

# Dean: Watergate Matter Was

*This is an excerpted text of the long prepared statement read with minor changes, by former White House Counsel John W. Dean III to the Senate select Watergate committee yesterday.*

To one who was in the White House and became somewhat familiar with its interworkings, the Watergate matter was an inevitable outgrowth of a climate of excessive concern over the political impact of demonstrators, excessive concern over leaks, an insatiable appetite for political intelligence, all coupled with a do-it-yourself White House staff, regardless of the law. However, the fact that many of the elements of this climate culminated with the creation of a covert intelligence operation as a part of the President's reelection committee was not by conscious designs, rather an accident of fate . . .

It was not until I joined the White House staff in July of 1970 that I fully realized the strong feelings that the President and his staff had toward anti-war demonstrators—and demonstrators in general. But even before my joining the White House staff I was partially aware of this presidential concern, a concern that, in turn, permeated much of the White House.

During my tenure at the justice department, as an associate deputy attorney general, I was involved in representing the government in discussions with demonstration leaders regarding the terms of demonstration permits for activities in the capital city . . . I was close proximity to the decision making process and thus realized that the White House, principally then (Presidential Assistant John D.) Ehrlichman, often made or cleared the final decisions regarding demonstration activity . . .

The White House was continually seeking intelligence information about demonstration leaders and their supporters that would either discredit them personally or indicate that the demonstration was in fact sponsored by some foreign enemy. There were also White House requests for information regarding ties between major political figures, specifically members of the U. S. Senate, who opposed the President's war policies and the demonstration leaders.

I also recall that the information regarding demonstrators—or rather lack of information showing connections between the demonstration leaders and foreign governments or major political figures—was often reported to a disbelieving and complaining White House staff that felt the entire system for gathering such intelligence was worthless. As I shall elaborate shortly, this attitude toward the intelligence gathering capability of the government regarding demonstrations prevailed through my tenure at the Justice Department and the White House, and I was hearing complaints from the President personally as late as March 12th of this year.

It was when I joined the White House staff in July of 1970 that I became fully aware of the extent of concern at the White House regarding demonstrations and intelligence information relating to demonstrators. It was approximately one month after I arrived at the White House that I was informed about the project that had been going on before I arrived to restructure the government's intelligence

gathering capacities vis-a-vis demonstrators and domestic radicals. The revised domestic intelligence plan was submitted in a document for the President . . .

After I was told of the Presidentially approved plan, that called for bugging, burglarizing, mailcovers and the like, I was instructed by then Presidential Assistant H. R. Haldeman to see what I could do to get the plan implemented. I thought the plan was totally uncalled for and unjustified. I talked with then Attorney General John N. Mitchell about the plan, and he said he knew there was a great desire at the White House to see the plan implemented, but he agreed fully with (the late) FBI Director (J. Edgar) Hoover, who opposed the plan, with one exception: he thought that an interagency evaluation committee might be useful, because it was not good to have the FBI standing alone without the information of other intelligence agencies and the sharing of information is always good and avoids duplication. After my conversation with Mitchell, I wrote a memorandum requesting that the evaluation committee be established, and the restraints could be removed later. I told Haldeman that the only way to proceed was one step at a time, and this could be an important first step. He agreed.

The Interagency Evaluation Committee (IEC) was created, as I recall, in early 1971. I requested that Jack Caulfield, who had been assigned to my office, to serve as the White House liaison to the IEC. And when Mr. Caulfield left the White House, Mr. David Wilson of my staff served as liaison. I am unaware of the IEC ever having engaged in any illegal assignments, and certainly no such assignment was ever requested by my office. The reports from the IEC, or summaries of the reports were forwarded to Haldeman and sometimes Ehrlichman.

In addition to the intelligence reports from the IEC, my office also received regular intelligence reports regarding demonstrators and radical groups from the FBI and on some occasions, from the CIA. A member of my staff would review the material to determine if it should be forwarded to Mr. Haldeman—that is, for bringing to the President's attention—or sent to another member of the staff who might have an interest in the contents of the report. For example, (present White House counsel) Len Garment would be sent information regarding Indian uprisings, (Presidential Assistant Henry) Kissinger or Gen. (Alexander) Haig information regarding travels of anti-war groups to Hanoi.

Also prior to and during a demonstration, my office would prepare summary reports for the President of the anticipated size of the demonstration, a description of the activities of the demonstrators and the government's handling or anticipated handling of the demonstrations. Contrary to the policy that had existed before I came to the White House, I sought to keep the White House out of tactical decisions regarding the demonstrations. I felt

Outgrowth of a Climate

## THE SO-CALLED DEAN INVESTIGATION

When Colson learned that he was going to be called before the grand jury, he was outraged. He felt that the press had been rather hostile toward him because of his association with Hunt and his appearance in the courthouse before the grand jury would be most detrimental. He was very insistent that something be done about the situation and asked me to see if I could do anything to help him.

