

## The High Price of 'Security'

distinguished jurists, only to have three of his first four choices turn him down.

New York U.S. District Court Judge Harold R. Tyler was the first to opt out, telling friends that he would be too much under the Administration's thumb. Los Angeles attorney Warren Christopher, who had been Deputy Attorney General under Lyndon Johnson, excused himself on the grounds that "the guidelines do not provide the requisite independence which I felt was necessary to do the job." Colorado Supreme Court Justice William Erickson also declined, and the suspicion began to grow that the Administration still could not quite bring itself to allow the prosecutor a genuinely free rein. Finally, Richardson managed to tap Archibald Cox, 61, an old Kennedy hand and former U.S. Solicitor General (box). Together they sat down and worked out a set of ground rules that give Cox virtually unlimited authority over the investigation.

### A Test of Muscle

Cox's appointment was widely acclaimed, and it will probably clear the way for Richardson's swift confirmation. But a host of other problems await the Administration on Capitol Hill. Mr. Nixon last week vetoed a bill that would have made his director and deputy director of the Office of Management and Budget subject to Senate confirmation, and in what promises to become an early test of his post-Watergate muscle, Senate opponents started an energetic campaign to override the veto.

Military appropriations for Indochina are another urgent problem. Two weeks ago, the House voted down new funds for U.S. bombing in Cambodia, and last week the once-hawkish Senate Appropriations Committee voted unanimously to cut off all funds for military action in Cambodia and Laos. The final vote will come after Memorial Day, and it is widely assumed that Congress will for the first time use the power of the purse to try to force a change in the President's conduct of the war. Congress's newfound independence was already affecting Henry Kissinger's bargaining power in his renewed talks with the North Vietnamese representatives in Paris, and foreign chanceries were wondering whether President Nixon could continue to play so forceful a role in world affairs (page 47).

His fundamental problem with Congress was that support for the President had become a political liability rather than an asset. "Senators up for re-election are going to bend over backward to vote against the Administration," one high-ranking Republican leader conceded. Congress, having long bridled at Presidential supremacy, showed every sign of taking advantage of Mr. Nixon's sudden vulnerability. The President might, as Ziegler said, have a lot to accomplish in his second term, but it was difficult for the time being to see how he would go about it.

May 28, 1973 □

The Watergate scandal had long since transcended the mere burglary and bugging of Democratic National Committee headquarters. But as the story continued to unfold last week, that episode emerged as part of the end game in a slow, sad process of the corruption of power—a progression that began in concern for the national security, went on to the bending of ethics and laws and ended in outright police-state tactics as the Nixon Administration lost all sense of the difference between the nation's welfare and its own.

The week's blockbusters, falling with almost cadenced regularity, included the eye-catching allegations that Henry Kissinger, hitherto untouched by the widening scandals, had approved FBI wiretaps

wishes to domestic assistant John D. Ehrlichman (who finally drew his last Federal paycheck last week, along with Dean and Presidential Assistant H.R. Haldeman), and Ehrlichman later indicated to Mr. Nixon that Dean had cleared the White House staff of complicity.

Over at FBI headquarters, meanwhile, interim director William D. Ruckelshaus was facing a battery of newsmen under klieg lights ("You mean he's going to answer questions?" marveled an old FBI hand) to confirm a suspicion that had emerged in the closing hours of Dr. Daniel Ellsberg's Pentagon-papers trial two weeks ago—that the whole secret-police apparatus that was to become Watergate had actually been set in motion in the spring of 1969, two years earlier



Wally McNamee—Newsweek

### Helms: A presumption of complicity

on his own National Security Council aides; that White House aides feared a senile J. Edgar Hoover might parlay this involvement into genteel blackmail of higher-ups, and that highly respected former CIA director Richard Helms, now U.S. ambassador to Iran, may well have known more about the Watergate than he had previously let on. But the week's worst news was the emerging picture of an almost routine resort to illegality by top government officials.

That impression was reinforced when Richard Nixon's own distance from the Watergate scandal shortened appreciably. In response to published accusations by fired White House counsel John W. Dean III (NEWSWEEK, May 14), Presidential press secretary Ron Ziegler admitted that the President had never ordered or received an in-house investigation directly from Dean, despite Mr. Nixon's references to such a counsel's report in two television addresses. The President, White House sources said, had actually communicated his



UPI  
Kissinger: Tap day at the NSC

than previously supposed. Thirteen government officials, some of them members of the top-level National Security Council, and four newsmen were tapped by the FBI under direct orders from the President.

