

NATIONAL AFFAIRS

said "he would put in a good word" for Cook with the White House. Cook was named SEC chairman last February and confirmed later that month.

The grand jury indictment contained no hint of these duck-blind delicacies, but it did charge that Stans had engaged Cook's help in trying to cover up the Vesco contribution. At the urging of Stans, the grand jury said, all specific references to the secret \$200,000 gift were deleted from the SEC's final charges, and transcripts of testimony mentioning the contribution were withheld from public filing.

Into the Wall Safe

Whether this interlocking but disputed set of coincidences will be enough to sustain a conspiracy charge is open to question, some legal experts said after reading the indictment. But the inclusion of specific perjury charges may well have increased the over-all chances of gaining some kind of conviction. Mitchell is accused, among other things, of having lied to the grand jury about his discussions with Sears concerning the SEC and Vesco, and Stans with having lied about asking for the donation in cash. ("We had no need for cash," Stans assured the grand jury, though in fact this \$200,000 allegedly went into Stans's wall safe to help pay for the CRP's campaign-espionage operations.)

Though perjury and conspiracy charges are difficult to sustain when one man's word is simply matched against another's, NEWSWEEK's Rich Thomas has learned that the government will be going into court with multiple witnesses against the defendants on most of the specific counts. Harry Sears, though a co-defendant himself, has testified copiously and may turn state's evidence, hoping for a reduced sentence. In addition, White House counsel John Dean has testified before the New York grand jury on his role as a go-between for Mitchell, and Laurence Richardson, a former Vesco lieutenant whose testimony last January launched the super-secret four-month grand jury investigation, was in on many of Vesco's dealings at the core. Several other well-connected figures, including the President's two brothers, are reportedly ready to corroborate specific points against the two former Cabinet officers.

Whatever the outcome of the trial, last week's revelations are expected to do irreparable damage to the career of SEC chairman Cook—a particular irony in view of the SEC's germinal role in the Vesco case. As for Mitchell and Stans, they face possible jail terms of 50 years and fines of \$75,000 if convicted on all counts—with legal disbarment for Mitchell if he is found guilty on any of the charges. But the 37-year-old Vesco has been riding out the whirlwind with his millions in the Bahamas and Costa Rica—and informed legal opinion is that there may be no way to extradite him for anything.



Last laugh: The Ellsbergs and a juror (right) celebrate dismissal

Ellsberg: Case Dismissed

As the scandal unfolded and the trial droned on, each new disclosure made the once-distinct Watergate and Ellsberg cases look more like two sides of the same bad penny. Both uncovered an astonishing network of clandestine operations and backstage cover-ups that spread from the White House and involved an interchangeable cast of shady characters. By last week, evidence of misconduct by the Nixon Administration in the Ellsberg affair had grown to such proportions that presiding judge W. Matthew Byrne Jr. finally dismissed all charges against Pentagon-papers defendants Daniel Ellsberg and Anthony Russo, ordering that they should never be brought to trial again. "The conduct of the government," said the angry Byrne, "has placed this case in such a posture that it precludes the fair and dispassionate resolution of . . . issues by the jury."

The developments leading up to last week's dramatic decision showed more clearly than ever how the ends-justify-means doctrine of Watergate had tainted the government in general and three of its most highly sensitive agencies—the State Department, the FBI and the CIA—in particular. First the CIA admitted the "ill-advised act" of providing technical assistance to the Ellsberg burglars. Then came the Justice Department's belated disclosure that Ellsberg had been a subject of FBI wiretapping in late 1969 and early 1970—long before the Pentagon papers were published—but that documents relating to those taps had mysteriously disappeared from bureau files.

What's more, E. Howard Hunt Jr., the onetime White House staffer and Nixon campaign aide who helped plan

the "bag job" at the office of Ellsberg's psychiatrist and Watergate as well, testified to further dirty tricks. Hunt said he had been given access to 240 top-secret State Department cables, with which he had prepared two forgeries indicating that John F. Kennedy ordered the 1963 assassination of South Vietnamese President Ngo Dinh Diem.

It was the Justice Department's admission about the Ellsberg wiretap that most infuriated Judge Byrne, who had asked the government a year ago for a full accounting of all bugs and taps involving the former Pentagon researcher, his co-defendant and their attorneys. A "preliminary report" on the matter from William D. Ruckelshaus, newly named acting director of the FBI, said that Ellsberg had been overheard during a call he made from the Bethesda, Md., home of Morton B. Halperin, a director of the Pentagon-papers study and then a consultant to the National Security Council. No record of the conversation could be found, said Ruckelshaus, but a bureau employee recalled it.

'The Right Way to End It'

That put the prosecution in a bind. Without any records of the Halperin tap and others associated with it, there was no way of telling what Ellsberg had been overheard to say or whether anybody else in the case had been recorded. According to sources familiar with the surveillance operation—originally authorized in 1969 by Attorney General John Mitchell—it covered reporters for at least three newspapers (The Washington Post, The New York Times, and The Sunday Times of London) and sev-

White House. Charles W. Colson, former special counsel to the President, told FBI agents of several "panic sessions" prompted by publication of the Pentagon papers and other confidential information. Colson, the political hand who first recommended Hunt for the plumbers' team, also said that he had been ordered three times to keep mum about the Ellsberg break-in—twice by Ehrlichman and once by former White House counsel John W. Dean III. They called it "a national-security matter of the highest classification," he said.

