

Excerpts From Testimony Before the Senate Committee Investigating

WASHINGTON, Aug. 3—
Following are excerpts from testimony today on the 35th day of hearings on the Watergate case before the Senate Select Committee on Presidential Campaign Activities:

MORNING SESSION

Gen. Vernon A. Walters
MR. DASH: Did you shortly actually after you became deputy director of the Central Intelligence Agency, did you attend a meeting at the White House with Mr. Haldeman, Mr. Ehrlichman and Director Helms on June 23, 1972?

GENERAL WALTERS: Yes, I did.

Q. All right, now, would you relate to the committee what Mr. Haldeman said and what you or Mr. Helms said?
A. Mr. Haldeman said that the bugging of the Watergate was creating a lot of noise, that the opposition was attempting to maximize this, that the F.B.I. was investigating this and the leads might uncover some C.I.A. tant, people, and he then asked Mr. Helms what the agency connection was. Mr. Helms replied quite emphatically that there was no agency connection and Mr. Haldeman said that nevertheless, the pursuit of the F.B.I. investigation in Mexico might lead to some important activities or assets.



L. Patrick Gray 3d, former acting head of the F.B.I., sits at right facing the committee table at the Senate Watergate hearing

The New York Times/Mike Lien

Mr. Helms said that he had told Mr. Gray on the previous day, the acting director of the F.B.I., that there was no agency involvement, that none of the investigations being carried out by the F.B.I. were in any way jeopardizing any agency activity. Mr. Haldeman then said, "Nevertheless, there is concern that this investigation, this investigation in Mexico may expose some covert activity of the C.I.A., and it has been decided that General Walters will go to Director Gray, Acting Director Gray, and tell him that the further pursuit of this investigation in Mexico, and I wish to emphasize that the only question of investigation involved was Mexico, "the investigation in Mexico, could jeopardize some assets of the Central Intelligence Agency."

'There Is Concern'

Again Mr. Helms said he was not aware of any activity of the agency that could be jeopardized by this. Mr. Haldeman repeated, "Nevertheless, there is concern that the further pursuit of this investigation will uncover some activity or assets of the C.I.A. in Mexico and it has been decided that you will go and tell this," addressed to me, "You will tell this to Acting Director Gray."

Q. But, Mr. Walters, could it have been that Mr. Haldeman asked you or Mr. Helms to go to Mr. Gray and—to first inquire at the C.I.A. whether or not there might be some problem at the C.I.A. if there was an investigation in Mexico rather than saying it was decided that you should go?

A. I do not recall it being put in a question form. It was put in a directive form.

Q. In other words, you understood that to be a direction and since Mr. Haldeman was very close to the top of the governmental structure of the United States, and as Mr. Helms testified yesterday, the White House has a great deal of information that other people do not have, I had been with the agency approximately six weeks at the time of this meeting, I found it quite conceivable that Mr. Haldeman might have some information that was not available to me.

'Memoranda for Myself'

Q. Now, General Walters, did there come a time when you put in writing, in the form of a memorandum your recollection of that meeting on June 23, 1972?

A. There did, Mr. Dash, five days later. When this thing started I do not habitually keep memoranda of when on the Tuesday, the following Tuesday, Mr. Dean put the question to me or he didn't put the question, but explored the possibility of the C.I.A. going bail and paying the salaries of the suspects who were in jail, I realized it was time for me to start keeping a record. So following that second meet-

ing on the 27th I sat down and I wrote memoranda for myself, they were not intended to be a verbatim account of the conversation or to cover all aspects of the conversation but notes to jog my own memory. I wrote a memorandum on the meeting with Mr. Haldeman and Mr. Ehrlichman, I wrote a memorandum on the meeting with Mr. Gray, I wrote a memorandum on my first meeting with Dean on Monday the 26th, and a memorandum of my second meeting with Mr. Dean on the 27th. On the 28th I met with Mr. Dean for the third and last time, and I wrote a memorandum, I believe, the following day.

no circumstances should we back off of any investigation at the request of C.I.A. without forcing them to reveal completely their interest in this matter. Mr. Felt and I both pointed out that the F.B.I.'s reputation was at stake as well as Mr. Gray's position: That we did not feel we should hold back under any circumstances unless the reasons therefore were publicly expressed. Mr. Gray made it plain that he would not hold back the F.B.I. in this investigation at anyone's request, including the President of the U.S., and if he were ordered to do so he would resign." It is certainly possible that I discussed this conversation with Mr. Felt and Mr. Bates with General Walters in the context of his telling me that if he were directed to write a letter asserting C.I.A. interest in Messrs. Ogarrio and Dahlberg he would resign.

I Was Concerned

After General Walters left the office I sat at my desk quietly and mulled over our conversation. I was confused, uncertain and uneasy. I was concerned enough to believe that the President should be informed.

I decided to call Clark MacGregor to request that he inform the President of what I would tell him. I decided on Mr. MacGregor because I knew he was close to the President and had his confidence.

At 10:51 A.M., Thursday, July 6, 1972, I spoke to Mr. MacGregor at San Clemente, Calif., via the White House switchboard and I told him that Dick Walters and I were uneasy and concerned about the confusion that existed over the past two weeks in determining with certainty whether there was or was not C.I.A. interest in people that the F.B.I. wishes to interview in connection with the Watergate investigation. These of course are not my exact words but they do express the thoughts that I conveyed to him.

Again, although these are not the exact words, I also conveyed to him the thought

that I felt that people on the White House staff were careless and indifferent in their use of the C.I.A. and the F.B.I. I also expressed the thought that this activity was injurious to the C.I.A. and the F.B.I., and that these White House staff people were wounding the President.

I asked if he would please inform the President and it is my best recollection that he said he would handle it.

Called by Nixon

Thirty-seven minutes later, at 11:28 A.M. on Thursday, July 6, 1972, the President called me. He expressed his congratulations to the F.B.I. and asked that I express his congratulations to the agents in San Francisco who successfully terminated a hijacking there the previous day. I thanked the President and then said to him, and to the very best of my recollection these are the words:

"Mr. President, there is something I want to speak to you about.

"Dick Walters and I feel that people on your staff are trying to mortally wound you by using the C.I.A. and F.B.I. and by confusing the

question of C.I.A. interest in, or not in, people the F.B.I. wishes to interview.

"I have just talked to Clark MacGregor and asked him to speak to you about this."

There was a slight pause and the President said, "Pat, you just continue to conduct your aggressive and thorough investigation."

General Walters came to my office again on July 12, 1972. At his meeting he apparently gave me a memorandum which, I am now informed, contained information to the effect that the C.I.A. furnished certain aliases to Liddy and Hunt and certain paraphernalia to Hunt. Until I briefly saw a copy of this memorandum this spring in the offices of the United States Attorney for the District of Columbia containing a notation of its receipt in my handwriting, I had no recollection of this memorandum.

