves by the summertime hearing of the Senate Watergate committee, perhaps the least influenced version is that General Walters put into a memorandum FOR ~~THE~~ RECORD he wrote June 28,1972:



2948

Exhibit No. 101

28 June 1972

MEMORANDUM FOR RECORD

On June 23 at 1300 on request I called with Director Helms on John Ehrlichman and Robert Haldeman in Ehrlichman's office at the White House.

Haldeman said that the "bugging" affair at the Democratic National Committee Hqs at the Watergate Apartments had made a lot of noise and the Democrats were trying to maximize it. The FBI had been called in and was investigating the matter. The investigation was leading to a lot of important people and this could get worse. He asked what the connection with the Agency was and the Director repeated that there was none. Haldeman said that the whole affair was getting embarrassing and it was the President's wish that Walters call on Acting FBI Director Patrick Gray and suggest to him that since the five suspects had been arrested that this should be sufficient and that it was not advantageous to have the enquiry pushed, especially in Mexico, etc.

Director Helms said that he had talked to Gray on the previous day and had made plain to him that the Agency was not behind this matter, that it was not connected with it and none of the suspects was working for, nor had worked for the Agency in the last two years. He had told Gray that none of his investigations 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 suggest that the investigation not be pushed further. Gray would be receptive as he was looking for guidance in the matter.

The Director repeated that the Agency was unconnected with the matter. I then agreed to talk to Gray as directed. Ehrlichman thought I could do this soon and I said I would try to do it today.

From the available accounts the idea and the pressure are Nixon's and in his name.

BY the time he was in real trouble Nixon took full responsibility for the suppression of the investigation in his statement of May 22,1973. He then presented his interference with the necessary investigation as his dedication to the high responsibilities he held, passed over his Director of Central Intelligence as though he were ingorant of his business and the facts thereof,and when it no longer made any difference, admitted an "error" in the interest of "national security" and then said that in order to protect this "national security,"I Instructed Mr. Haldeman and Mr. Ehrlichman to ensure that the investigation of the break-in not expose either an unrelated covert operation of the CIA." This part is often recalled in news stories. The words immediately following are not, "or the activities of the White House investigative unit." (Post 5/23/73) This SIU or the Plumbers was the Hunt-Liddy gang.

But at no time in any forum did Nixon or anyone speaking for him in any way even suggest that there was a real basis for Nixon's specific and direct ordering of no investigation in Mexico or any even unreasonable basis for his assuming that his Director of the CIA didn't know his busiess, to which he had devoted his life, or what his Agency was up to. Or that those inside CIA from whom Helms got his information didn't know what they were talking about or lied to him.

To put this bluntly, Nixon had no reason for ordering that there be no investigation in Mesico of his secret funds that his people used illegally in his interest.

With anyone else this would have been criminal, obstructing justice. With him it was obstructing justice, whether or not it was indictable.

What he did was wait almost a year, until he knew his suppression of the initial investigation was about to spread out on the public record and he televised coast to coast. Just before that could happen he resorted to a hackneyed public-relations trick. He gave his own distorted version, twisted to make him the hero rather than the villain.

Once he got away with this he should have been confident that he could rape the Statute of Liberty, claim it was in the public interest, and expect to be hailed as a hero.

Nixon knew it would out because the Senate Armed Services committee, chaired by a very pro-CIA-pro-Helms Senator, Stuart Symington of Missouri, had already held a secret hearing.

13 tr top ot insert on (12) ?

Secret, that is, until the Washington Post story of May 5, 1973 began with complete accuracy, "Three of President Nixon's highest-ranking White House aides sought to persuade the Central Intelligence Agency to call off - on national security grounds - an FBI investigation into the Watergate scandal's "Mexican Connection."

It is not easy for anyone to speak of a President whose ethical, moral and legal deficiencies are without equal as were he an ordinary citizen he would be addressed. So instead his speech was followed by the most detailed leaks of the most releveant parts of a series of CIA memos all of which called him a liar and a deliberate obstructor of jus ice without using any such language. Pointedly appropriate excerpts from Virtually all the secret CIA memos on the Nixon operation of launde ing the Mexican laundry appeared in the Post of June 3 under two lines of headlines reading, "Mexican Connection Conflicts" and "White House Intervention in Probe Unexplained."

the leaks started and became widespread. The lead Washington Post story of the day of this Nixon self-justification, with a banner headline reading "Nixon's name Said Used in Cover-Up" is described in the sub-head, "CIA Aide's Memo Disclosed on Hilll.