I called Henry Peterson and discussed this with him and asked him if there was anything that could be done. Peterson told me he would explore it. Peterson called back and said he appreciated the problem of the White House staff people coming down to the court house to appear before the grand jury.

(He said) he had worked out an arrangement whereby they could come to the Department of Justice, be interviewed by the prosecutors with counsel present, and then the prosecutor would take a sworn statement without counsel present as if it were a secret grand jury room and later the prosecutors would read the statement to the grand jury. This procedure was followed as I recall for Mr. Colson, Mr. Krogh, Mr. Young, Mr. Chapin and Mr. Strachan.

When Secretary Stans learned that he was being called before the grand jury, he expressed a similar outrage and requested a procedure like that which had been given to the members of the White House staff. I discussed this again with Petersen, but he said he didn't feel it would be possible to follow a similar procedure. Mr. Stans' outrage continued and finally he raised it directly with Ehrlichman.

Ehrlichman asked me why I couldn't and I told him that Petersen had done the best he could but that there was nothing he could do about it because the grand jury wanted Stans to appear. Ehrlichman would not accept my explanation and called Petersen and was very harsh in telling Petersen that he should honor the White House request that Stans not be forced to appear at the court house to go before the grand jury. I was present when Ehrlichman called Petersen and felt he was wrong in doing so. I felt that Petersen had been more than accommodating and that if he could have done it, he would.

But, obviously, the grand jury wanted to see these people and Petersen was not happy with the procedures that had been followed with the others. Accordingly, I called Petersen and apologized for the call that he had received from Ehrlichman.

The only other significant matter that I can recall in connection with any of the grand jury appearances was in connection with Colson's grand jury appearance. After Colson returned from his grand jury interview he sent me a memorandum, a copy of which I have submitted to the committee, which he suggested I might wish to send on to the prosecutors. I had been present during Colson's interview with the prosecutors before his sworn statement was taken and I did not find anything of significance in the memorandum that he had failed to cover during his interview.

I had also received information from Magruder that he had been pressured by Colson and members of Colson's staff into authorizing the adoption of Liddy's plans on several occasions and this information was not reflected in the memorandum that Colson had prepared. I felt that the memorandum was rather self-serving to Colson and I was not convinced that it was totally factual.

It was while I was in San Clemente, at the end of August, that the President announced at a press conference the so-called "Dean report" which cleared everybody presently employed at the White House or in the administration from complicity in the Watergate matter. This statement was made on Aug. 29, 1972.

I would like to recall to the committee what the White House had publicly said about this incident prior to the Aug. 29 statement of the President. On June 19, Ziegler reported that there was no inquiry being made by the White House into the matter. On June 20 Ziegler stated that the case is something that the President will not get into at all despite the fact that Hunt had been publicly linked to the White House. On June 21, Ziegler stated that Colson had assured him that he was not involved and, the White House repeated the statement that the President would not get involved. On June 23, the President stated that, as Ziegler had said, the White House has had no involvement whatever in this particular incident.

On July 3, when the President was in California, he ruled out a special prosecutor and said that the FBI and other authorities will pursue the investigation thoroughly and completely. And, Ziegler further reported on that date that the President would not be getting special reports on this politically sensitive case since that would be inappropriate. Suddenly came the Aug. 29 statement citing the Dean investigation.

I had no advance knowledge that the President was going to indicate that I had investigated the matter and found no complicity on the part of anybody at the White House or anyone presently employed in the administration.

I first learned of the matter when I heard it on a television news broadcast that evening after I had departed from the compound at San Clemente.

Had I been consulted in advance by the President, I would have strongly opposed the issuing of such a statement for several reasons which I would have told the President. First, I was aware that Gordon Strachan had close, daily, liaison with Magruder and had carried information relating to wire-tapped conversations into the White House and later destroyed incriminating documents at Haldeman's direction.

Secondly, I had never been able to determine whether Haldeman had advance knowledge or not, and in fact, had never asked him because I didn't feel I could.

Thirdly, I had always suspected, but never been able to completely substantiate my suspicion, that Colson was far more knowledgeable than he protested.

I was very aware of Colson's efforts to disassociate himself with Hunt and of Colson's continual production of documents that would disassociate himself with Hunt. Colson protested too much.

Finally, I was aware of the two meetings that I had attended and had reported these to both Haldeman and Ehrlichman. I reported to Haldeman, as I mentioned earlier, shortly after the meetings had occurred when I told him I thought the idea was bad and incredible and told him that I would have no connection or relationship with the matter. I had reported this to Ehrlichman in June, 1972, shortly after the incident. I never understood how the Liddy plan had been approved and Magruder had indicated to me that there had been White House pressure to get the plan moving.

Accordingly, I would have been the last to say unequivocally as the President so stated that no one presently employed at the White House had any advance knowledge of the matter. I did believe, however, that nobody at the White House knew that there was going to be a break-in of the Democratic National Committee on June 17 because I don't believe that anybody other than those directly involved knew that that was going to happen.