Colson disclaimed knowledge of any other illegal activities, but his name kept coming up in connection with a variety of operations, from espionage directed against the Democratic Presidential contenders to a phony newspaper ad supporting the President's mining of Haiphong Harbor. In testimony before the Watergate grand jury—released last week by Judge Byrne—Howard Hunt said Colson had ordered him to falsify the cables linking JFK and Diem. And the story he told had a wealth of persuasive detail.

'He Seemed to Like Them'

Hunt was given access to some 240 cables from the State Department's classified "back channel" and then went to work with "the very meager means at my disposal . . . a Xerox machine in the White House, a razor blade and a typewriter." The process was "relatively simple," he said. "From many of these cables I could pretty well adjust the text to the type of language that would be used by the man who was the ostensible originator . . . I was satisfied that I had two creditable cables . . . I showed them to Colson. He seemed to like them."

The practical CIA experience of Hunt and most of the other Watergate conspirators came in handy at almost every turn—and in the end was nearly used to pin the blame for the Watergate break-in and bugging squarely on the CIA itself. James W. McCord, another agency veteran, told Federal investigators that he came under intense pretrial pressure to go along with a defense contention that Watergate had been an authorized CIA operation. Lawyers involved in the case denied the pressure, but confirmed that such a defense was considered; it would have relied on the agency's normal reluctance to comment one way or another on such affairs. But McCord said he refused to play along: "I would not turn on the organization that had employed me for nineteen years, and wrongly deal such a damaging blow that it would take years for it to recover . . ."

Considering all the week's developments, the CIA may have done that very disservice to itself long before Watergate—when it first agreed to help Hunt. The taint from Watergate and the Ellsberg case, said one agency source, has "literally wiped away half a decade's effort to improve our image." The same could be said by the FBI and a lot of other people at the very top.

A Talk With John Dean

He was the President's own prized whiz kid, a Brooks Brothers Galahad with a choirboy's grin and an infallible formula for pleasing the boss: "To get along," he told his friends, "you go along." But with the mire of Watergate sucking around him, John Wesley Dean III, 34, is finding the going sticky indeed. His attempts to fend off criminal penalties for his own role in the Watergate cover-up have dropped him from Nixonian grace. He says he is willing to accuse palace guards H.R. (Bob) Haldeman and John Ehrlichman—and even to suggest that the President himself was aware of the cover-up—if he is promised immunity from prosecution. But his bid to join the

"an ongoing effort to limit or prevent" his testifying freely before the Federal grand jury. Then he surfaced briefly after days of hiding for a two-hour interview with NEWSWEEK's John Lindsay to repeat his original charges. "I never thought this would be easy," he said. "I knew what I was doing, and I think the whole story must be told or it won't have been worth it . . . I did not scare easily then. I won't scare easily now."

In the NEWSWEEK interview, Dean's story was limited: he would answer few questions that might be asked under oath in a future court case. But speaking calmly and smiling occasionally at his chic second wife, Maureen, 28, Dean



Wally McNamee—Newsweek



Marlette—Charlotte Observer

The Deans: 'I knew what I was doing . . . the story must be told'

Watergate hounds may take more skill than he can muster. "I'm the man in the middle," he observed last week. "It is not a comfortable position."

That was an understatement. Sen. Sam Ervin and his team of Senate investigators said last week they were eager to listen to Dean and were willing to offer him immunity in return. But Federal investigators let it be known that they were less than impressed with Dean's story and far from ready to grant him immunity before the Federal grand jury investigating the case. Stepping up the heat, the White House issued a denial of Dean's charge, reported in NEWSWEEK, that Haldeman and the President had congratulated him for "keeping the lid" on the Watergate scandal last September, and that Ehrlichman had arranged an offer of executive clemency to keep Waterbugger E. Howard Hunt quiet later in the year.

To counter this threat to his bargaining position, Dean issued a blistering public statement that he was the victim of

underlined a central charge in his original story: that he had never produced the report that Mr. Nixon cited last August as clearing the White House top staff of any complicity in the Watergate scandal.

Dean himself, he said, was on a trip to California at the time. "The first I heard of the 'Dean report' was on the 'Big Two News' at 6 o'clock in my motel room on Aug. 29," he said evenly. "I had had no opportunity whatsoever to discuss this matter with the President. I had no phone conversations, nothing. I was flabbergasted. I had been out strolling—almost strolled up to San Clemente, in fact, where there was supposed to be a press briefing. I dropped in to see a friend and then I went back to my motel. I was getting ready to leave my room when the news broadcast came up. Here was the President of the United States reassuring the American people on the basis of a report that didn't exist."

After that, Dean said, "I started thinking. I became very suspicious about it

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