I still do not recall noting its contents at the time. I am told that the original of this memorandum was found in my safe after I left the F.B.I. I probably gave it to my secretary to put in the safe after General Walters left my office. It is also possible that I may have routed it to Messrs. Felt and Bates as I know I did with the July 6, 1972, memorandum that General Walters brought to me.

Memorandum of July 13

At this point I would like to comment on General Walters's Memorandum of July 13 with respect to his meeting with me on July 12.

With respect to my report to General Walters of my phone call with the President, including the statements attributed to me, that the President asked if I had talked to General Walters about the case, that the President asked for my recommendation in the case, that I told the President it could not be covered up, would lead quite high, and that the President should get rid of the people that were involved.

I have already testified as to my entire recollection of my telephone call with the President.

With regard to General Walter's version of my conversation with the President, I have to say that it does not square with my memory of what I said to the President or what I said to General Walters about the call from the President. At this July 12, 1972, meeting with General Walters it is my best recollection that I merely said to him that I had spoken to the President last week on the subject we discussed when the President called to congratulate us on a hijacking. I certainly do not remember discussing the conversation other than to tell him just what I had said to the President.

I am quite positive that I did not say to the President that the case could not be covered up, and I have no recollection whatever of telling him that it would lead quite high, and that I felt the President should get rid of the people who were involved. And I am just as pos-

itive that I did not make such remarks to General Walters.

I probably did tell General Walters that on several occasions I had told John Dean that this investigation would have to expose whoever is involved no matter how high it reached, that Mr. Dean had responded, "No matter how high?" and that I said, "yes, no matter how high." Perhaps General Walters has confused my conversation with Mr. Dean with my conversation with the President.

The only response by the President I now recall or have ever recalled to my remarks was that we should continue our thorough and aggressive investigation.

Confusion Suggested

There has been hearsay testimony before this committee to the effect that I was furnished material from the C.I.A. containing photographs of Gordon Liddy standing in front of Dr. Ellsberg's psychiatrist's office. This statement records my entire recollection of receipt of information concerning Hunt or Liddy. I never at any time was in possession of such photographs or knew of their existence. I also had and have no information related to any discussions between the White House, Department of Justice and C.I.A. on the subject of retrieval by the C.I.A. of C.I.A. information furnished to the Department of Justice.

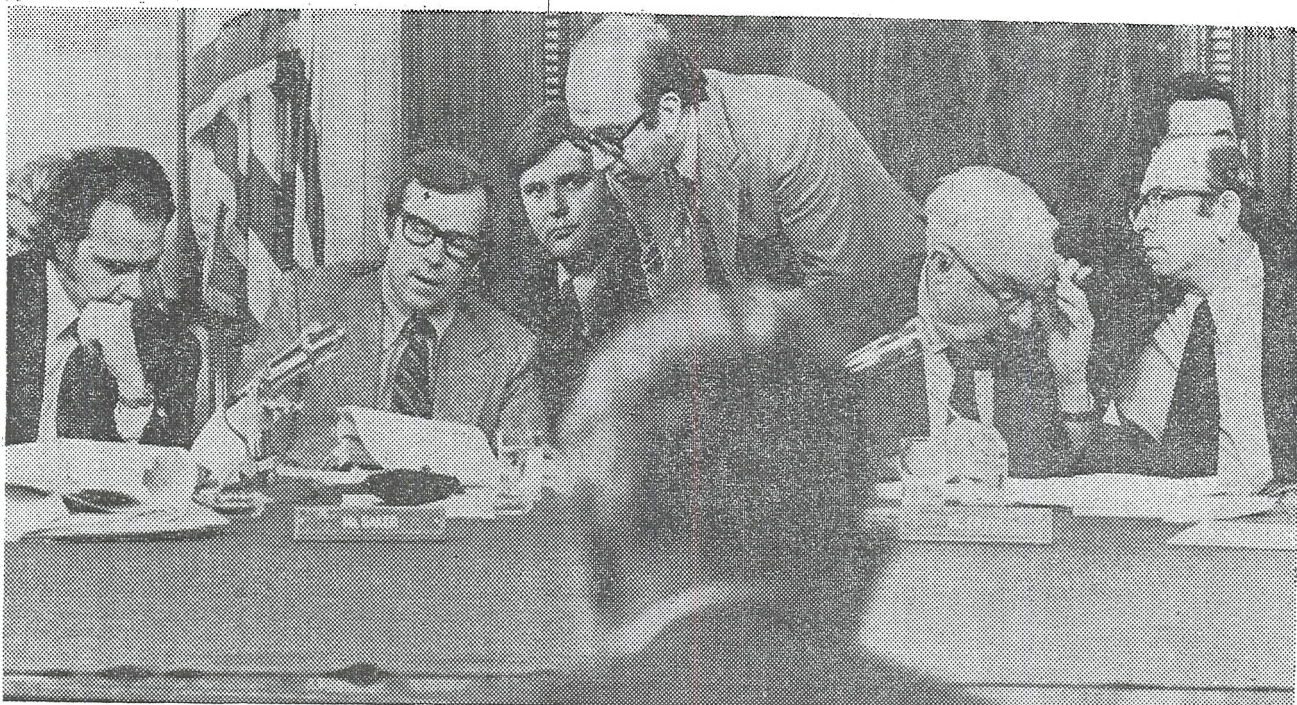
Prior to a meeting I had with Mr. Dean and Mr. Ehrlichman in Mr. Ehrlichman's office on the evening of June 28, 1972, I had no knowledge from any source whatever of the existence of these particular files or of the information I was to receive that evening.

I arrived at Mr. Ehrlichman's office at about 6:30 P.M. that evening for the purpose of discussing with him the many rumors and allegations concerning leaks of information from the F.B.I. regarding the Watergate investigation. One of his secretaries told me to go right on into his private office. Mr. Dean was in the office talking with Mr. Ehrlichman. I remember being surprised at Mr. Dean's presence because I had not known that he would be at the meeting.

Hunt Data Delivered

After the usual greetings were exchanged, Mr. Ehrlichman said something very close to, "John has something that he wants to turn over to you." I then noticed that Mr. Dean had in his hands two white manila legal size file folders. It is my recollection that these folders were not in envelopes at this time.

Mr. Dean then told me that these files contained copies of sensitive and classified papers of a political nature that Howard Hunt had been working on. He said they have national security implications or overtones, have absolutely nothing to do with Watergate and have no bearing on the Watergate investigation whatsoever. Either Mr. Dean or Mr. Ehrlichman said that these files should not be allowed to confuse or muddy the issues in the Watergate case.