The issuing of the so-called "Dean report" was the first time I began to think about the fact that I might be being setup in case the whole thing crumbled at a later time. I subsequently discussed this with other individuals (Mr. Moore, Mr. Fielding and Mr. Mitchell) and they assured me, but not unanimously, that I need not worry because they did not believe that anyone at the White House would do that to me.

## THE PRESIDENTIALLY DIRECTED COUNTER-OFFENSIVE TO THE DEMOCRATIC CIVIL SUIT

In early September, as the FBI and the Department of Justice investigations began winding down, the concern of the White House and the re-election committee shifted to the very active investigation that was being pursued by the Democratic National Committee through its discovery proceedings in its law suit against Sept. 9 or 10, I received a presidential request from both Haldeman and Colson.

The President felt that the best defense to the actions being pursued by the Democrats, and the charges and implications that were stemming from the law suits being filed by the Democrats, was our own counter-offensive with our own series of lawsuits against the Democrats. I recall that Colson called me repeatedly and finally reported that he had just come from the President's office and that the President wanted action on this as quickly as humanly possible. I informed Mr. Colson that I was working on it but that I wasn't going to suggest filing any lawsuit or taking any action that was not well founded.

You will note that my memorandum of Sept. 12, 1972 to Mr. Haldeman (on the law-suit counter-offensive) has a "P" with a checkmark in the upper right hand corner, which indicates that the document was forwarded directly to, or reviewed by, the President. I later learned that the President was pleased and wanted a full follow-up on the items in the memorandum. The markings on the memo are Mr. Haldeman's.

It was also about this time, later July-early September, that I learned during a meeting in Mitchell's office that Mr. Roemer McPhee was having private discussions with Judge Richey regarding the civil suit filed by the Democrats. I believe this fact was known to Mr. Mitchell, Mr. Larue, Paul O'Brien, and Ken Parkinson. I was not aware of the specifics, but I was told by Parkinson (and later McPhee) that Judge Richey was going to be helpful whenever he could. I subsequently talked with Mr. McPhee about this, as late as March 2 of this year, when he told me he was going to visit the judge in the judge's rose garden over the weekend to discuss an aspect of the case.

## MEETING WITH THE PRESIDENT, SEPT. 15, 1972

On Sep. 15 the Justice Department announced the handing down of the seven indictments by the federal grand jury. Late that afternoon I received a call requesting me to come to the President's oval office. When I arrived at the oval office I found Haldeman and the President.

cause of the potential implications of the breadth of the Patman hearings. The letter was sent on Oct. 2, 1972. . . .

A number of people worked on getting the votes necessary to block the Patman committee hearings.

Mr. Timmons discussed the matter with the House Republican leaders who agreed to be of assistance by making it a matter for the leaderships consideration, which resulted in direction from the leadership to the members of the committee to vote against the hearings.

I was informed that Congressman Brown had been working with several members of the Democratic side of the Patman committee to assist in voting against the hearings or as an alternative not to appear for the vote. Timmons informed me that he was also in direct contact with one of the leaders of the Southern delegation who was being quite helpful in persuading the Southerners on the committee not to vote for the subpoenas or in the alternative not to appear at the meeting on Oct. 3.

Also Mitchell reported to me that he had been working with some people in New York to get the New Yorkers on the committee to vote against the hearings. He told me, and I cannot recall now which members of the New York delegation he referred to, that he had assurances that they would either not show up or would vote against the hearings. I in turn passed this information on to Timmons, but I did not tell him the source of my information.

On Oct. 3 the vote was held and the subpoenas were defeated by a vote of 20 to 15 and another sigh of relief was made at the White House that we had leaped one more hurdle in the continuing cover-up. . . .

On Oct. 10, Chairman Patman decided to proceed without subpoena power, and sent letters to Magregor, Stans, Mitchell and myself. Everybody who received such a letter declined to appear and Patman held his hearings with empty witness chairs. . . .

#### THE SEGRETTI MATTER

I have been informed by committee counsel that the subject of alleged political sabotage will be taken up in subsequent hearings. However, I have been asked to explain in full the pattern of cover-up which evolved in connection with the Watergate and related matters and my explanation would be less than complete in presenting my knowledge of the subject if I were to omit the so-called Segretti matter. . . .

I first heard of Mr. Segretti when Gordon Strachan called me in late June and told me that the FBI had called a friend of his, by the name of Donald Segretti, and requested to interview him in connection with the break-in at the Democratic National

Committee. Strachan asked if I would meet with Segretti. I told him that I would and Strachan arranged a meeting at the Mayflower Hotel where Segretti was staying.

Strachan gave me a very general description of Segretti's activities and said that he was a "dirty tricks" type operator who was being paid by Mr. Kalmbach. . . .

He also informed me that Mr. Chapin had been involved in hiring Segretti.

I met with Mr. Segretti in the lobby of the Mayflower Hotel at which time he gave me a very broad description of his activities and said that he had had contact with a man by the name of Ed Warren, who by having seen subsequent pictures in the paper, he assumed was Howard Hunt. . . .