The real story of that mysterious $89,000 in hidden Nixon money that was converted into part of the secret stash of about a quarter of a million dollars in cash with which all these criminal acts were financed reads like a combination of E. Howard Hunt's spy novels and Rachel Carson, with a touch of Meyer Lansky. Enmeshed in the many subplots are corporate air and water polluters, private corporate jet planes with a brawny man riding shotgun, suitcases and attache cases of money, federal lawsuits never filed and more coincidences involving Watergate figures and the same Mullen Agency and Robert Foster Bennett.

It begins with a March fund-raising trip to Texas by the then-respected Nixon former Secretary of Commerce who was chairman of the Finance Committee to Re-Elect the President. Stans set a record for collecting secret funds that were never fully accounted for despite "clean" campaign laws although and finally were partially accounted for by a handwritten list in the sole possession of Nixon's long-time secretary Rose Mary Woods.

As the CREEPS interpreted the law, they didn't have to account for money received by April 7.

Now it just happens that among the evidence siezed by the police when they searched the Cubans was a Mexican visa Frank Fiorini/Sturgis had. It was made out in the name of Edward J. Hamilton, a false identity made out for Hunt by the CIA as part of a series of illegal favors arranged through Cushman by Ehrlichman the year before. (NYT 6/24/72) The visa was good from January 7 through April 6.

Once all this hanky-panky with cash became known, there was Congressional jurisdiction vested in the House Banking and Currency Committee, of which Wright Patman, also of Texas, was chairman. He started an investigation the successful aborting of which became a major Nixon lobbying effort on Capitol Hill. The secret documents of this heavy-handed pressure were finally obtained by the Senate Watergate committee. Before Nixon's success in ending the Patman investigation, which was made possible by the desertion of some of the Democratic members to join the solid Republican minority, Patman's staff prepared a preliminary report, a copy of which I have. They were not permitted to file it as an

official House report.

There were really two such reports, mimeographed rather than printed. The first was dated September 12, the second sent to all committee members by Patman with a covering letter of October 31, 1972/. In distributing this second report, Patman called special attention to its contents not directly related to the Mexican Connection, that Dwayne Andreas whose $25,000 was converted into Watergate $100 bills, received a Minnesota bank charter under exceptional conditions and with some speed.

Prior to the organization on May 30 of the official CREEP fund-raising group in Texas and after Stans' visit there, William Liedtke, president of the Pensoil Corporation, headed a band of wealthy Texans who rushed into a collection of this to-be-unaccounted-for money that had to be in Washington by April 7, the day after the "Hamilton" visa expired. April 6 is the day after the Ogarrio checks, dated April 4, reached Houston.

Nixon's official Texas fund-raiser was Robert Allen, president of Gulf Resources and Chemicals Company, also in Houston. Allen told Liedtke he could "raise United States money in Mexico" for the campaign. Prudently, assuming Stans to be an honorable and informed man. Liedtke checked this with him by phone April 3 and received the proper assurances of legality.

Two days later, on April 5, a large pouch carried by a messenger appeared in Liedtke's office. Roy Winchester, Penzoil vice president for public relations, was there when the contents were dumped onto a table. (Winchester and Allen were co-chairmen of the Texas Southwestern campaign finance committee.) (Post 8/24/72)

This was the first appearance in the United States of the Banco Internacionale International checks dated April 4, issued and endorsed in the name of Manuel Ogarrio Daguerre. They were for $15,000, $18,000, $24,000, and $23,000. Also with these checks was 110 in $100 United States bills.

The messenger left, this $100,000 in checks and cash was added to the horde already collected, $550,000 in checks and another $150,000 in cash. The entire haul was packed into a suitcase and Winchester set off for the Houston airport, where a Penzoil private jet awaited him. Guarding Winchester was Peter Mark, another Penzoil employee. Lietdke described him as "young and strong" and his job to ride "shotgun."