The New York Times

Checking secret documents of the Central Intelligence Agency concerning Watergate break-in are, from left: Fred D. Thompson, chief minority counsel; Senator Howard H. Baker Jr., committee vice chairman; Rufus L. Ed-

misten, deputy counsel; David M. Dorsen, assistant chief counsel; Senator Sam. J. Ervin Jr., chairman, and Samuel Dash, chief counsel. In the foreground is Lieut. Gen. Vernon A. Walters, deputy director of C.I.A., who testified.

I asked whether these files should become a part of our F.B.I. Watergate file. Mr. Dean said they should not become a part of our F.B.I. Watergate file, but that he wanted to be able to say, if called upon later, that he had turned all of Howard Hunt's files over to the F.B.I.

I distinctly recall Mr. Dean saying that these files were "political dynamite," and "clearly should not see the light of day."

It is true that neither Mr. Ehrlichman nor Mr. Dan expressly instructed me to destroy the files. But there was, and is (no doubt in my mind that destruction was intended. Neither Mr. Dean nor Mr. Ehrlichman said or implied that I was being given the documents personally merely to safeguard against leaks.

As I believe each of them has testified before this committee the White House regarded the F.B.I. as a source of leaks. The clear implication of the substance and

tone of their remarks was that these two files were to be destroyed and I interpreted this to be an order from the counsel to the President of the United States issued in the presence of one of the two top assistants to the President of the United States.

Envelopes Requested

It is my recollection that I asked for large brown envelopes in which to place the files. I believe that Mr. Dean stepped briefly into the outer office to obtain the envelopes and placed each file in a separate brown envelope in Mr. Ehrlichman's inner office and handed them to me.

Although my memory is not perfectly clear on this, I believe Mr. Dean then left Mr. Ehrlichman's office and I stayed for 5 or 10 minutes to discuss the rumors and allegations of leaks from the F.B.I. These were the same rumors that had been rampant in the first week of the investigation. I believe that I told Mr. Ehrlichman that I had spoken to all of the agents assigned to the case and was quite confident that these leaks had not come from the F.B.I.

I then left Mr. Ehrlichman's office with the two manila envelopes containing the files, went to my car, placed the files in my briefcase, and proceeded to my apartment. I placed the files on a closet shelf under my shirts. After two or three weeks I took them into the office and placed them in my personal safe.

To the best of my recollection I removed the files to my home in Stonington, Conn., in late September or early October, 1972, and placed them in a chest of drawers in the area just outside my bedroom. I intended to burn them but I did not get around to doing so until after my illness, hospitalization, and convalescence in the latter half of November and December.

I distinctly recall that I burned them during Christmas week with the Christmas and household paper trash that had accumulated immediately following Christmas. To this point I had not read or examined the files. But immediately before putting them in the fire I opened one of the files. It contained what appeared to be copies of "top secret" State Department cablegrams. I read the first cable. I do not recall the exact language but the text of the cable implicated officials of the Kennedy Administration in the assassination of President Diem of South Vietnam.

Shaken by 'Lable'

I had no reason then to doubt the authenticity of the "cable" and was shaken at what I read. I thumbed through the other "cables" in this file. They appeared to be duplicates of the first "cable." I merely thumbed through the second of the two files and noted that it contained onionskin copies of correspondence. I did not absorb the subject matter of the correspondence and do not today, of my own knowledge, know what it was.

Mr. Dean has described in testimony before this committee a conversation with me at a Department of Justice luncheon which he placed during or shortly after January of this year at which I allegedly told him to "hang tight" on not disclosing my receipt of the documents and informed him that I had destroyed them. I recall no such meeting or conversation with Mr. Dean at a Department of Justice Luncheon, and my records do not indicate any such luncheon meeting. My recollection of all conversations I have had with Messrs. Dean, Ehrlichman, and others about the June 28 meeting and its aftermath.

I believe that Mr. Dean called me at my home in Connecticut in late October or early November. As I recall it, he asked me on that occasion if I still had the two files he gave to me. I said I did and that they were in a safe place in my home at Stonington. I believe Mr. Dean asked if I had read them and I told him, truthfully, that I had not.

The sequence of the next discussions I had about these files is somewhat hazy in my mind. My best recollection now is that over a span of several days during my confirmation hearings in early March of this year I had discussions on the subject with Assistant Attorney General Petersen, John Dean and John Ehrlichman in that order.

I believe that Mr. Petersen called me and told me that Dean had stepped out of an interview being conducted by assistant United States attorneys in Mr. Petersen's presence to inform Mr. Petersen that he had turned two files from Hunt's safe, having nothing to do with Watergate, over to me. Mr. Petersen told me that he informed Dean to take it up with me

* Hunt papers also included dossier on Edward Kennedy and Chappaquiddick, according to "FBI and other sources" - SFChronicle [WXPost] 27 Apr 73.

and asked me if Dean had done so. I told Mr. Petersen, truthfully, that Dean had not.

I certainly did not acknowledge to Mr. Petersen that Mr. Dean had turned over any such files to me but I do not recall Mr. Petersen asking me that question on this occasion. I must acknowledge the possibility, however, that Mr. Petersen may have asked me if Dean had turned over such files to me. If he did ask, I am certain that I would have denied receipt of such files because of the instructions I received from Messrs. Ehrlichman and Dean on June 28, the information I had been given about their national security implications and the injunction that they "should never see the light of day."

I recall calling John Dean shortly thereafter and asking him whether he had told Henry Petersen about the two files. He told me that he had. I then asked him, in effect, if he told Mr. Petersen the whole story, namely that the files were given to me in John Ehrlichman's presence with the assurance that they had nothing to do with Watergate were sensitive and classified with National Security overtones, should not be part of the F.B.I. files, were political dynamite and clearly should not see the light of day.

He said he had not told Mr. Petersen all of this. I told Mr. Dean that if, as I had been assured, these files were of the character he described and had nothing to do with Watergate he ought not discussing them at all but that, if he did, he should at least tell Mr. Petersen the full story of their significance and the instructions to me.

Within a few days after this call, perhaps the next day, I called John Ehrlichman. This is the conversation which, unknown to me, John Ehrlichman tape recorded. I believe this committee has a transcript of that tape. I believe this call to be a call reflected in my logs as made on March 6, 1973, at 6:34 P.M.

I come to this conclusion in substantial part because at the outset of the conversation the transcript reports me as informing Ehrlichman that during my confirmation hearings "this morning" members of the Judiciary Committee received copies of a letter from the American Civil Committee could examine the entire F.B.I. Watergate file. The transcript of my confirmation hearings reveals that such a letter was received by the committee on the morning of March 6.

The transcript of this conversation with Mr. Ehrlichman also reveals that I state to Mr. Ehrlichman that "I am being pushed awfully hard in certain areas and I am not giving an inch and you know those areas." The assumption appears to have been made by Mr. Ehrlichman and by various members of this committee in their questioning of Mr. Ehrlichman that the "certain areas" in which I was being pushed was the receipt by the F.B.I. of the contents of Hunt's safe.