He (Segretti) said he wanted to know whether he should mention the fact that Strachan and Chapin had recruited him and Kalmbach was paying him when interviewed by the FBI. I told Segretti that he should answer any and all questions asked about Hunt and his relationship with Hunt but that he should withhold the names of Strachan, Chapin and Kalmbach, unless the FBI felt it was absolutely necessary to have the names. . . .

Several days after Segretti's FBI interview, he called me and told me that he thought his interview had gone very well. He said he told the FBI everything he knew about Mr. Hunt and the fact that he had no knowledge of the Watergate incident and that the agents had not pressed him in a manner that required him to reveal the names of Strachan, Chapin, and Kalmbach.

The next time I heard from Segretti was in August, during the Republican National Convention in Miami. I received a call from Mr. Chapin who indicated that Segretti was very concerned about the fact that he was being called before a federal grand jury in Washington investigating the Watergate. Chapin told me that Segretti was looking for guidance as to his appearance before the grand jury and that he was concerned again that he might have to reveal the names of Strachan, Chapin, and Kalmbach. . . .

After my conversation with Chapin, I called Mr. Petersen at the Department of Justice and explained the problem that was confronting Segretti. I told Petersen that to the best of my knowledge Segretti had no involvement in the Watergate incident but he had had dealings with Hunt in connection with some campaign activities he had been performing for the White House. I also informed him that he was being paid by the President's personal attorney, Mr. Kalmbach and that he had been recruited by Chapin and Strachan. I said that these facts, if revealed, would obviously be quite embarrassing. . . .

Mr. Petersen said that he understood the problem and would determine what he could do. I subsequently talked to Petersen again and he told me that he did not believe it would be necessary for the prosecutors to get into these areas when Mr. Segretti was before the grand jury.

Segretti came to Florida a day or so before his appearance before the grand jury. . . . I told him that I did not believe that the government was particularly interested in pursuing the names of Strachan, Chapin and Kalmbach in connection with his activities and I doubted if he would be asked any questions. I told him, however, if he were asked the questions, that he should answer any question and every question truthfully, and if he were asked the names of who had hired him and who had paid him that he should give the names. I told him if pressed, he should lay out the whole ball of wax.

I later learned from Segretti that the names had come out during the grand jury appearance and I had a discussion later with Peterson also on the subject in which he told me that Mr. Silbert had tried to avoid getting into this area and in fact did not ask him the question which resulted in his giving the names, rather that a grand juror had asked the question despite the fact that the prosecutors had tried to gloss over it.

As a result of Segretti's appearance before the grand jury, FBI interviews were scheduled for Chapin, Strachan and Kalmbach. I had by this time learned the full story, that in fact Haldeman, in a meeting with Kalmbach, had approved Segretti's activities and authorized Kalmbach to make the payments to Segretti.

In discussing this with Chapin and Strachan before their appearance, they both had great concern about revealing Haldeman's involvement. In fact, I recall that Strachan came into my office, when Dick Moore was present, and said that he would, if necessary, perjure himself to prevent involving Haldeman in this matter. I told Strachan that that was certainly not necessary in my estimation, but he was indeed most loyal to Haldeman for taking that position. Dick Moore made a similar comment. When the agents came to interview Chapin and Strachan, they contained themselves in their questioning.

To the best of my knowledge all the answers that Chapin and Strachan provided were truthful, although I must say that, pursuant to discussions I had had with them before their interview, they did not volunteer any information that was not asked for.

When I was in California in late August, I was asked by Ehrlichman to meet with Kalmbach and prepare him for his FBI interview. Mr. Kalmbach was very concerned that the interview could lead into other areas, and had discussed this problem with Ehrlichman. Accordingly, I helped Kalmbach prepare for his FBI interview, and he later informed me it had gone well, that they had not asked questions unrelated to the Segretti matter, and he volunteered nothing.

On Oct. 10, 1972, an article based on leaked FBI information reported the Segretti story for the first time publicly. Following the Oct. 10 story there commenced a series of stories (in The Washington Post) involving Chapin, Strachan, Kalmbach, and, later, Haldeman. These stories created a new frenzy in the White House press office as to how to deal with these stories. On Friday, the 13th, I had left Washington to go to Florida to spend several weeks on a honeymoon, but was

abruptly called back to Washington on Sunday, Oct. 15, because of the cascading leaked stories regarding Segretti.

When I returned, I went to the White House, where a meeting was in session in the Roosevelt room. In attendance at the meeting were Ehrlichman, Ziegler, Buchanan, Moore, and Chapin. The purpose of the meeting was to prepare Ziegler for his press briefings on the Segretti-related stories. For a reason that I cannot explain, a secretary to Mr. Chapin was present and taking notes during parts of the discussions and hypothetical questioning and answering of Ziegler. . . .

After Segretti became the subject of intense inquiry by the press, Ehrlichman suggested that I advise Segretti to go incognito and hide from the press and avoid further stories that might result from press interviews of him. I so advised Segretti. . . .

