

Baker Reports C.I.A. Compiled Dossiers on a Former

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WASHINGTON, Jan. 16 — Senator Howard H. Baker Jr. said today that his investigation into any Central Intelligence Agency involvement in Watergate had disclosed that the agency had compiled dossiers on a former Senate aide and a New York private investigator.

In a telephone interview at his home in Huntsville, Tenn., Senator Baker, a Republican, said that his investigation had found that the agency had dossiers on Bernard Fensterwald, a Washington, D.C., lawyer and former aide to the late Senator Edward V. Long, Democrat of Missouri, and on Arthur James Woolston-Smith, an officer of a New York City investigation and industrial security consulting concern.

"These were but two of the numerous indications our investigation turned up that the C.I.A. has engaged in widespread domestic activity," Mr. Baker said.

A spokesman for the C.I.A. declined to comment on the Senator's allegation.

A report on the agency's domestic activities released yesterday by William E. Colby, Director of Central Intelligence, acknowledged that the agency had kept files on several members of Congress and numerous dossiers on American citizens collected both by domestic spying operations and through agency employment checks.

Senator Baker said that his inquiry into C.I.A. activities, brought to an abrupt close by the demise last year of the Senate Watergate committee, of which he was vice chairman, had uncovered five areas that he believes require further investigation by a bipartisan select Congressional committee or some form of permanent intelligence oversight committee.

Mr. Baker said that he was "unabashed" in his desire to be part of a Congressional committee to investigate the agency. He added that though "I feel it may sound immodest, I think I'm one of the best qualified men in the Senate to delve into C.I.A. because I was one of the first to hear the 'animal crashing about in the forest.'"

Senator Long's Activities

The Senator was referring to his suspicion in 1972 that there might be illegal intelligence and espionage activity going on in this country.

Both Mr. Fensterwald and Mr. Woolston-Smith said that they had no knowledge that the C.I.A. had maintained dossiers on them. "I don't doubt it and I don't care," said Mr. Woolston-Smith, a New Zealander who said his concern had done intelligence work for the United

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States Navy. Mr. Woolston-Smith, an officer of Science Security Associates, Inc., said he had warned the Democrats in April, 1972, that they might be the subjects of a sophisticated electronic surveillance plot.

Mr. Fensterwald said he had no "independent" knowledge that the C.I.A. had a dossier on him or that it had ever investigated him, but he speculated that he might have come under agency scrutiny when he was working for Senator Long's investigation of wiretapping and bugging in the mid-1960's.

"We were getting into C.I.A. wiretapping, pushing the Freedom of Information Act and investigating a U.S. Government plot to assassinate Fidel Castro and any one of these things could have attracted their attention," Mr. Fensterwald said. Last month, Time magazine reported that the C.I.A. had created a dossier on Senator Long during the same period.

The report on domestic activity released by Mr. Colby, current director of the C.I.A., acknowledged that the agency had voluminous files on American citizens as well as the 10,000 specialized dossiers on antiwar activists first revealed by The New York Times on Dec. 22.

Though a file on Mr. Woolston-Smith may have ended up in C.I.A. data vaults as a foreign national involved in intelligence work, the fact that there was a dossier on Mr. Fensterwald struck Senator Baker as demanding more information. "We had no indication from the C.I.A. that Mr. Fensterwald had been involved in any foreign intelligence," he said.

The Areas for Study

Mr. Baker, discussing the need for further investigation, said that one of the five proposed subjects was the destruction of tapes and documents.

On Jan. 24, 1973, Richard Helms, then director of the C.I.A., ordered the destruction of tapes of his personal office and telephone conversations dating back over several years. The tapes included conversations with President Nixon and other Administration leaders, according to Mr. Baker's Watergate report.

The destruction was carried out despite a request from the Senate majority leader, Mike Mansfield, Democrat of Montana, that the C.I.A. retain all evidence pertinent to the Watergate investigation. Mr. Helms later testified that the tapes had contained no Watergate material. "We ought to have further testimony on this from Helms's secretary and from the custodian of the

tapes," Mr. Baker said.