### Wrestling the Secret Service

The logs from these taps, one of which had recorded Ellsberg, had been reported missing from the FBI since July of 1971 (the straw that finally forced dismissal of the Ellsberg case), but Ruckelshaus disclosed that the FBI recovered them from Ehrlichman's safe a fortnight ago, provoking what he facetiously called an "arm-wrestling" session with Secret Service men assigned to the White House.

It was these early wiretaps that connected Kissinger with the undercover tactics. In the early months of the Administration, NEWSWEEK learned last week, Mr. Nixon became "enraged" over a leak to The New York Times that reported all too accurately that the U.S.

was bombing Cambodia with the acquiescence of Prince Norodom Sihanouk. At the President's direction, the FBI was called in to investigate the leaks and Kissinger proffered a list of "four or five" names of possibly talkative insiders on the National Security Council staff. The list eventually grew to seventeen—including, FBI sources confirm, Dr. Morton B. Halperin (a liberal Ivy League professor and friend of Ellsberg), along with Kissinger aides Winston Lord, Helmut Sonnenfeldt, Daniel I. Davidson and Anthony Lake and four newsmen from the Times, CBS and The Sunday Times of London.

There was no suggestion of treason in the leaks. "The trouble with Henry," one Administration official said, "is that he was too damned careful at times in protecting a bunch of clowns who wanted to show off to their journalist friends, who in turn wanted to impress their Russian friends." The accumulated tidbits, cleverly assembled by the Russians, could be seriously embarrassing. Once, according to an FBI source, the U.S. had prepared two positions going into an early round of the SALT talks. "When our negotiators got to the table," this agent told NEWSWEEK's Nicholas Horrocks, "they found the Russians knew the U.S. fallback position and simply would not deal on the basis of the first line. It was very, very damaging."

#### Protecting the Innocent

And before a Supreme Court ruling in 1972, the wiretaps themselves were not clearly illegal. "What has to be understood here," Kissinger told NEWSWEEK's Henry Trehwhitt last week, "is that we are talking about [wiretaps] that were legal, that were carried on through previous Administrations; that no use was made of this for any other purpose than safeguarding of classified information, and that it was as much a protection for the innocent as anything else."

Nonetheless, in the Byzantine byways of Mr. Nixon's Washington, the wiretap logs might have other uses—and nobody appreciated that better than Hoover, even though he was in his mid-70s and, according to one Administration official, showing the ravages of "arteriosclerotic senility." On direct orders from Mr. Nixon, Hoover sent copies of the wiretap logs to Haldeman in May 1970. He also pulled the originals from the FBI files and put them in a safe in assistant director William Sullivan's office—a move that let him keep his control of potentially embarrassing documents in case they should prove useful.

The last of the seventeen wiretaps was finally ended in February of 1971—a date that dovetailed with another important event in the Justice Department. This was the arrival of Robert Mardian, then 48, as an Assistant Attorney General in charge of the Internal Security Division, an old witch-hunting relic that had lain dormant since the middle '50s. Aggressive, suspicious and very well

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connected in the Barry Goldwater-Richard Kleindienst wing of the GOP, Mardian doubled the ISD staff, began exploring FBI files and making connections with other government intelligence agencies. He arranged for such security measures as arresting 13,000 antiwar demonstrators on May Day, and in remarkably short order put together the DOJ's string of unsustainable conspiracy cases against the Harrisburg Seven, Leslie Bacon, the Camden 28, Ellsberg and several others.

Mardian also made a friend at the FBI: assistant director Sullivan, a 30-year veteran who was finding it increasingly difficult to deal with Hoover and increasingly easy to ally himself with Administration attempts to ease the old man out. There was fear that Hoover was un-



Photos by Wally McNamee—Newsweek

ing his knowledge of the embarrassing NSC wiretaps to make sure that neither Attorney General John Mitchell nor anyone else made an overt move on him.

In the summer of 1971, Sullivan told Mardian that he, not Hoover, had possession of the logs, and two or three days later the Assistant Attorney General returned with what he said was authorization from Mitchell to take control of the reports himself. It was only after Sullivan resigned, in a final confrontation with Hoover, that the old G-man confirmed that his "insurance" reports were missing. By that time, FBI sources said last week, the logs had managed to wind their way through Mardian to Ehrlichman's safe and thence to the nascent White House "plumbers" operation—all in all, a textbook example of the way in which originally legal Administration activities were transmuted, step by step, into the stuff of scandal.