It was late at night when they reached Washington, but it was 36 hours before Stans' secrecy deadline, the expiration of the time in which he believed he could hide the sources and amounts of secret Nixon campaign funds. They went directly to CREEP offices. There/Hugh Sloan, Jr., one of the first of the top officials to cop a plea rather than stand trial, awaited them. 164

When Allen told Liedtke that he could "raise United States money in Mexico" Allen knew what he was talking about. That $100,000 came from his own Gulf Resources and Chemicals Company account in the First City National Bank.

Again there are these remarkable "coincidences" in the raising of the close to $60,000,000 to re-elect Nixon. Gulf Resources has a mining subsidiary. And it was in deep trouble, with prosecution asked for and overdue.

The major Gulf Resources sibsidiary is the Bunker Hill Company, which mined lead and zinc at Kellogg, Idaho. Its 1971 sales were ~~$80~~, $86,000,000 (Post 10/6/72)

Just five days before this heavy secret ~~xxx~~ international money laundering started, on March 29, ~~1~~ 1972, the ~~Envy~~ Environmental Protection Agency notified Bunker Hill of the imposition of stringent anti-pollution regulations.

Leonard A. Miller, EPA's director of enforcement for the Northwestern states which includes Idaho, described Bunker Hill as "one of the most significant polluters in the area." It produced 93 percent of all the lead and zinc found in the Coeur d'Alene River. Miller used three "verys" to describe the amount of toxicity Bunker Hill spewed into the river each day. He said it was killing all the fish and making the water dangerous for drinking. The river was about to become a biological desert. (Post 10/6/72)

Once this contribution to Nixon was made Bunker Hill, meaning Gulf Resources, ~~started~~ found what for it was relief from EPA pressures. The threatened stiffer air-pollution standards were not imposed and the decision to sue over water pollution was reversed.

Stans had an ~~unerring~~ instinct for corporations with federal troubles. The corporations had unerring instincts for the avoidance of federal prosecutions.

Of course there was no connection between the ~~April~~ March 29 notice to Gulf ~~Reserves~~ Resources and its April 3 ~~dispatch~~ transfer by telephone of $100,000 in corporate funds to ~~xxx~~ the account of its

That Slaon gave the check to Liddy for laundering was known long before he testified to it. (Los Angeles Times 10/25/72)

The number of this account, in the Banco Internationacional, is 99-600

no longer existing Mexican subsidiary, Compania de Azufre Veracruz, Sociedad Anonima. The demise of this corporation in December, 1969, was profitable for Gulf Resources. It took a tax write-off of $16,800,000 for it, according to Securities and Exchange Commission records. However, the inactive Mexican subsidiary kept a few people in Mexico City to handle financial transactions.

Its lawyer ~~in the~~ for at least a decade and the man who handled the ending of the Mexican subsidiary? Manuel Ogarrio Daguerre.

The $100,000 was listed on corporate books as a "legal fee" to him.

"Inflated legal fees," the Nixon-stifled Patman report comments, is "in keeping with the pattern" it "uncovered during" that committee's "investigation of secret foreign bank acciunts in 1968-70." (p6 p.6) And tracing in this case was impeded by Stahs' destruction of all his "records concerning a $350,000 cash fund" of contributions received by April 7. (p. 77) In August 25, 1972, the General Accounting Office included

Ogarrio was not just a name, a hired lawyer in a foreign land, to Allen. He had known Ogarrio "personally for many years." (NYTimes 8/23/72)

When the story broke it made quite a commotion in Mexico City as it did in the United States. The United States Embassy in Mexico City, where Hunt had served CIA so long under a diplomatic cloak, found itself "in a ticklish position," a ~~Mexican~~ Mexico City investigative reporter friend told me. This reporter had been told by a confidential Embassy source "that they were told to pretend the whole thing never happened and they know nothing about it." (My notes 8/24/72

the destruction of the records of the contributions making up this $350,000 and how it sas spent as one of a 11 apparent law violations. (Post 8/27/72)

Ogarrio had nothing to do with the whole affair, either, according to his son and partner, Alejandro, in an interview with The New York Times' Walter Rugaber, published July 31,1972. Ogarrio senior was described as in "delicate health" and retired.

He had specialized in representing American and Mexican corporations. as an expert on the complex and strict Mexican labor laws. Until his retirement, which was the month before, the Ogarrio firm had its offices on the 18th floor of the building at 156 Paseo de la

Reforma in which Banco Internacional had its administrative offices and a branch.

