

Dean Tied to Plea to C.I.A. To Help Watergate Group

NYTimes By MARJORIE HUNTER MAY 16 1973
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WASHINGTON, May 15—The deputy director of Central Intelligence was quoted today as saying that John W. Dean 3d, the ousted White House counsel, asked the agency last year to help cover up the Watergate case by paying bail and salaries for the men involved.

According to Senator Stuart Symington, Lieut. Gen. Vernon A. Walters told the Senate

Text of Symington statement is printed on Page 27.

Armed Services Committee that he had threatened to quit rather than involve the agency in such a scheme.

Mr. Symington, a Missouri Democrat who is acting chairman of the committee, issued a statement summarizing testimony by General Walters to the committee at a closed hearing yesterday.

The statement said that General Walters had told the committee that H. R. Haldeman and John D. Ehrlichman, two other White House aides who have resigned in the Watergate scandal, sought to get the Central Intelligence Agency to call off a Federal Bureau of Investigation inquiry last year into Nixon re-election funds that had been "laundered" in a Mexico City bank.

The general said that the agency had turned down both White House requests, according to the Symington statement.

The two events, the state-

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ment said, occurred in late June and early July of last year, following the June 17 break-in at Democratic headquarters in the Watergate complex.

But even as late as January or February of this year, according to the general's testimony, Mr. Dean again sought C.I.A. help in retrieving from the F.B.I. "some materials" that had been sent to the bureau last year regarding C.I.A. help given E. Howard Hunt Jr. for use in a break-in at the office of Dr. Daniel Ellsberg's former psychiatrist.

"It is very clear to me," Senator Symington said, in releasing the summary, "that there was an attempt to unload major responsibility for the Watergate, bugging and cover-up on the C.I.A."

Further inquiries into possible involvement by the agency in the widening Watergate scandals will be made when Richard M. Helms, director of the agency at the time involved, is questioned tomorrow and Thursday.

Mr. Helms, now Ambassador to Iran, is scheduled to appear tomorrow before a Senate appropriations subcommittee investigating C.I.A. involvement in Watergate and Thursday before the Armed Services Committee.

Mr. Helms was in the United States Attorney's office here for several hours this afternoon. No statement was issued.

Query on Bail or Pay

According to the summary, General Walters said that he had been called to the White House by Mr. Dean last June 27.

There, the summary says, Mr. Dean asked if the C.I.A. could provide bail or pay the salaries of the five individuals accused in the Watergate break-in while they were in jail.

General Walters was quoted as saying that he told Mr. Dean there was no way such a thing could be done and that any internal expenditure of funds by the agency must be reported to House and Senate oversight committees.

General Walters also told Mr. Dean, the summary says, that to spend funds in such a way would implicate the agency and that he would quit rather than do such a thing.

The general reportedly testified that Mr. Dean called him to the White House again the next day and asked if there could not have been some C.I.A. involvement that the general did not know about. The general said he replied that there could not have been.

At one point, the statement continued, Mr. Dean asked General Walters if he had any ideas and the general replied that yes, he had an idea—that anyone who was responsible should be fired.

The alleged attempt to involve the agency in providing a "cover" for the five men caught, and later convicted, of the break-in apparently was prompted by the fact that two of them, Hunt and James W. McCord, had once been employed by the C.I.A.

In detailing events involving the "laundered" campaign funds, General Walters reportedly told the committee that last June 23 he and Mrs. Helms met at the White House with Mr. Haldeman and Mr. Ehrlichman.

He was quoted as saying that Mr. Haldeman expressed concern that the Watergate break-in might be exploited by the opposition (an apparent reference to the Democratic party) and that it had been decided that General Walters should attempt to get the F.B.I. to cease its investigation of the campaign funds, in the interest of national security.

General Walters said, according to the summary, that he was told by Mr. Haldeman to tell L. Patrick Gray 3d, at that time acting director of the F.B.I., that further investigation of the fund issue would compromise certain C.I.A. activities and resources in Mexico.

While Mr. Helms was present during this meeting, he apparently was bypassed, and it is not yet known if he raised any objection to such a request.

The summary continues with the following:

General Walters testified that an appointment was made with Mr. Gray during that meeting and that just an hour later he went to see Mr. Gray.

He said that he told Mr. Gray that certain senior persons at the White House—he did not specify who—had told him that pursuit of the bureau's investigation would uncover some of the C.I.A.'s clandestine activities in Mexico. He said Mr. Gray replied he was aware that the agency and F.B.I. did not uncover one another's sources and operations (that is, reveal or interfere with each other.)

General Walters said that, however, upon his return to his agency he checked and discovered that the bureau's investigation of the Mexican financial affair would not compromise any C.I.A. activities.

Senator Symington said today that he believed that it was Mr. Helms who informed General Walters that the C.I.A.'s activities would not be compromised by the F.B.I. inquiry.

The summary says that General Walters testified that on June 26, he again went to the White House, upon the request of Mr. Dean. There, he said, he told Mr. Dean that after looking into the matter, he had decided that the C.I.A. would not be compromised by the F.B.I. inquiry.

The general reportedly testi-

fied that on July 5, about two weeks after the meeting with Mr. Haldeman and Mr. Ehrlichman, Mr. Gray called him and said that he could not stop the F.B.I. investigation of the Mexican funds unless he received a letter from the C.I.A. stating that the inquiry would damage the agency's assets in Mexico.

According to the summary, General Walters said that the following day, he went to see Mr. Gray and told him that the investigation would not endanger any C.I.A. assets. He said he then told Mr. Gray of the meeting two weeks earlier, this time disclosing the names of Mr. Ehrlichman and Mr. Haldeman, and saying that he had been ordered to try to stop the F.B.I. investigation.

Mr. Gray reportedly told Senate investigators last week that on that same day, he mentioned to President Nixon in a brief telephone conversation that there was some confusion about the role of White House aides in the Watergate investigation and that their actions could cause trouble for the President.

A source close to the Senate committee investigating the Watergate case said today that Mr. Gray told the panel's investigators that he had said, "Mr. President, you are being wounded by men around you,

using the F.B.I. and the C.I.A."

There has been no other confirmation of what Mr. Gray told investigators.

The F.B.I. investigation of the campaign funds channeled through Mexico involved \$89,000 of the \$100,000 contribution made last year to the Finance Committee to Re-Elect the President by Robert H. Allen, president of the Gulf Resources and Chemical Corporation of Houston.

The \$89,000 was in the form of four checks, drawn on a Mexico City bank and payable to a lawyer in Mexico City. These checks, plus \$11,000 in cash, were sent to Washington, along with other campaign funds, in a satchel.

The checks were turned over to G. Gordon Liddy, then serving as counsel to the finance arm of the re-election committee, who was to convert the checks into cash.

Liddy sent them to Bernard L. Barker in Miami, who in turn placed them in his own bank in Miami. Most of the cash proceeds, in \$100 bills, were then returned to Washington and placed in the safe of Maurice H. Stans, the chief fund-raiser for the committee.

More than \$200,000, including the funds given by Mr. Allen, were paid to Liddy to finance various Watergate activities. A number of \$100 bills were found on the five men arrested at the Watergate.