Nor was the White House brass content merely to traduce the FBI. As first

became evident two weeks ago, upper-level White House aides also prevailed on the CIA in that same summer of 1971 to outfit Hunt and Liddy with disguises, electronic equipment and cameras used in the burglary of Ellsberg's psychiatrist's office in a search for his medical records. In late summer of 1971, the CIA also acceded to a White House request for a psychiatric "profile" of Ellsberg before deciding that such activities were outside the CIA's legal charter and calling a halt.

#### Stuck to the Tar Baby

As testimony before acting chairman Stuart Symington's Armed Services Committee made clear last week, however, the CIA was firmly stuck to the tar baby. On June 23, 1972, six days after the five GOP burglars were discovered in Democratic National Committee headquarters, Helms and deputy director Lt. Gen. Vernon Walters were summoned to Ehrlichman's office at the White House, Walters told the committee. Bob Halde- man was also there, Walters testified, and said "that the Watergate incident



Ruckelshaus (left), Halperin: The logs wound up in Ehrlichman's safe

was causing trouble and was being exploited by the opposition." Walters was prevailed on—with Helms sitting by—to go that afternoon to acting FBI director L. Patrick Gray III and ask him to call off the FBI's recently begun investigation of "Mexican aspects of the matter," using the professional excuse that the FBI was trampling on CIA cover activities in the area.

The "Mexican aspects" of the case were four unreported GOP campaign checks—later traced to Gulf Resources executive Robert Allen—that had been laundered in Mexico and dispatched to Waterbuggers G. Gordon Liddy and Bernard L. Barker, who cashed them for the

## NATIONAL AFFAIRS

telltale \$100 bills that the burglars were carrying at the break-in. Walters said he delivered the White House message to Gray—who promised to honor the CIA's territorial priorities—and returned to CIA headquarters, where he discovered that the CIA had no covert activities going in Mexico that might be upset by the FBI investigation.

Walters protested as much when he was called to John Dean's White House office three days later, according to the general's Senate testimony, and Dean responded with two not terribly delicate prods. "Dean asked whether the CIA

might have taken part in the Watergate episode without my knowing it," Walters told the senators. The general said he replied that this "was not possible," but Dean, persisting, "asked whether there was not some way in which the agency might have been involved." If these were attempts to remind Walters of the CIA's earlier involvement in the Ellsberg raids, however, they fell on stony ground, because Walters had not joined the agency at the time and apparently had been told nothing about them. Dean finally asked "whether I had any idea what might be done," Walters said, "and

I replied that those responsible ought to be fired. He seemed disappointed."

Dean tried again the next day, Walters testified, this time making a more direct proposal. "He 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," Walters said. The general refused "to be a party to any such action," he said, and threatened instead to resign and to take his reasons to the President or, failing that, to the CIA "oversight committees" in Congress—which would be interested in knowing that the White

## A SECRET AGENT NAMED 'TONY'

His code name was "Tony." A retired New York City cop with twenty years' experience in security and intelligence operations, he found a second career as a political undercover agent for the White House—strictly off the record. Beginning in 1969, government investigators told *NEWSWEEK* last week, Tony was part of a super-secret police operation: tracking a string of prominent politicians and their relatives, following up tips about their drinking problems, finances and sexual improprieties.

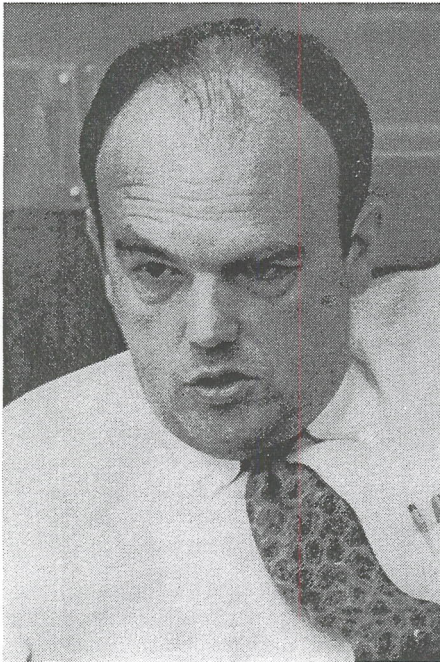
According to *NEWSWEEK*'s sources, Tony—whose real name is Anthony T. Ulasewicz—was hired by Presidential Assistant John Ehrlichman and paid by President Nixon's personal attorney, Herbert Kalmbach, on orders from White House chief of staff H.R. (Bob) Haldeman. What's more, the sources suggested that Tony's operations—of a piece with the burglary of Daniel Ellsberg's psychiatrist's office and the Watergate break-in—were only parts of a larger pattern of secret police activity under President Nixon. "Some of it was conducted under the guise of national security by established agencies," one investigator told *NEWSWEEK*'s Nicholas Horrock. "Other phases were handled strictly free-lance. There is an absolute pattern of this activity throughout the Administration."