Paseo de la Feforma is a ~~very~~ long street, a major artery that runs through ~~a great deal~~ much of the center of Mexico City.

~~While acknowledging that the nedorsement on the checks~~

The checks are made out to "Sr. Manuel Ogarrio." They are endorsed twice, in typed, italicized capital letters, "Sr. Manuel Ogarrio D." and in an illegible signature. Alejandro acknowledged that this seemed to be his father but he insisted that neither he nor his father had seen the checks and that the number written on the backs, apparently an account number,"99-02610-6" is not that of their account. He said that neither he nor his father had an account in that bank and that this number was not theirs. He also said they had not represented the bank in legal matters. Nor was the scrawl his father's signature, he said.

The numbers might provide a definitive answer to the question whose checks are these if not Ogarrio's, but in the two years of supposed investigations that followed there was no evidence of either interest or investigation. For this there has to be a good reason.

The denials by Alejandro are less than definitive, made easier by his acting as his father's spokesman but able to speak from his own knowledge only. He denied knowing Hunt, Liddy or Barker. Barker's cover story when the checks were first connected with his Miami account ~~xxxxxx~~ in which they were deposited April 20 is that the funds were those of Miami businessmen acting for unnamed Chileans in a condominium deal that fell apart. Alejandro Ogarrio denied they had ever ~~represented~~ acted for any Chileans nationals in any matters, including real-estate transactions. He denied knowing or dealing with Hunt.

But where the denials fall far short of what needs to be known is could the father honestly say these things about himself, that he had never known any of the figures in the case? (There had been no mention of Sturgis/Fiorini or "Hamilton.")

Is it that the prominent father had never met Hunt or anyone working under or with him when Hunt spooked around Mexico and in the circles of society to which he was attracted as a recognized Embassy official?

Could it be that the elder Ogarrio never knew or met or ~~hand~~ had anything to do with anyone connected with CIA, an agent or an "asset?" Had ~~him~~ he himself been such an asset?

These denials are missing. And the CIA's official denial is only that Ogarrio had no "operational" connection, quoting General Walters' report to Pat Gray.

The absence of these denials provokes wonder.

The absence of police identification of the typewriter, the handwriting and easiest to check of all, the account number, is an obvious if unreported departure from the minimum norms of any police investigation.

When to this is added the careful limitations of Walters' language and, aside from election-law questions of Mexican law, two criminal investigations by United States authorities (federal and state) plus all the official Watergate Congressional investigations there were continuous criminal Watergate prosecutions, the first of which did not reach court until 1973, there has to be suspicion.

The absence of any investigation of the trip of former CIA clandestine operator Jackson to Mexico, whether or not Hunt went with him, has to add to justified suspicion about the reasons for all these omissions.

Whether or not Hunt's visa in the name of Hamilton, the false identity created for him when he was working for Nixon and good as long as the CREEP excuse for hiding its secret funds was in its opinion good, has any bearing on this Mexican Connection should have been investigated. Hunt was not even asked pro forma questions about it.

Resolution of the questions of Mexican law magnify these suspicions greatly. While the investigation required would seem to be a simple one that with diligence might be completed in a day or less, it took almost a year. After this great labor, Attorney General Pedro Ojedo Paullada announced on June 14, 1973,"My office has conducted an investigation of a Mexican lawyer named Manuel Ogarrio Daguerre, cited as the contact for the alleged shipment of money" to The Watergate conspirators. "The operation was just a transfer of funds from one American firm to another American firm through a Mexican lawyer, and it is clear this is no case of espionage in Mexico." (AP in SFChron 6/15/73)

This was a "case of espionage?"

tr from 20 →

"Transfer of funds" between two"American firms" and the second one is never named in the United States, where corporate political contributions are illegal?

(The return of the ~~funds~~ money to Gulf Resources did not make the original contribution or the entire manner in which it was handled less criminal.)

tr to 20 Does the language "no case of espionage in Mexico" mean there might be in the United States

And if this "transfer" was "through a Mexican lawyer" is not the Mexican District Attorney confirming that the bank drafts really were Ogarrio's?

What, then, about all Alejandro's other denials and the refusal of the elder Ogarrio to speak in his own name?