In fact the subject of the contents of Hunt's safe did not arise in my confirmation hearings until the next day, March 7.

Increasing Criticism

I was being "pushed" however with respect to my turning over F.B.I. reports to Mr. Dean and it was clear to me that my relationship with Mr. Dean was coming under in-

creasing criticism by members of the Judiciary Committee. There is no doubt that I was concerned that the committee would, as it subsequently did, inquire into the circumstances of the turnover to the F.B.I. of the contents of Hunt's safe.

Because of the instructions I had received from Messrs. Dean and Ehrlichman when the two files were given to me and my absolute conviction that these files, tinged with political and national security implications, had nothing whatsoever to do with Watergate, I had no intention of volunteering to the committee my receipt and destruction of these files and did not do so. I would not and did not make any false statements under oath but I acknowledge that I purposely did not volunteer this information to the committee.

I justified my reticence not only because I then believed in the rectitude of the Administration whose nominee I was and in the integrity of the men who gave me the files and instructions, but because by brief look at the file of State Department "cables" had confirmed for me what I thought were overwhelming considerations of national security.

I had no way of knowing then, of course, that the "cables" were fabricated nor, I might add, did I know then what I have since learned—that I was being left, in Mr. Ehrlichman's elegant phrase, to "hang there" and "twist slowly in the wind."

Spoke to Ehrlichman

It was in this context, and knowing that Mr. Dean had already told Mr. Petersen about the files, that I had my conversation with Mr. Ehrlichman on March 6. There is no doubt that the message I intended to give to Mr. Ehrlichman was that he should tell Mr. Dean that he should not disclose the delivery to me of those two files.

At about 10:30 P.M. on the evening of April 15, 1973, I received a call from Mr. Ehrlichman, his remarks were very short, terse and to the point. He simply told me that Dean had been talking to the prosecutors for some time and "we" think you ought to know about it. It was obvious from his tone and the manner in which he spoke that no questions were invited and more were asked. I merely said thanks as he was hanging up the phone.

I may have said, "Good evening, John" or "Hello, John" when I picked up the phone and it is my firm recollection that he started talking right away and made no response.

At shortly after 11:00 P.M., Ehrlichman called me again. This time his remarks were just as short, terse and to the point. He said, "Dean has been talking about the files he gave you and you better check your hole card." I said, "John, those papers were destroyed long ago." Again it was plain and obvious from his tone and the manner in which he spoke that no questions were invited and none were asked.

Both of these calls were of extremely short duration, less than 15 seconds each. His manner was fast talking and he seemed tense.

I know that Mr. Ehrlichman has testified that in these conversations I told him I would deny receiving the files and asked him to support me in that delian. I have absolutely no recollection of such an exchange and believe that both conversations were substantially as I have described them. I realize that the conversations may have been recorded without my knowledge.

On Monday, April 16, 1973, at 10:54 A.M., Assitant Attorney General Petersen came to see me. He said that Mr. Dean told the prosecutors he had turned over two of Hunt's files to me. I denied that I had received them. Mr.

Petersen went on to say that Mr. Dean had said these two files had nothing to do with Watergate. He also said that Mr. Dean told the prosecutors that Mr. Ehrlichman had said to him, "Dean, you drive across the bridge each day, throw them in the River."

I was extremely troubled at my denial to Mr. Petersen. I slept little, if any, that night.

On Tuesday, April 17, 1973, at approximately 9:00 A.M., I placed a call to Mr. Petersen on my private line. He was not in and I left word. He called me back and, at my request, we met in my office later in the morning. I started our meeting by admitting that Dean had given me two white manila files in Ehrlichman's office.

He asked if I had them and I told him I had burned them. He asked if I knew what was in them. I told him I had not read the files. He said the assistant United States attorneys will want you before the Federal grand jury. I told him I would go willingly and "tell it to them straight."

On Wednesday, April 25, 1973, I telephoned Senator Weicker asking to meet with him. For a week I had thought about this matter and of Senator Weicker's staunch and valiant support of me and his warm friendship. I had a duty to tell him of these two files, yet my shame was so deep that it was hard to pick up the phone and call.

Senator Weicker and I met twice that day in my office and again the next day. I told him the manner in which I had received the files, that I had not read them, and that I had torn them in half and thrown them in my burn wastebaskets under my desk in my office on July 3, 1972, after returning from a visit to the San Diego and Phoenix field divisions.

Questioned by Weicker

We discussed this subject at great length and he questioned me intensively on the entire matter. I persisted in my assertions to him that I had not read them, and that I had thrown them in my burn wastebasket in my office on July 3, 1972.

I really cannot explain why I failed to tell Senator Weicker all the facts at this time and made the mistatements to him concerning the date I destroyed the files and my knowledge of what one of them contained. A sense of shame is all I can remember.

I suppose I felt, in some irrational way, that I would look better in his eyes if I had destroyed them promptly and never looked at them. I have subsequently revealed all the facts of the matter to Senator Weicker, the staff of this committee, the prosecutors and the grand jury.

At the time I accepted the two files from Dean and Ehrlichman, at the time I destroyed them, and on the several occasions, prior to my denial to Henry Petersen on April 16, in which I resisted disclosure of the fact that I had received and destroyed the documents, I believed that I was acting faithfully, loyally, properly and legally pursuant to instructions given me by top assistants to the President of the United States. I have come to believe, however, what I should have realized then, that my acceptance of the documents in the first place, and my keeping them out of the normal F.B.I. files, was a grievous misjudgment.

My destroying them and resistance of disclosure only compounded the error. That the documents were not in fact Watergate evidence, while legally significant, does not lessen my present belief that I permitted myself to be used to perform a mere political chore. I shall carry the burden of that act with me always.

Q. Now, would you briefly relate to your best recollection what conversation you had with Mr. Gray at that time? This was on June 23, 1972.

A. I said to Mr. Gray that

I had just come from the White House where I had talked to some senior staff members and I was to tell him that the pursuit of the F.B.I. investigation in Mexico, the continuation of the F.B.I. investigation in Mexico, could—might uncover some covert activities of the Central Intelligence Agency. I then repeated to him what Mr. Helms had told me about the agreement between the F.B.I. and C.I.A. and he said he was quite aware of this and intended to observe it scrupulously.

Conversation With Dean

Q. All right. Will you relate to the committee the conversation you had with Mr. Dean at that time, on June 26, 1972?

A. Mr. Dean said that he was handling this whole matter of the Watergate, that it was causing a lot of trouble, that it was very embarrassing. The F.B.I. was investigating it. The leads had led to some important people. It might lead to some more important people.

