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**PETERSEN CALLED  
READY TO RETIRE**

**Justice Department Official  
Has Been Criticized on  
Handling of Watergate**

By **JOHN M. CREWDSON**  
Special to The New York Times

WASHINGTON, Aug. 1 —

Henry E. Petersen, whose conduct of the Government's early Watergate investigation has been the subject of both public and private criticism recently, is expected to retire from the Justice Department at the end of the year, according to friends.

Mr. Petersen was reportedly on the verge of leaving the department in June, following charges of impropriety on his part by the former White House counsel, John W. Dean 3d, before the Senate Watergate committee.

One associate said that Mr. Petersen had been persuaded to stay on as head of the Criminal Division for a few months longer to avoid giving the impression that he was quitting under fire.

Mr. Petersen, now an Assistant Attorney General, has been with the Justice Department for more than 25 years, and can retire at any time under a Government rule that permits retirement for Presidential appointees after 20 years of service.

**Allegations by Dean 3**

One of Mr. Dean's intimations before the Senate committee was that Mr. Petersen had acted improperly by directing a Government prosecutor not to ask Donald H. Segretti, the campaign saboteur employed by the White House last year, the names of the officials who had hired and paid him.

Mr. Dean also named Mr. Petersen as the official who had arranged for five high White House aides, including Charles W. Colson, then a special counsel to President Nixon, to be questioned by the Watergate prosecutors out of the presence of the grand jury, an unusual practice that prevented the grand jurors from questioning those witnesses themselves.

**Felt 'Used' by White House**

Although Mr. Petersen refused at the time to reply to the Dean allegations, he is known to feel that he was "used" by the White House, and in particular by Mr. Dean, during the time he had charge of the Watergate inquiry.

He will presumably have a chance to respond when he is asked about his direction of the investigation during a scheduled appearance before the Watergate committee this month.

There have also been reports that the conduct of the investigation by Mr. Petersen—who over the years earned a reputation as an energetic and scrupulously honest investigator in



Associated Press

**Henry E. Petersen**

the department's organized-crime section—would be looked into by the office of the special Watergate prosecutor, Archibald Cox.

One Government lawyer characterized reports that Mr. Petersen was being "investigated" as overblown, but conceded that the decision to delay for several months the official investigation of Mr. Segretti was a possible subject of examination. Mr. Petersen has said that the decision was his, and that he made it because of insufficient evidence last summer and fall of any wrongdoing on Mr. Segretti's part.

Mr. Petersen has privately lamented the damage caused by Watergate to both his own reputation and that of the Justice Department. He at first saw the appointment of Mr. Cox as an unwarranted blow to the department's integrity, but said later that he had reluctantly concluded that it was necessary to bring a restoration of public confidence in the judicial process.

**Babylon Gets Pier Funds**

ALBANY, Aug. 1 (UPI)—The Suffolk County town of Babylon has been given a \$60,000 grant for repair and development work at the Bergen Point fishing pier, Governor Rockefeller's office announced today. The money is to be matched by funds from the town.