Manuel Ogarrio's "delicate" health, even if terminal illness, was not enough for him to refuse to make definitive answers to complete questions when his honor, professional reputation and the magnitude of the scandal are considered. There are neither complete questions nor definitive answers, except for the obvious meaning of the official Mexican investigation, that Ogarrio really was the middle-man in the Mexican Connection.

And rather than relieving these suspicions, Nixon's words and deed magnify them still further. Either he was engaged in a monstrous obstruction of justice or he had some justification for his "national security" fears involving the CIA.

Two weeks before the report on the Mexican investigation were announced, there was one by the United States Senate. These are ~~creep~~ excerpts from The New York Times report on the secret hearing, written by David E. Rosenbaum and published May 31,1973, which was after the first public hearing of the Watergate committee on May 17:

Lil-attached copy, using parts marked in red only, with dots following each omission

20A

EHRLICHMAN SAYS PRESIDENT KNEW OF FUNDS INQUIRY

Asserts Nixon Was Fearful 6 Days After Watergate of Action by the F.B.I.

THREAT TO C.I.A. IS SEEN

Former Top Aide Is First to Testify in Congress on Democratic Break-In

By DAVID E. ROSENBAUM
Special to The New York Times

WASHINGTON, May 30 — John D. Ehrlichman told a Senate subcommittee today that President Nixon had, six days after the Watergate break-in, that Federal agents were investigating financial aspects of the case.

Mr. Ehrlichman was Mr. Nixon's chief domestic adviser until he resigned April 30. He was one of three persons in the White House to see the President regularly.

Mr. Ehrlichman was the first of the President's former top aides to testify before a Congressional committee on the Watergate affair.

The financial aspects of which he spoke of some involved the transfer of $350,000 from the President's re-election committee to Mexico and into the hands of the Watergate burglars.

National Security Cited

Mr. Ehrlichman said that he did not know whether Mr. Nixon knew shortly after the burglary at the Democratic headquarters that the break-in had been financed by money from the re-election campaign.

In a statement to the Senate Appropriations Subcommittee on Intelligence Operations and in comments to reporters afterward, Mr. Ehrlichman affirmed the President's statement that any interference by the White House in the Watergate investigation was a result of the President's concern about endangering national security.

Mr. Ehrlichman said that the President had been worried that the investigation of the Watergate break-in might expose covert intelligence operations in Mexico.

[redacted]

Because of that concern, Mr. Ehrlichman said, the President ordered him and H. R. Haldeman, the White House chief of staff, to meet with the top officials of the Central Intelligence Agency and to have them tell the Federal Bureau of Investigation to call off the investigation in Mexico if C.I.A. operations would be endangered.

In his statement last week, Mr. Nixon acknowledged having ordered Mr. Ehrlichman and Mr. Haldeman "to insure that the investigation of the break-in not expose . . . an unrelated Covert operation of the C.I.A."

Mr. Ehrlichman said today that on June 23, 1972, six days after the burglary, he and Mr. Haldeman met with Richard Helms, then director of Central Intelligence, and Lieut. Gen. Vernon Walters, Mr. Helms's deputy, in Mr. Ehrlichman's office.

General Walters was directed

Continued on Page 32, Column 1

Continued From Page 1, Col. 8

to meet with L. Patrick Gray 3d, then acting director of the F.B.I., to tell Mr. Gray of the President's concerns according to Mr. Ehrlichman's statement.

About 10 days later, Mr. Ehrlichman said, General Walters reported that there was no C.I.A. operation in Mexico that would be imperiled by the F.B.I. investigation. But Mr. Ehrlichman said that the President did not believe General Walters.

"The President told me then that he still personally believed and feared that the F.B.I. investigation might harm the agency," Mr. Ehrlichman told the committee, Mr. Ehrlichman continued.

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

"The President said substantially: 'A man makes a grave mistake in covering up for subordinates. That was President Truman's error in the [Alger] Hiss case when he instructed the F.B.I. not to operate.'"

Mr. Nixon ordered Mr. Gray to conduct a "full investigation," Mr. Ehrlichman said.

Mr. Ehrlichman met with the subcommittee for nearly three hours this morning and Senator John L. McClellan, Arkansas Democrat who is the panel's chairman, said that the former Presidential aide would be called back for more questioning Tomorrow. Mr. Haldeman is to appear before the subcommittee.