So he commenced his travels around the United States once again to avoid the press. Mr. Segretti would periodically call me to tell me that he was in some small town and had not seen a newspaper or television for several days and was curious to know what they were saying about him. I would give him a summary report as to the press coverage.

Following the election, I was asked by Haldeman and Ehrlichman to meet with Segretti to determine the extent of involvement that Chapin and Strachan had had with him. Segretti at this time was in Palm Springs, Calif., where he had been spending the last week before the election in the desert.

On Nov. 10 I met with Segretti and,

pursuant to an agreement between Segretti and myself, I agreed to tape the interview with him, with the understanding that I felt it was privileged under the doctrine of executive privilege and that it would never be released. I have submitted the tape of that conversation between Segretti and myself to the committee pursuant to a subpoena issued for the material.

My visit to Palm Springs was abruptly interrupted when I received a call on Nov. 11 from Mr. Todd Hullin, Ehrlichman's assistant, requesting that I come to Florida where Ehrlichman and Halderman were accompanying the President, to report on my interview with Segretti. Accordingly, I flew to Florida immediately and met with Halderman and Ehrlichman on Nov. 12 and played the taped interview I had had with Segretti for them.

On Nov. 15, 1972, I arranged to meet with Halderman and Ehrlichman at Camp David on another subject, which I will discuss later. During the first part of the meeting, however, the subject of Chapin's remaining at the White House came up, and I learned that the President had made a decision, based on the information that had been imparted to Halderman and Ehrlichman in Florida, that Mr. Chapin would have to leave the White House staff.

#### DISCUSSIONS OF A WRITTEN DEAN REPORT

As the press accounts of Segretti's activities lingered on after the election as well as the continuing Watergate stories, there was serious discussion about putting the facts out. In late November, I recall a conversation with Halderman in his office. We talked about the facts and he asked my opinion about what would happen if we put them out.

I told him that I thought that the then pending trial would be put back into a grand jury and it was very likely that Mitchell, Magruder, Strachan, Ehrlichman, Halderman and Dean could be indicted. He asked me to elaborate. I said I had no idea nor did I have full knowledge of what happened before June 17 but I do know that there is a good possibility that any reconvened grand jury could get into questions of obstruction of justice which would lead right to us.

Halderman said that the President wished, now that the election was over, to get rid of the Watergate and related matters by laying them open but based on what I had just told him he said it doesn't seem to be a very viable option.

He then asked me to attempt to write a report that could be made public: A report that would be a written version of the so-called Dean investigation that the President had announced on Aug. 29 and include a new report on the Segretti matter. I told Halderman that I thought that this could only create additional new problems because it would be just like a peek into the tent without letting anyone in and it would be very difficult to write but I would do my best. . . .

I decided that I would draft a series of carefully worded interrogatories or affidavits for each individual whose name had come up in the press regarding political sabotage and espionage activities. Then based on the affidavits I would write a summary report and attach the affidavits. I thought that I would merely waltz over the Watergate matter by referring to the fact that other governmental investigations . . . had cleared anyone in the White House from involvement.

After drafting the document I reluctantly submitted it to Halderman on Dec. 5 . . . Halderman in turn gave it to Ehrlichman, who made the editorial changes that appear on the draft. Ehrlich-

man then gave it to Ziegler. On Dec. 13, a meeting was scheduled in Halderman's office to discuss the matter but was subsequently moved to Ziegler's office. Present at the meeting were Halderman, Moore, Ziegler and myself . . . Nothing was resolved at the meeting and it was a consensus of the group that the White House should continue, in Dick Moore's words, to "hunker theory that no one would be arrested down"—do nothing—on the general for what they didn't say.

#### THE HANDLING OF DEMANDS FOR WHITE HOUSE MONEY

I have previously discussed Mr. Kalmbach's raising money for the first pressures for support money for silence . . .

Following the election, there were increasing pressures from Hunt for money for himself and the other indicted defendants as a means of assuring their silence . . .

The demands were being made directly to the White House for financial assistance. Before getting into the details of these pressures and how they were handled, I believe it might be

helpful to explain the situation at the White House regarding the handling and availability of cash.

In early 1971, I was asked by Halderman to assist in establishing the re-election committee in that they had no lawyer of their own. My activities resulted in my learning that there were large sums of cash that had been left over from the 1968 Nixon primaries and some funds had been left from the 1970 congressional fund raising efforts. These monies, which were referred to as surplus monies, were held by Kalmbach and controlled by Halderman and Ehrlichman.

It was sometime prior to April 7, 1972, that I learned that cash was being sent to the White House. I was not told the amount, but I was asked by Strachan if he could suggest someone outside of the government who might be willing to hold a large amount of cash in a safety deposit box . . .

It was in late June or early July, 1972, that I learned that \$350,000 of the surplus money had been delivered to the White House prior to April 7, 1972. I was informed that the money came from the 1968 primaries and that the delivery was made before April 7 to insure that it not become a part of the 1972 campaign funds.