The F.B.I. was proceeding on three hypotheses, namely, that this break-in had been organized by the Republican National Committee, by the Central Agency or by someone else, whereupon I said I do not know who else organized it but I knew that the Central Intelligence Agency did not organize it. I said furthermore, I have—I related to my conversation with Mr. Dean—Mr. Halde-man and Mr. Ehrlichman on the previous Friday and told him I had checked within the agency and found there was nothing in any of the ongoing F.B.I. investigations that could jeopardize C.I.A. activities or sources or compromise them in any way in Mexico.

He then said, well, could this not have happened without your knowledge? Well, I said, originally perhaps, but I have inquired. I have talked to Mr. Helms and I am sure that we had no part in this operation against the Democratic National Committee.

He kept pressing this. There must have been. These people all used to work for the C.I.A., and all this thing. I said maybe they used to but they were not when they did it and he pressed and pressed on this and asked if there was not some way I

could help him, and it seemed to me he was exploring perhaps the option of seeing whether he could put some of the blame on us.

Nothing Specific

There was not any specific thing he said but the general tenor was in this way and I said to him—I did not have an opportunity to consult with anybody—I simply said, Mr. Dean, any attempt to involve the agency in the stifling of this affair would be a disaster. It would destroy the credibility of the agency with the Congress, with the nation. It would be

a grave disservice to the President. I will not be a party to it and I am quite prepared to resign before I do anything that will implicate the agency in this matter.

This seemed to shock him somewhat. I said that anything that would involve any of these Government agencies like the C.I.A. and F.B.I. in anything improper in this way would be a disaster for the nation. Somewhat reluctantly he seemed to accept this line of argument and I left.

Q. I think you mentioned earlier that you did again meet with Mr. Dean.

A. On the following morning, the 27th of June, I received another telephone call from Mr. Dean summoning me down to his office. I went down to Mr. Dean's office.

Mr. Dean said that the investigation was continuing, that some of the suspects were wabbling and might talk and I said, well, that is just too bad but it has nothing to do with us because nothing that they can say can implicate the agency. So he again said, have you not discovered something about agency involvement in this matter and I said no, I have not discovered anything about agency involvement in this matter.

He said is there not something the agency can do to help? I said I do not see how we can be helpful. Then he said, well, would there be any way in which you could go bail or pay the salaries of these defendants while they are in jail? And I said, no way. To do so would implicate the agency in something in which it is not im-

plicated. I will have no part in this.

I further told Mr. Dean that when we expended funds, covert funds within the United States, we were required to report this to our Congressional oversight committees and this seemed to cool his enthusiasm considerably. We had a few more discussions and again he asked me whether there was any way we could be helpful and I said, no, we could not be.

Enthusiasm Cooled

Q. All right now, the meeting on the 28th it appears was a fairly significant meeting because it was a follow-up again of a third meeting that you had with Mr. Dean. Do you have a copy of that memorandum?

A. "On 28 June at 11:30 John Dean asked me to see him at his office in the Executive Office Building. I saw him alone.

"He said that the directors' meeting," that is Director Helms's meeting, "with Patrick Gray, F.B.I. director, was canceled and that John Ehrlichman had suggested that Gray deal with me instead.

"The problem was how to stop the F.B.I. investigation beyond the five suspects. Leads led to two other people—Ken Dahlberg and a Mexican named Guena. Dean said that the \$89,000 was unrelated to the bugging case and Dahlberg was refusing to answer questions. Dean then asked hopefully whether I could do anything or had any suggestions.

"I repeated that as deputy director, I had no independent authority. I was not in the channel of command and had no authority other than that given me by the director. The idea that I could act independently was a delusion and had no basis in fact.

'A Tough Problem'

"Dean then asked what might be done and I said that I realized he had a tough problem, but if there were agency involvement, it could be only at Presidential directive and the political risks that were concomitant appeared to me to be unacceptable. At present there was a high-explosive bomb but intervention such as he had suggested would transform it into a megaton hydrogen bomb. The present

caper was awkward and unpleasant. Directed intervention by the agency could be electorally mortal if it became known and the chances of keeping it secret until the election were almost nil. I noted that scandals had a short life in Washington and other newer, spicier ones soon replaced them. I urged him not to become unduly agitated by this one.

"He then asked if I had any ideas and I said that this affair already had a strong Cuban flavor and everyone knew the Cubans were conspiratorial and anxious to know what the policies of both parties would be towards Castro. They, therefore, had a plausible motive for attempting this amateur-

ish job which any skilled technician would deplore. This might be costly but it would be plausible.

"Dean said he agreed that this was the best tack to take but it might cost half a million dollars. He also agreed (for the second time) that the risks of agency involvement were unacceptable. After a moment's thought he said that he felt that Gray's cancellation of his appointment with Director Helms might well be reversed in the next few hours.

"Dean thanked me and I left."

A Call From Gray

Q. Now, did you receive, General Walters, a call from Mr. Gray on July 5? Could you tell us briefly what that call was about?

A. I believe that Mr. Gray said to me at this point that the pressures were mounting to continue the investigation and that unless he received a written letter from Mr.

Helms or from me to the effect that the further pursuit of this investigation in Mexico would uncover C.I.A. assets or activities he would have to go ahead with the investigation. I did not wish to discuss this with Mr. Gray over the telephone. I told him I would come down and see him the first thing the next morning.

Q. Would you briefly tell the committee what the nature of your conversation was with Mr. Gray at that time? [the next morning]

A. I told Mr. Gray right at the outset that I could not tell him and even less could I give him a letter saying that the pursuit of the F.B.I.'s investigation would in any

way jeopardize C.I.A. activities in Mexico. I told him I had to be quite frank with him. I told him that I had seen Mr. Dean on three occasions, that I had told Mr. Gray what Mr. Dean had told me. Mr. Gray seemed quite

disturbed by this, and we both agreed that we could not allow our agencies to be used in a way that would be detrimental to their integrity.

I think basically this was it, I said I could not give him a letter to this effect. I could not tell him this and I could not give him a letter to the effect that further investigation would compromise assets of the C.I.A. He said he understood this. He himself had told Ehrlichman and Haldeman that he could not possibly suppress the investigation in the matter, even within the F.B.I. there were leaks.

Upset by Leaks

He had called in the components of his field office and chewed them out for these leaks. I said the only basis on which he and I could deal was absolute frankness and I wished to recount my involvement in the case. I told him of a meeting at the White House with Mr. Helms. I did not mention Haldeman or Ehrlichman's name. I told him that I had been directed to tell him that the investigation of this case further in Mexico could compromise some C.I.A. activities.

Subsequently, I had seen Mr. Dean, the White House counsel, and told him that whatever the current unpleasant implications of the Watergate were that to implicate the agency would not serve the President, would enormously increase the risk to the President. I had a long association with the President, and was desirous as anyone of protecting him. I did not believe

that a letter from the agency asking the F.B.I. to lay off this investigation on the spurious grounds that it would uncover covert operations would serve the President.

