

Justice Completes Watergate Probe

By Carl Bernstein
and Bob Woodward

Washington Post Staff Writers

The Justice Department has completed its criminal investigation of the Watergate case without implicating any present officials of either the White House or the Committee for the Re-election of President Nixon, according to sources close to the investigation.

A federal grand jury is expected within 10 days to hand down indictments that will be confined to suspects involved in the June 17 break-in at

Democratic National headquarters in the Watergate office building. Five men were arrested inside the Democrats' offices and two former White House aides have since been reported to have been inside the Watergate the same morning.

Investigators and prosecutors were acting on strict instructions from Justice Department officials and acting FBI Director L. Patrick Gray not to consider possible violations of campaign fund reporting laws, federal sources say. Checks representing \$114,000 in Nixon campaign contribu-

tions were traced to the bank account of one of the men arrested inside the Watergate.

A spokesman for the FBI declined yesterday to comment on any aspect of its Watergate investigation, including whether the inquiry has been completed.

Although the criminal investigation has ended, it is unlikely the Watergate incident — an embarrassment to the Republican campaign — will fade from public view. Two congressional committees are considering public hearings related to the incident, and the Democrats say they will con-

tinue their own investigation into the case.

Any congressional hearings are expected to focus on President Nixon's campaign funds, from which the disputed \$114,000 came. In addition to this, the Democratic investigation also focuses on what the Democrats contend is an elaborate "Republican-sponsored" espionage campaign.

Meanwhile, the Justice Department is considering what action to take on 11 Nixon campaign finance violations that the General Accounting

See WATERGATE, A6, Col. 4

WATERGATE, From A1

Office alleged were committed in April.

According to several persons familiar with the Justice Department's criminal investigation, the White House received regular reports on the progress of the inquiry and determined shortly before the Republican National Convention that there was no evidence to indict current administration officials or present employees of the Nixon re-election committee.

During the week of the convention, officials at both the White House and the Committee for the Re-election of the President broke their long silence about the Watergate break-in and, through news leaks and public statements, began denying any connection with the alleged bugging of Democratic national headquarters.

"First they waited to see if the coast was clear," one federal source said this week. "Then, when they saw that it was, they went public. It was the political people who were doing the leaking . . . It was to serve the interest of the administration."

Many of the leaks sought to picture two men implicated in the case—former White House consultant E. Howard Hunt Jr. and G. Gordon Liddy, the ex-White House assistant who was fired as the re-election

committee's finance counsel—as irresponsible "self starters," entirely capable of inventing bizarre political projects of which their superiors would disapprove.

Within the ordered narrow definition of the Watergate probe, the FBI and the grand jury conducted aggressive, open-ended inquiries in which all leads were exhausted, according to sources of varied political persuasions and at all levels of the investigation.

"It was a massive investigation on a narrow course," one investigator commented. "You couldn't stray into other areas where questions of legality rose, like campaign funds."

Accordingly, FBI agents in Houston were able to trace how \$89,00 in campaign funds moved from Texas to Mexico to Washington and, finally, into the Miami bank account of one of the Watergate suspects. But, sources say, the agents never attempted to determine the source of the campaign funds and investigate whether the transactions were legal.

"That wasn't what was being investigated," said one source. "If agents were producing encyclopedic memoranda on campaign violations, Gray would have said 'What has his got to do with anything?'"

From the beginning of the FBI's investigation until its conclusion, agents and their supervisors were frustrated by

a central problem, according to persons close to the case: None of the persons directly implicated was willing to talk about the Watergate break-in or in any way implicate others.

"Unless one of the people on the inside track comes through," said one official recently, "we may never get this whole story."

Handicapped by the absence of an insider's account of how and why and for whom the Democrats' offices were invaded, FBI agents were not able to learn positively the exact objective of the Watergate break-in—though there is no question that intelligence gathering was at last a major part of it.

"All I know is the evidence," one person with access to FBI files said. "And on that score we've pretty much come to the end of it . . . without any of it making too much sense."

The two congressional committees considering public hearings on the Watergate case are Sen. Edward Kennedy's Judiciary Subcommittee on Administrative Practice and Procedure and the House Banking and Currency Committee.

Richard C. Drayne, the Massachusetts' Democrat's press secretary, said yesterday that Kennedy is "looking into the possibility" of calling a hearing, and some staff members have done preliminary work.

The House Banking Committee, headed by Rep. Wright Patman (D-Tex.), has scheduled a hearing next Thursday. Maurice H. Stans, the chief Republican fund raiser, and Phillip S. Hughes, director of the elections office in the General Accounting Office, are scheduled to appear.

After the initial hearing, Patman said the Committee would decide whether to undertake a "full-scale" investigation.

In a related matter, White House Press Secretary Ronald L. Ziegler said yesterday that the administration has no plan to release its internal investigation of the Watergate incident, as requested by former Democratic National Chairman Lawrence F. O'Brien.

The internal investigation was to determine if any White House staff members or government officials were involved. President Nixon said last week that it showed no one "presently employed" by the administration was involved.