The \$350,000 fund, as I have indicated, was held by Strachan but I do not know where he held it. It was shortly before Mr. Sloan was being called to testify in July that discussions commenced on how to make the \$350,000 whole and get it out of the White House. There was no easy answer, because there was no place to send it out without reporting requirements . . .

I had numerous discussions about how to handle this problem with Mr. Stans and Mr. Parkinson but there was no easy answer. I also discussed this matter with Halderman telling him that there was no easy answer.

Finally, after the election, Stans indicated he had cash available and it was decided that Stans should provide \$22,000 to Strachan to make the funds whole and then they could be removed from the White House and, if necessary, reported. This plan was approved by Halderman and Stans was so informed.

On the morning of Nov. 28, Stans called to request that Strachan come to his office to receive money that he had available. I do not know the source of the money or whether it was campaign money or any of the details about the \$22,000 that Stans had made available. I could not locate Strachan

and Stans indicated that it should be picked up immediately but I cannot recall at this time the reason he called for the immediacy. Accordingly, I asked Mr. Fielding to pick up a package from Stans and give it to Strachan as soon as he could.

The money was taken given by Fielding to Strachan but no final decision had been made regarding how to dispose of it . . .

I must now return to the pressure that was being placed on the White House for the use of these funds.

There were discussions in late July, August and September of using these funds at the White House for the payments to Hunt and the others I informed Halderman of these discussions, but they were still in the discussion stage and no action was taken. After the election, the pressure was greatly increased when Colson received a call from Hunt, which Colson recorded.

Colson brought the recorded call to me and I, in turn, transcribed it onto a cassette tape. I have been informed by the committee counsel that the committee has in its possession a transcript of the conversation between Colson and Hunt in which Hunt makes demands for money.

On Nov. 15, I arranged a meeting with Ehrlichman and Halderman so that they could hear the tape of the conversation Colson had had with Hunt and also to inform them of the increased and now threatening demands that were being transmitted through Hunt's lawyer to Mr. O'Brien.

Halderman and Ehrlichman were at Camp David at that time developing the plans for the reorganization of the executive branch for the second term of the Nixon administration. . .

At Camp David, Ehrlichman, Halderman and I went into the President's office in Laurel Lodge, which was empty. I have referred earlier to the fact that in this meeting the matter of Dwight Chapin's remaining at the White House was discussed. It was after that discussion that I told him about the telephone conversation between Hunt and Colson and played the tape for them and also told them of the increasing demands being made for money. I told them I was going to New York City that afternoon because Mitchell had requested that I come visit him regarding the demands being made and told them I would also play the tape for him. My instructions from this meeting were to tell Mitchell to take care of these problems.

After a very brief discussion about reorganization matters, I departed Camp David and returned to Washington and then flew to New York with Mr. Stans.

Stans had told me some days earlier that he was going to meet with Mitchell to discuss a number of matters about winding down the re-election committee and asked me to join him . . . After the first part of the meeting where Stans and Mitchell discussed their problems, Stans departed and I played the tape for Mitchell. I recall that he had only one reaction to the tape and it was to the effect that it was certainly a self-serving tape for Colson and he wondered what the hell Hunt was talking about with regard to Mitchell's having perjured himself.

I informed Mitchell that Ehrlichman and Halderman had heard the tape and requested that he do what he could to solve the problem. I received no instructions or really any indication at that time from Mitchell regarding the matters that Hunt had raised in his conversation with Colson.

To the best of my recollection, it was the first week of December that Mitchell called me and said that we would have to use some of the \$350,000 fund to take care of the demands that were being made by Hunt and the others for money . . .

He asked me to get Halderman's approval.

Prior to Mitchell's call, I had been

The President asked me to sit down. Both men appeared to be in very good spirits and my reception was very warm and cordial. The President then told me that Bob (Haldeman) had kept him posted on my handling of the Watergate case. The President told me I had done a good job and he appreciated how difficult a task it had been and the President was pleased that the case had stopped with Liddy.

I responded that I could not take credit because others had done much more difficult things than I had done. As the President discussed the present status of the situation I told him that all that I had been able to do was to contain the case and assist in keeping it out of the White House. I also told him that I thought that there was a long way to go before this matter would end and that I certainly could make no assurances that the day

See TEXT, A11, Col. 1

### TEXT, From A10

would not come when this matter would start to unravel.

Early in our conversation the President said to me that former FBI Director Hoover had told him shortly after he had assumed office in 1969 that his campaign had been bugged in 1968. The President said that at some point we should get the facts out on this and use this to counter the problems that we were encountering.

The President asked me when the criminal case would come to trial and would it start before the election. I told the President that I did not know. I said that the Justice Department had held off as long as possible the return of the indictments, but much would depend on which judge got the case.

The President said that he certainly hoped that the case would not come to trial before the election.

The President then asked me about the civil cases that had been filed by the Democratic National Committee and Common Cause and about the counter suits that we had filed. I told him that the lawyers at the re-election committee were handling these cases and that they did not see the Common Cause suit as any real problem before the election because they thought they could keep it tied up in discovery.