Such a letter in the current atmosphere of Washington would become known and could be frankly electorally mortal. I said quite frankly, I would write such a letter only on direction from the President and only after explaining to him how dangerous I thought his action would be to him, and if I were really pushed on this matter I would be prepared to resign.

President's Interest

Mr. Gray thanked me for my frankness. He said he could not suppress this investigation within the F.B.I. He had told Mr. Kleindienst this, he had told Mr. Ehrlichman and Mr. Haldeman that he would prefer to resign, but that his resignation would raise many questions. It would be detrimental to the President's interest.

He did not see why he or I should jeopardize the integrity of our organization to protect some middle level White House figure who had acted imprudently. He was prepared to let this go to Ehrlichman, to Haldeman or to Mitchell. He felt it was important that the President should be protected from his would-be protectors. He had explained to Dean as well as

Figures in Senate Inquiry

Special to The New York Times

WASHINGTON, Aug. 3—Following are the names of individuals who figured today in hearings by the Senate select committee on the Watergate case:

COMMITTEE MEMBERS

Sam J. Ervin Jr., North Carolina Democrat, chairman.
Herman E. Talmadge, Democrat of Georgia.
Daniel K. Inouye, Democrat of Hawaii.
Joseph M. Montoya, Democrat of New Mexico.
Howard H. Baker Jr., Republican of Tennessee.
Edward J. Gurney, Republican of Florida.
Lowell P. Weicker Jr., Republican of Connecticut.

COMMITTEE COUNSEL

Samuel Dash, chief counsel and staff director.
Fred D. Thompson, chief minority counsel.
Rufus L. Edmisten, deputy counsel.
Terry F. Lenzner, assistant chief counsel.
James Hamilton, assistant chief counsel.
David M. Dorsen, assistant chief counsel.
H. William Shure, assistant minority counsel.

WITNESSES

Lieut. Gen. Vernon A. Walters, deputy director of the Central Intelligence Agency.
L. Patrick Gray 3d, former acting director of the Federal Bureau of Investigation.

PERSONS NAMED IN TESTIMONY

Kenneth Dahlberg, Minnesota businessman who contributed funds to Nixon campaign.
John W. Dean 3d, former counsel to the President.
John D. Ehrlichman, former White House domestic adviser.
Mark W. Felt, official of the F.B.I.
H. R. Haldeman, former White House chief of staff.
Richard Helms, Ambassador to Iran; ex-C.I.A. director.
E. Howard Hunt Jr., ex-White House aide, pleaded guilty in the Watergate break-in.
Richard G. Kleindienst, former Attorney General of United States.
G. Gordon Liddy, former White House aide convicted in Watergate break-in.
Clark MacGregor, former head of re-election committee.
John N. Mitchell, former Attorney General; ex-director of Committee for the Re-election of the President.
Manuel Ogarrío, Mexican lawyer.
Henry E. Petersen, Assistant Attorney General who headed Watergate inquiry.
Earl J. Silbert, former chief prosecutor in Watergate break-in.
David R. Young Jr., co-director of White House intelligence unit.

to Haldeman and Ehrlichman, he had explained this.

Finally, I said that if I were directed to write a letter to him saying the future investigation of this case would jeopardize the security of the United States in covert operations of the agency I would ask to see the President and explain to him the disservice I thought this would do to his interest. The potential danger to the President of such a course far outweighed any protective aspects it might have for other figures in the White House and I was quite prepared to resign on this issue. Mr. Gray said this was a very awkward matter for this to come up at the outset of our tenure. He looked forward to good relations between our two agencies. Thanked me for my frankness and that was it.

Q. Now, General Walters, did there come a time shortly after, several days after that you met with Mr. Gray again, Acting Director Patrick Gray?

A. It was on the 12th of July, Mr. Dash. In the meantime, the C.I.A. had been cooperating fully with the F.B.I. investigation passing them all the material we had on these former employes of ours and any other matters that were of interest to them.

Q. Now, during this meeting with Mr. Gray, did Mr. Gray tell you that he had received a call from the President? A. Yes, he did.

Q. Could you read that part of your memorandum where he discussed that call?

A. He had received a phone call from the President—"The President had called up to congratulate him on the F.B.I. action which had frustrated the airplane hijacking in San Francisco.

Dismissal Urged

Toward the end of the conversation the President asked him if he had talked to me about the case. Gray replied that he had. The President then asked him what his recommendation was in this case. Gray had replied that the case could not be covered up and it would lead quite high and he felt the President should get rid of the people that were involved. Any attempt to involve the F.B.I. or the C.I.A. in this case would almost prove a mortal wound.

Then I put in brackets: He used my words because these were the words I had used in talking with Mr. Gray.

The President then said, "Then, I should get rid of the people that were involved no matter how high?" Gray replied that was his recommendation. The President then asked what I thought and Gray said my views were the same as his. The President took it well and thanked Gray.

In all fairness I must say that Mr. Gray did tell me—I did not put it in here that the President had told him to go ahead with his investigation.

AFTERNOON SESSION

L. Patrick Gray 3d

MR. GRAY: I returned to Washington on the evening of June 20 and received a phone call from John Ehrlichman the next morning. Mr. Ehrlichman informed me that John Dean would be handling an inquiry into Watergate for the White House, that I should deal directly with John Dean concerning the investigation and that Mr. Dean was expecting a call from me. Mr. Ehrlichman and I then discussed the matter of procedural safeguards against leaks and I told him that we were handling this case as a major special with all of our normal procedures in effect. I also indicated to him that we were going to conduct an aggressive and vigorous investigation and would probably be interviewing people at the White House.

I called Mr. Dean upon my return to my own office at 10 A.M. and arranged to meet with him at 11:30 A.M. in my office on June 21, 1972. At our meeting he discussed with me the sensitivity of the investigation and the need to avoid leaks in a political year. He also informed me that he had the

responsibility to handle this inquiry for the White House and would sit in on any interviews of White House staff personnel. Mr. Dean stated that he would be there in his official capacity as counsel to the President.

I asked Mr. Dean if he would be reporting directly to the President or through

Mr. Haldeman or Mr. Ehrlichman. He informed me that he would be reporting directly to the President.

Meeting With Walters

I met with General Walters at 2:34 P.M. on Friday, June 23, 1972. He informed me that we were likely to uncover some C.I.A. assets or sources if we continued our can money chain. I under investigation into the Mexico stood his statement to mean that if the F.B.I. persisted we would uncover C.I.A. covert operations and that the C.I.A. had an interest in Messrs. Ogarrio and Dahlberg and in the \$114,000.00 involved. He also discussed with me the agency agreement under which the F.B.I. and C.I.A. have agreed not to uncover and expose each other's sources. I had not read this agreement and still have not, but it was logical to me at the time and I did not question General Walters.