**Mystery Voice:** Tony's link to the White House was none other than John J. Caulfield, another former New York cop, who was named by convicted Watergate burglar James McCord last week as the man who tried to buy McCord's silence with an offer of "executive clemency." Indeed, Senate sources identified Ulasewicz as the "mystery" voice who called McCord several times to repeat the offer. In March of 1969, Ehrlichman brought Caulfield into his office to serve as liaison with various law-enforcement agencies and handle "certain discreet investigations" for him, investigators said.

Soon after, Ehrlichman reportedly ordered Caulfield to find a veteran investigator to help with the field work and Caulfield chose Ulasewicz—a buddy from the NYPD's elite Bureau of Special Services (once known as BOSSy), which pro-

tests foreign embassies and VIP's and carries out intelligence and undercover operations throughout the city. Ulasewicz, 54, a trolley-car operator before becoming a cop in 1943, had also worked a beat in Harlem and collected nine commendations.

Ehrlichman, Caulfield and Ulasewicz first met in May or June of 1969 at the



Ehrlichman: 'Discreet investigations'

American Airlines terminal of New York's La Guardia Airport, the sources said, and Ehrlichman hired Tony on the spot—on a code-name-only basis. His first assignment was reportedly a thorough investigation of Sen. Edward Kennedy's involvement in Mary Jo Kopechne's death on Chappaquiddick in 1969, with the report to be forwarded to the White House. Over the next two years, he reportedly conducted more than half a dozen field probes into all sorts of allegations, among them:

■ An incident in Washington's Georgetown section that might have proved em-

barrassing to House Speaker Carl Albert.

■ Possible financial links between Maine Sen. Edmund Muskie and corporations with significant pollution problems.

■ Hubert Humphrey's campaign funds.

■ Rumors that a brother of one Democratic hopeful might have been involved in a homosexual incident.

■ The alleged harassment of Julie Nixon Eisenhower by a Florida schoolteacher.

In every case, said the sources, Tony's assignments came down from Ehrlichman. And in the summer of 1971, the veteran agent was ordered to begin coordinating his activities with the White House "plumbers" team then trying to plug security leaks. More political assignments followed. Ironically, one involved the suspicious activities of a man who turned out to be Donald Segretti, assigned to carry out political espionage and sabotage in Mr. Nixon's behalf, and also paid by Kalmbach.

*NEWSWEEK* has also learned that at least two other Nixon dirty-tricksters were imitating Segretti's tactics around that time. Government sources report that former White House aide Herbert L. (Bart) Porter has told investigators that he and Jeb S. Magruder, deputy director of the Nixon campaign, recruited operators who were code-named "Sedan Chair I" and "Sedan Chair II" and paid them thousands of dollars to disrupt Democratic primary campaigns.

But Tony's assignments were more sinister—and he was paid for them, *NEWSWEEK*'s Stephan Leshner learned, through two bank accounts started by Kalmbach with approximately \$1 million ostensibly left over from Mr. Nixon's 1968 Presidential campaign. The agent's salary and expenses continued until the fall of 1971, the sources said, and "another \$30,000" was given him in March 1972 by Caulfield (who had just received some \$50,000 in cash from Kalmbach). Ulasewicz and Ehrlichman were not immediately available for comment. Haldeman denied the story ("I had absolutely nothing to do with this guy"), but Kalmbach has testified that Haldeman told him to funnel money to Ulasewicz. Kalmbach insisted, however, that he did not know Tony's real mission. "Mr. Kalmbach," said his lawyer, "had no idea of the purpose at this early stage."

## NATIONAL AFFAIRS

House was ordering the CIA to violate the law by spending agency funds within the U.S. Dean seemed "taken aback," Walters reported, but called him in again the next day to ask once more if Walters had "learned anything more about CIA involvement" and to solicit helpful ideas.

### Brave Men, Brave Talk

Walters heard nothing more about Watergate for another week, but then Gray told him that the FBI could not hold up its Mexican investigation without a formal letter from Helms or Walters. Walters replied, he said, that the CIA had no reason to make such a request. Walters said he told Gray that "attempts to cover this up or to implicate the CIA or FBI would be detrimental to their integrity" and added that he "was

Services intelligence subcommittee told newsmen that Helms "felt he was getting orders from the highest authority."