I then told the President that the lawyers at the re-election committee were very hopeful of slowing down the civil suit filed by the Democratic National Committee because they had been making ex parte contacts with the judge handling the case and the judge was very understanding and trying to accommodate their problems.

The President was pleased to hear this and responded to the effect that "Well, that's helpful." I also recall explaining to the President about the suits that the re-election lawyers had filed against the Democrats as part of their counter offensive.

There was a brief discussion about the potential hearings before the Patman committee. The President asked me what we were doing to deal with the hearings and I reported that Dick Cook, who had once worked on Patman's committee's staff was working on the problem. The President indicated that Bill Timmons should stay on top of the hearings, that we did not need the hearings before the election.

The conversation then moved to the press coverage of the Watergate incident and how the press was really trying to make this into a major campaign issue. At one point in this conversation I recall the President telling me to keep a good list of the press people giving us trouble, because we will make life difficult for them after the election.

The conversation then turned to the use of the Internal Revenue Service to attack our enemies. I recall telling the President that we had not made much use of this because the White House didn't have the clout to have it done, that the Internal Revenue Service was a rather democratically oriented bureaucracy and it would be very dangerous to try any such activities. The President seemed somewhat annoyed and said that the Democratic administrations had used this tool well and after the election we would get people in these agencies who would be responsive to the White House requirements.

The conversation then turned to the President's post election plans to replace people who were not on our team in all the agencies. It was at this point that Haldeman, I remember, started taking notes and he also told the President that he had been developing information on which people should stay and which should go after the election . . .

I left the meeting with the impression that the President was well aware of what had been going on regarding the success of keeping the White House out of the Watergate scandal and I also had expressed to him my concern that I was not confident that the coverup could be maintained indefinitely.

### BLOCKING THE PATMAN COMMITTEE HEARINGS

As early as mid August, 1972 the White House learned through the congressional relations staff that an investigation was being conducted by the staff of the House Banking and Currency Committee, under the direction of Chairman Patman, into many aspects of the Watergate incident. The focus of the investigation at the outset was the funding of the Watergate incident, and other possible illegal funding that may have involved banking violations.

The White House concern was twofold: first, the hearings would result in more adverse pre-election publicity regarding the Watergate, and second, they just might stumble into something that would start unraveling the cover-up.

The initial dealings with the Patman committee and the re-election committee were handled by Mr. Stans and Mr. Parkinson.

However, as the Patman committee proceeded, Stans called for assistance from the White House. I was aware of the fact that the Patman investigators had had numerous conversations with Parkinson and the investigators themselves came to the Republican National Convention to interview Stans on Aug. 25, 1972. Upon Mr. Stans' return from the Republican convention he met with the investigative staff of the Patman committee, which I believed occurred on Aug. 30. He was accompanied at both these interviews by Mr. Parkinson.

At some point in time during these investigations Mr. Parkinson was put in touch with Congressman Gary Brown who was a member of the Banking and Currency Committee. To the best of my recollection this may have resulted from discussions between members of the White House congressional relations staff with the Republican members of the Banking and Currency Committee to determine who would be most helpful on the committee and Brown indicated his willingness to assist.

On Sept. 8, Congressman Brown sent a letter to the Attorney General regarding the forthcoming appearance of Secretary Stans and others before the Patman committee. I have submitted to the committee a copy of this letter, which was, in fact, drafted by Parkinson for Congressman Brown. It is my recollection that Secretary Stans was

scheduled to appear before the Patman committee for formal testimony on Sept. 14.

Prior to Parkinson's drafting of the letter for Congressman Brown, I had been asked to discuss the matter with Henry Peterson, which I did. I told Peterson of the problem and asked him for his feeling about Stans and others appearing before the Patman committee and what effect that might have on either the grand jury or the indicted individuals once the indictments were handed down. I recall that Peterson had very strong feelings that it could be very detrimental to the government's ability to prosecute successfully the Watergate case, but he said he would have to give some thought to responding to Congressman Brown's letter.

I had several additional discussions with Peterson and later with the Attorney General, when Peterson indicated he did not think he could respond before the scheduled appearance of Stans on Sept. 14. The Justice Department did not feel that it could write such a letter for one individual regarding the Patman hearings and was very reluctant to do so. I also had conversations with Mitchell about this and reported the matter to Haldeman and Ehrlichman.

The Justice Department felt that for them to write such a letter would look like a direct effort to block the hearings and I frankly had to agree. Therefore, no response was sent prior to the scheduled Sept. 14 appearance of Stans and Parkinson himself informed the committee that Stans would not appear because he felt it would be detrimental to the then pending civil and criminal investigations.

On Sept. 25 Chairman Patman announced that he would hold a vote on Oct. 3 regarding the issuing of subpoenas to witnesses. With this announcement the White House congressional relations staff began talking with members of the committee as well as the Republican leadership of the House.