On Tuesday morning, June 27, 1972, I met with Mr. Bates and Mr. Mark Felt, acting associate director, to receive a briefing on the latest developments. While they were in the office Mr. Dean called. The call involved establishing the chain of custody for the contents of Howard Hunt's safe and his providing us with photo-

graphs of certain White House staff members to aid us in identifying an individual who had been with Mr. Hunt at the Miami Playboy Club in December of 1971.

In this conversation I also told Mr. Dean that if Mr. Dahlberg continued to evade us he would be called before the grand jury. Although I cannot pinpoint the exact telephone conversation I believe that by this date Mr. Dean had requested that Mr. Dahlberg not be interviewed because of alleged C.I.A. interest in him.

Motive and Reasons

In this same conversation, I also told Mr. Dean that it was extremely important that the F.B.I. continue its aggressiveness until we determine the motive, reasons, and identity of all persons involved. I said that I might be called upon at a later date to testify before Congressional committees and we could not have the F.B.I. accused of not pursuing the case to the end. pikk upp—4TH ADD.

Following the briefing by Mr. Felt and Mr. Bates and as an outgrowth of it, I telephoned Director Helms of the C.I.A. and asked him to tell me specifically if the C.I.A. had any interest in Mr. Ogarrio that would prevent us from interviewing him and also asked that he and General Walters meet the following day at 2:30 P.M. in my office with me, Mr. Felt and Mr. Bates to review our respective positions in this investigation. Director Helms told me that he would have to check to determine whether the C.I.A. had any interest

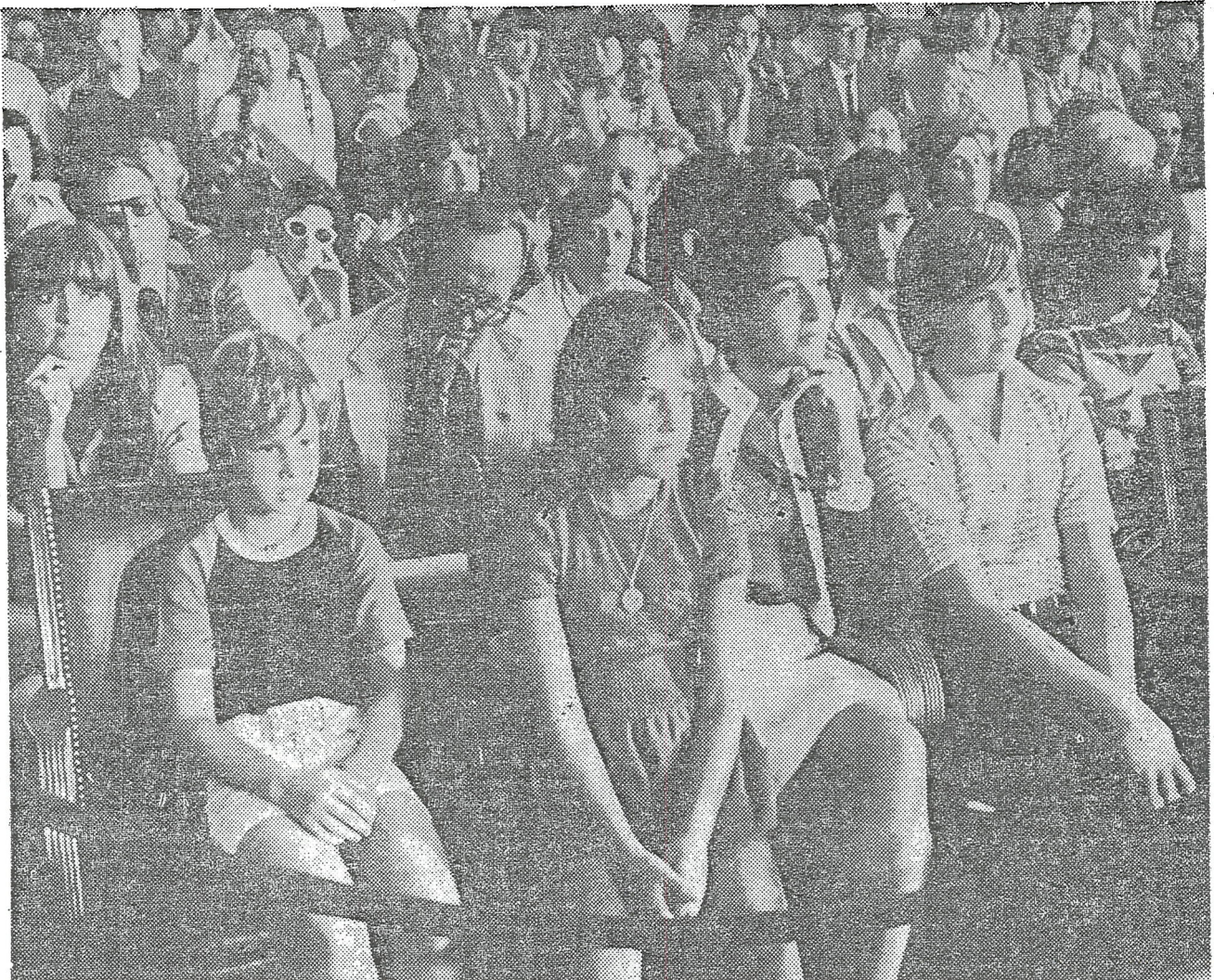
in Mr. Ogarrio and would call me later. Director Helms called me back later that afternoon, told me the C.I.A. had no interest in Mr. Ogarrio and confirmed our meeting for the next day.

Just seven minutes after Director Helms's call to me, Mr. Dean called me (3:45 P.M.) and although I cannot be absolutely certain, I believe that was a call again requesting me to hold off interviewing Mr. Ogarrio and Mr. Dahlberg because of C.I.A. interest in these men. I cannot recall if I told him that I had just talked to Director Helms who informed me that C.I.A. had no interest in Mr. Ogarrio and that I was going to order that Mr. Ogarrio be interviewed. I seem to remember that Mr. Dean said to me that these men have absolutely nothing to do with Watergate, but I cannot remember whether he said this to me in this conversation or in earlier conversations.

Rumors of Leaks

On Wednesday, June 28, 1972, at 10:25 A.M., Mr. Dean telephoned me and talked about rumors of leaks from the F.B.I., the material from Hunt's safe previously delivered to the F.B.I., rumors of a slow-down in the F.B.I., and leaks from the F.B.I. concerning the tracing of the \$114,000.