Mr. McClellan said that further testimony from Mr. Ehrlichman was necessary because "serious and conflicting allegations have been received regarding attempts to involve the Central Intelligence Agency in the Watergate and Pentagon papers cases."

Mr. McClellan was referring to Mr. Ehrlichman's contention that he did not ask the agency to provide E. Howard Hunt Jr. with paraphernalia that Hunt allegedly used to break into the office of Dr. Daniel Ellsberg's former psychiatrist in the summer of 1971. Hunt was subsequently one of those who pleaded guilty to the Watergate conspiracy.

Gen. Robert E. Cushman Jr., deputy director of the C.I.A. in 1971 and now commandant of the Marine Corps, submitted an affidavit to a House subcommittee May 11 in which he stated:

"About 7 July 1971 Mr. John Ehrlichman of the White House called me and stated that Howard Hunt was a bona fide employee, a consultant on security matters and that Hunt would come to see me and request assistance which Mr. Ehrlichman requested that I give."

General Cushman swore to a similar statement before Senator McClellan's subcommittee.

But Mr. Ehrlichman said today that he did not have the "faintest recollection" of having made such a telephone call and that it was "extremely improbable" that he had done so.

Mr. Ehrlichman gave the Senate subcommittee memorandums from General Cushman written last January in which the general said that he did not know who made the call to him.

Mr. Ehrlichman said that he first found out about the burglary of Dr. Ellsberg's psychiatrist, Dr. Lewis Fielding of Beverly Hills, Calif., "probably a week or more after the occurrence."

But Mr. Ehrlichman said that he did not tell President Nixon about the matter and that the President had learned of it "relatively recently."

The break-in "was at that time oppressed with a very sensitive national security characteristic as far as were concerned and as well as the investigating authorities were concerned and continued to be so oppressed with that characteristic until very recently," Mr. Ehrlichman said in response to a question from newsmen.

Mr. Ehrlichman appeared before the Senators in a closed session, but his 19-page open-

Despite Nixon's lies and Ehrlichman's by now well-established lack of concern for truth and fact, this seeming attempt to dump the breaki-in by his boyos on the CIA, while absolutely wrong, does not mean there could not have been any CIA involvement.

Yet Ehrlichman's testimony is not without problems for Nixon and Ehrlichman.

As we have seen, "Federal agents" were onto the Mexican Connection's Mexican laundering of Nixon's secret money before "six days after" the break-in.

The date of the first pressure on CIA is disputed by the CIA people, who place it earlier.

It was not "about 10 days later" that Nixon learned for the first time "that there was no CIA operation in Mexico that would be imperilled by the F.B.I. investigation" but as soon as Helms, accompanied by Walters, met in Ehrlichman's office with Haldeman and Ehrlichman. Helms told them then that he had had an investigation made and there was no CIA connection.

Gray had been told the same thing before then.

Regardless of the legitimacy or lack of legitimacy of Nixon's professed concern, his forcing a halt to the FBI investigation did provide the time to get the word to Mexico. Hunt's disappearance, with what could be a cover, of taking counsel with Jackson and is a cover, to escape the "harassment" of the press, coincides with the time in which this would would have to reach the right ears in Mexico. When the time came for denials, they were made, with the Ogarrio's denying any involvement only to have the District Attorney say later they were involved. This precious time also permitted the fabrication of other covers and the destruction of those records that could be destroyed.

Nixon's warning about "covering up for...subordinates" is a fascinating way to put it when that one of his subordinates, Hunt is, until-now unreported connections is evaluated.

Whose, if any, "current operations" would be disclosed by a real investigation? Or is it possible that the operations of more than one might be exposed - Nixon's and CIA's?

Remember that Walters report to Gray, in which he bracketed in a single paragraph only these two clandestine contributions to Nixon of all the millions that were made? On that the sixth paragroah described in which he identified Ogarrio as not having had any "had any operational"

contact" with the CIA and Dahlberg's "last recorded contact" with it in the month after the Nixon/Hunt/CIA Bay of Pigs? Without giving Gray its address, Walters did tell him that ~~Ogarrio~~ Ogarrio and Banco Internacional had "offices located in the same building."