Senators Symington and Henry Jackson picked up the same feeling from Helms's testimony at their committee hearings. Again without asking the Presidential question directly, Jackson said he was satisfied that Helms and other CIA officials "had reason to believe the requests had the sanction of the President." Symington said after Helms's testimony that "it is hard for me to visualize" how Mr. Nixon could have failed to know about the cover-up. But Jackson admitted that Helms had never actually asked Ehrlichman or Haldeman if they spoke for the President ("You don't ask those questions when you're a professional and in this kind of climate") and that the senators had unearthed no evi-

Senatorial outrage was not mitigated by the senators' own laxness as watchdogs. Under intensive pressure from newsmen, Symington admitted that "our oversight committee hasn't been functioning for the last year or so" and conceded that "it would have been up to them [the CIA directors] if they didn't report it to us." Helms has testified before the Watergate grand jury and will appear before both the Senate Foreign Relations Committee and the Ervin committee—and Washington insiders were wondering if he would survive with his ambassadorship intact.

The Senate's growing testiness over the whole Watergate scandal surfaced elsewhere in an extraordinary exchange between Maine Sen. Edmund Muskie and South Carolina Republican Strom Thurmond, one of those most irked by the CIA disclosures. The arena this time was a joint committee hearing in which Daniel Ellsberg was testifying on executive branch secrecy. As Ellsberg persistently injected comments on Watergate, Cambodia and other matters that Thurmond regarded as off the subject—twice saying that he believed President Nixon was guilty of wrongdoing in Watergate—Thurmond got progressively angrier. And when Ellsberg concluded that J. Fred Buzhardt—a Thurmond protégé and Mr. Nixon's super-clean new White House Watergate counsel—had lied under oath at Ellsberg's trial, Thurmond retorted furiously that Ellsberg had got off the hook in Los Angeles only because government misconduct had made the case unprosecutable.

### Unfit to Be President?

"His innocence is established," Muskie replied tartly, "until a court decides otherwise." The colloquy went back and forth—Thurmond arguing that Ellsberg had not been found innocent, Muskie that he was innocent in the absence of a conviction—until Thurmond exploded at Muskie: "You brought him here today to criticize the President of the United States. I'm surprised at you, a Presidential candidate. You're not fit to be a Presidential candidate."

The gasps that followed that exchange promise to be echoed again and again as the congressmen, in their several inquiries, circle closer to what Representative Nedzi called "the \$64 question"—the President's own possible involvement. Not much else is left. Last week's disclosures not only solidified the case against three of the President's most powerful advisers and further tarnished the image of the National Security Council, FBI and CIA, but it also called into paradoxical question the White House's well-trumpeted concern for national security. It was in the name of national security, after all, that the antecedents of Watergate were born—yet when the crunch came, the White House seemed instantly ready to compromise the agencies most responsible for safeguarding that security.

□ Newsweek, May 28, 1973



Walters: Heavy duty



Former counsel Dean: Two prods for the CIA

quite prepared to resign." Gray replied, Walters said, that "he too was prepared to resign on this issue." (Gray eventually did resign, enmeshed in scandal, but not until nine months later.)

Walters' explosive account of top-level White House advances was backed up in every respect except one by Helms—but that one exception was perhaps the jackpot question. By his threat to go to the President with Dean's alleged improprieties, Walters clearly implied his belief that Mr. Nixon did not know that his aides were trying to unload the whole scandal on the CIA. Helms, summoned home from Iran to appear before three separate Congressional committees last week, apparently managed to imply just the opposite. Though no direct question was put to Helms about Presidential authorization or knowledge by any Congressional committee, chairman Lucien N. Nedzi of the House Armed

dence linking Mr. Nixon to his aides' overtures.

Though the two Democratic senators expressed a belief that Helms "behaved very well" in his handling of White House overtures, the former CIA director was clearly in trouble with angry legislators in both houses. In addition to taking Presidential authorization for granted, Helms apparently made no attempt to tell anyone of the transparently illegal advances allegedly made by Haldeman, Ehrlichman and Dean—in spite of the fact that Congress had established oversight committees in each branch precisely in order to safeguard the intelligence agencies from the danger of being turned by executive whim into domestic *tonton macoutes*. Helms had also assured the Senate Foreign Relations Committee during his confirmation hearings last winter that the CIA had not been involved in the Watergate case.