Mr. Baker said that the volume of material destroyed was so great that "it took them several days to scissor the tapes and burn them."

"I don't charge Mr. Helms with any wrongdoing," he said. "I'm only sorry the Congress

has been deprived of the opportunity to review the material."

He said that his investigation had found indications that the C.I.A. might have tapes of telephone and room conversations throughout its headquarters in Langley, Va. He pointed out, for instance, that a tape of a conversation between Marine Gen. Robert E. Cushman Jr., then deputy director of the C.I.A., and E. Howard Hunt Jr., who was convicted for his role in the Watergate burglary had not been destroyed. The agency, he said, also "appeared to have a taping capability from the main switchboard."

Mr. Baker said that, in addition to the tapes, the C.I.A. had reported that several documents had been destroyed.

A second area to investigate, Mr. Baker said, is the domestic role of Eugenio R. Martinez, a Watergate burglar. The C.I.A. acknowledged that at the time of the Watergate burglary, Mr. Martinez was receiving a \$100-a-month retainer as an operative in Miami. Mr. Baker said that in addition to reporting on "maritime operations" Mr. Martinez was assigned to learn about possible demonstrations by Cuban-Americans at the Miami political conventions.

When the Senate Watergate investigators asked the C.I.A. about this apparently completely domestic assignment, presumably forbidden by the National Security Act of 1947, they were told that the agency was responding to a request from

the Secret Service which had the responsibility for candidate safety. Mr. Baker said there was no clear reason why the Secret Service should have asked the C.I.A. for such domestic intelligence.

Support for Hunt

Moreover, Mr. Baker said, when he attempted to interview Mr. Martinez's case officer during the crucial period in 1971 and early 1972, he was first told the officer was "on African safari" and then was later told he was unavailable because he was serving in Indo-China. Mr. Baker said the agency had also withheld numerous documents concerning Mr. Martinez's activities.

The third area proposed for

investigation is the support for Mr. Hunt. Mr. Baker's investigation disclosed that, in addition to providing Mr. Hunt with disguises, false documents and hidden cameras, the C.I.A. had referred Mr. Hunt to former agency personnel who might be willing to become involved in espionage operations.

Upon Mr. Hunt's request he was given the name and location of a "lock picker" and men to do electronic surveillance, Mr. Baker reported. The referrals were made by the chief of the agency's external employment assistance branch, which aids former employees.

"I think we must establish whether these referrals were authorized by the director and,

if not, who decided this was an appropriate job referral for the agency to make," Mr. Baker said.

One former Senate investigator said that the external assistance operation was "virtually the switch plate of an old-boy network for former C.I.A. agents." The discovery of the Hunt referrals fed the suspicion that many C.I.A. men continue to work for the agency long after appearing to resign or retiring. Mr. Hunt testified that he "retired" once in the mid-1960's as a cover story for a spying assignment in Spain.

The Hiring of Agents

The fourth proposed study would involve covert domestic agents. Mr. Baker said that "far

more must be learned? about the C.I.A.'s hiring of secret agents in the United States. It was his investigation that first brought to light the existence of a domestic agent operating in Washington on a \$250-a-month retainer. Lee Pennington Jr. was the C.I.A. operative sent to the home of James W. McCord Jr., convicted Watergate burglar, two days after the break in and the man who assisted in the destruction of papers that might have linked Mr. McCord to the C.I.A.

Mr. Pennington died of a heart attack last year, but not before testifying that he had been retained by the agency to gather information in Washington. Mr. Baker said he had

found indications that there were "other Lee Penningtons."

Finally Mr. Baker would investigate fronts and proprietary companies.

The Baker investigation uncovered indications that the C.I.A. had retained and possibly fully supported private investigation agencies in the United States that could conduct domestic surveillance operations under the guise of private investigations.

Mr. Baker said this evidence coupled with his findings on the operations of the now-defunct Robert Mullen Company required that Congress "learn a great deal more about the C.I.A.'s investment in private industry and its use of private firms for cover operations."