Why not give the address and save the overworked EBI all that time later? And then the filled-in blanks in the "sanitized" third paragraph, which "certain cover support" is being provided for CIA operations abroad? At least by Mullen and also by a client that could be General Foods? This is the same paragrpah that says Hunt "became a legitimate employee of Mr. Mullen" the minute he retired from CIA and then had "been assigned to the White House staff" while continuing with Mullen?

My own investigation of what so many reporters refused to investigate missed: seventh-floor Mullen had a Paseo de la Reforma operation, too. Earl Minderman shuttled between Washington and it.

When Minderman was not in Washington, in the absence of specific instructions to the contrary, the instructions inside the Washington operation were to refer his calls to the Paseo de la Reforma office.

Some Mexican Connection - not to be investigated, this combination!

There was a Washington phone listing for Earl Minderman, at 5010 Jamestown Road, Chevy Chase, one of the better Maryland suburbs in the Northwest, ~~229-8232~~ 229-8232.

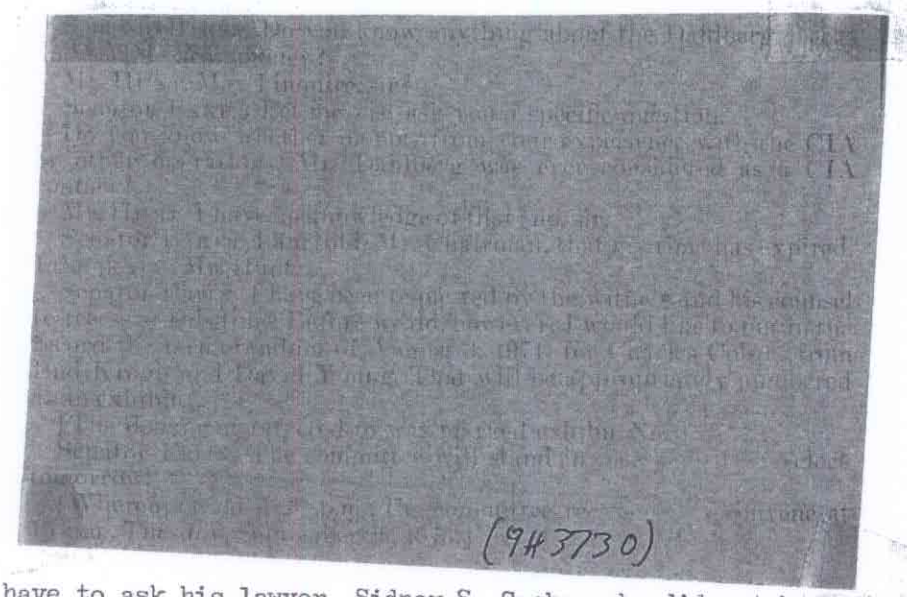
It is a good number.

Only no longer that of Earl Minderman.

Mrs. Bettie M. Flick, widow of a civil engineer, has that phone now, at the same address.

Beginning when The Watergate became a national scandal, there is no Washington area phone listing for Millen's special shuttling Mexican Connection, Earl Minderman.

There is an intriguing footnote to, if not commentary on, all of this from the exponent of the who knew what when and what did he do about it department, Senator Howard Baker. (9H3730). After questioning Hunt about Clifton De Motte, who according to Bennett had derogatory information on Senator Edward, the last surviving of the Kenndy brothers and who Hunt had identified as " a contact and former employee" of Bennett, this followed:



Why did Hunt have to ask his lawyer, Sidney S. Sachs, who did not know the factual answer, whether he, Hunt, knew anything about either "the Dahlberg vec checks [sic]" or "the Mexican ~~the Mexicann Mexican~~ money?"

The obvious answer is not for factual information but for legal advice.

Then why did Hunt have to seek legal advice on so simple a question, even though if he answered "yes" to either part other questions would follow?

The one certainty is that if the answer were "no" Hunt would have said "no" and that would have been the end of it. The probability is that Hunt feared going off the deep end.

Baker himself an experienced lawyer, required no interpretations.

He changed the subject, taking Hunt off the hook and avoiding any embarrasing intelligence.

This left unanswered and not again asked the question did Hunt "know anything...about the Mexican money."

If the hour was early for recessing, it was not a bit too soon for Hunt and his lawyer to request adjournment.