At 10:55 A.M. on this same day Mr. Ehrlichman called me. I was not available, but I returned his call at 11:17 A.M. His first words, issued abruptly, were, "Cancel your meeting with Helms and Walters today. It is not necessary." I asked him for his reasons and he simply said that such a meeting is not necessary. I then asked



The New York Times

Mrs. Fred D. Thompson, wife of the chief minority counsel, at hearing with children, Dan, Nancy and Tony, right.

him point blank who was going to make the decisions as to who is to be interviewed. He responded, "You do."

I met with Mr. Felt and Mr. Bates in my office at 2:30 P.M. on this Wednesday afternoon, June 28th, to review the C.I.A. situation. Mr. Bates pointed out that under no circumstances should we back off any investigation at the request of C.I.A. without forcing them to reveal completely their interest in this matter. We all agreed that the F.B.I.'s reputation was at stake and I assured them that I would not hold back the F.B.I. in this investigation at anyone's request, including the President of the United States, in the absence of overriding and valid considerations. I told them that if I were

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ordered to do so without valid reasons, I would resign.

It was in this meeting that I believe I gave Mr. Felt and Mr. Bates instructions to go ahead with the interview of Mr. Ogarrio and to continue our efforts to locate and interview Mr. Dahlberg.

Interviews Recommended

In San Diego, on Friday, June 30, I received a call from Mr. Felt. He informed me that Assistant United States Attorney Silbert wanted the F.B.I. to interview Mr. David Young, Mr. Ogarrio and Miss Chenow and that our Washington field office recommended interviews of Mr. Mitchell, Mr. Young and Miss Chenow. I instructed Mr. Felt to tell Mr. Dean that we were going to interview Mr. Mitchell, Mr. Young, Miss Chenow, and any others that we must interview, and I also told him to give to Mr. Dean the message from Assistant United States Attorney Silbert just as we received it.

I recall that General Walters indicated a feeling of irritation and resentment at the extent to which White House aides had involved themselves in the question of C.I.A. interest but I do not recall his giving me any details and I have absolutely no recollection of his disclosing to me that he had been instructed to bring a false report to me. I asked for no details.

I, too, was concerned and disturbed at the contradictory reports I had been receiving from Director Helms, Mr. Dean and General Walters with respect to C.I.A. interest and at the abrupt cancellation by Mr. Ehrlichman of the meeting I had scheduled with Director Helms and General Walters on June 28. I undoubtedly so expressed myself to General Walters.

My recollection is that he and I then engaged in a general discussion of the credibility and position of our respective institutions in our society and of the need to ensure that this was maintained.

Comment by Walters

Toward the end of the conversation, I recall most vividly that General Walters

leaned back in the red overstuffed leather chair in which he was sitting, put his hands behind his head and said that he had come into an inheritance and was not concerned about his pension, and was not going to let "these kinds" kick him around any more.

We stood up together as he prepared to leave. I cannot recall which one of us suggested that we ought to call the President to tell him of this confusion and uncertainty that had been encountered in determining C.I.A. interest or no C.I.A. interest. I believe it was General Walters who suggested it first, because I can firmly recall saying to him, "Dick, you should call the President, you know him better than I." I believe he said, "No, I think you should because these are persons the F.B.I. wishes to interview." We did not settle on who, if anyone, would make such a call and General Walters left.

At this point I would like to comment on some aspects of General Walters' memorandum of our meeting of July 6th.

A) With respect to General Walters' assertion in paragraph 1 that, "In all honesty I [Walters] could not tell him to cease future investigations on the grounds that it would compromise the security interests of the United States even less so could I write him a letter to this effect."

We did not at any time discuss a curtailment of the entire investigation. In our July 6 meeting I most definitely recall General Walters saying that he could not write a letter stating that our investigation of Ogarrio and Dahlberg would jeopardize national security. I distinctly remember that his inability to write such a letter to the F.B.I. was the strong central theme of his comments throughout the meeting.

Discussion Denied

B) With respect to General Walters' assertion in Paragraph 1 that "he [Gray] himself had told Ehrlichman and Haldeman that he could not possibly suppress the investigation of this matter..."

I did not discuss the Watergate investigation with Mr. Haldeman at any time except that during my confirmation hearings in 1973 at the request of Senator Kennedy I telephoned Mr. Haldeman to ask whether Mr. Dean had shown Haldeman copies of the F.B.I. reports of interview.

At no time did anyone ever order or request me to suppress this investigation. As I have testified, I was obviously aware of the "hot potato" aspect of the investigation, sensitive to any implication that the F.B.I. would not do a thorough job and undoubtedly told any number of people, perhaps including Mr. Ehrlichman and certainly including Mr. Dean, that the F.B.I. would follow its leads wherever they led.

C) With respect to General Walters' assertion in Paragraph 2 concerning his al-

leged report to me of his White House conversations.

I have no recollection of being told by General Walters that he and Director Helms had met with White House staff assistants and that General Walters had been directed to tell me that pursuit of the investigation would uncover C.I.A. covert operations. I have absolutely no recollection of any kind of being told by General Walters that he had been instructed by White House aides to bring a false tale to me concerning C.I.A. interest and that he had in fact done so on June 23.

'Mortal Wound'

As I have already indicated, I do remember that he repeatedly stated his inability to write a letter indicating that the C.I.A. had an interest in Messrs. Ogarrio and Dahlberg and that he would resign if directed to do so. I am quite certain that he spoke of such a course as dangerous to the President and, although I do not recall his use of the phrase "mortal wound," I know that I used it in my subsequent conversation with the President and it seems to me quite likely that I picked up the phrase from General Walters.

D) With respect to General Walters' assertion in Paragraph 3 that I informed him that I had told Attorney General Kleindienst that I could not suppress the investigation.

Never did I have any occasion to say to the Attorney General that I could not suppress the investigation within the F.B.I. And I certainly do not believe I said this to General Walters. I had no reason to do so. Again I believe that General Walters may be confusing my possible references to my public remarks and my thoughts that to control an investigation of the F.B.I., one would have to control everyone involved from the Attorney General down to the case agent. In fact, at the outset of the investigation I had a telephone conversation with Mr. Kleindienst in which we explicitly agreed that this should be a vigorous investigation. I may very well have mentioned this to General Walters.

Comment on Resignation

E) With respect to General Walters' assertion that "he [Gray] had told Ehrlichman and Haldeman that he would prefer to resign, but his resignation would raise many questions that would be detrimental to the President's interests."

I have no recollection whatever of having made this statement to General Walters. I certainly never made such a statement to either Mr. Ehrlichman or Mr. Haldeman. I had so expressed myself to my people within the F.B.I. in the context of our discussions of our determination to proceed to interview Messrs. Ogarrio and Dahlberg unless we received a written statement of C.I.A. interest.

A narrative memorandum prepared by Assistant Director Bates of the general investigative division recounts a meeting between Mr. Felt, Mr. Bates and me on June 28, 1972: "I [Mr. Bates] pointed out that under