I recall several conversations with Timmons and Dick Cook regarding this matter as well as conversations with Haldeman. Timmons and Cook informed me that there was a daily change in the list of potential witnesses and the list was ever growing and began to reach into the White House itself.

In discussing it with Haldeman I asked him how he thought the Patman hearings might be turned off. He suggested that I might talk with Secretary Connally about the matter because Connally would know Patman as well as anybody.

I called Secretary Connally and told him the reason I was calling. He said that the only thing he could think of, the only soft spot that Patman might have, was that he had received large contributions from a Washington lobbyist and had heard rumors that some of these may not be reported.

I discussed this matter with Bill Timmons and we concluded that several Republicans would probably have a similar problem so the matter was dropped . . .

I began receiving increasing pressure from Mitchell, Stans, Parkinson and others to get the Justice Department to respond to the Sept. 8 letter of Congressman Brown as a vehicle that Congressman Brown could use in persuading others not to vote in favor of the subpoenas. Congressman Brown felt that with this document in hand he would give the Republicans and others something to hang their vote on. I had continued my conversations with Henry Peterson and after the indictments had been returned he said that indeed he did feel that the Justice Department should issue such a letter be-

informed by Colson's secretary that Mrs. Hunt had called her at home on a number of occasions to discuss this problem with her in order that she might pass it on to Colson and get something done about the problem. Colson had sent his secretary, Miss Joan Hall, to me with these messages indicating that he did not want to talk to her about it but that she should pass the message on to me. I told Miss Hall not to talk to Mrs. Hunt and, if necessary, get an unlisted phone number.

After the phone call from Mitchell, I called Haldeman and described the situation in full to him and that I had told Mitchell that I was very reluctant to see White House money used but that he indicated that it would be returned as soon as they could raise some additional money. I told Haldeman that I didn't think this was a good idea to further involve the White House in raising money for these men but I frankly had no answer. Haldeman said he did not like it either, but since we had an assurance from Mitchell that the money would be returned, I should inform Strachan that he could make the delivery of the money to the committee.

I called Strachan and told him he should speak with LaRue and make a delivery to LaRue pursuant to LaRue's instructions. . . I do not recall how much money was delivered by Strachan but I believe it was either \$40,000 or \$70,000.

This delivery did not satisfy the demands and they continued to be relayed by Mr. Bittman to Mr. O'Brien who, in turn, would relay them to Mr. Mitchell, Mr. LaRue and myself. I, in turn, would tell Haldeman and Ehrlichman of the demands. I can recall LaRue and O'Brien coming to my office to discuss these demands and I told them that there could be no further use of the White House money and, in fact, to the contrary, Haldeman was expecting that that money which had been provided earlier was to be returned in full.

To the best of my recollection, it was sometime shortly before the trial when the demands reached the crescendo point once again. O'Brien and LaRue came to my office and told me the seriousness of the problem. Subsequently, Mitchell called me and told me that once again I should ask Haldeman to make available the necessary funds. I called Haldeman and told him of Mitchell's request. . .

After we discussed the matter Haldeman said, send the entire damn bundle to them but make sure that we get a receipt for \$350,000. After receiving my instructions from Haldeman I called Strachan and told him that he was to deliver the remainder of the money to LaRue but that he was to make certain that he got a receipt for \$350,000. Strachan later told me that LaRue refused to give him a receipt.

With each of these deliveries I am only aware of the fact that money was delivered to LaRue by Strachan and have no knowledge of how LaRue in turn delivered it to those who were making demands upon the committee, nor do I know how much, in fact, was paid.

#### HUNT'S STATUS AFTER THE DEATH OF HIS WIFE

After Mrs. Hunt was tragically killed on Dec. 8, 1972, O'Brien informed me that he had learned from Bittman that Hunt was in very bad shape. He had become extremely depressed and grieved over the death of his wife.

I learned from O'Brien that Hunt's lawyer did not think that Mr. Hunt was capable of standing trial in his then psychological situation, and that he had been examined by a psychia-

trist who had reached that conclusion. Mr. O'Brien had discussed this matter with Mitchell because Mr. Mitchell and I had a conversation in which he told me that Bittman thought that the government might be of some assistance in resolving Hunt's problems temporarily by finding a sympathetic psychiatrist to examine Hunt who would concur in the findings of the psychiatrist who had already examined and found him not fit to stand trial.

Mitchell asked me to discuss this with Peterson and I said I would. I had a brief conversation with Peterson about this and he said that if there was anything that could be done it would, but he did not think that anything could be done.

After the government psychiatrist determined that Hunt was capable of standing trial, I had a report back from O'Brien that Hunt was outraged that no one at the White House was doing anything to take care of him and, in fact, he thought that the White House and his friends had turned against him. He was not asking to have anybody fix his case, but he was merely asking for someone to give him time to recover from the tragedy of his wife's death.

I can recall telling Colson about this when I reported to him generally that Hunt was in rather bad shape and was thinking about pleading guilty rather than going through the rigors of a trial in his present situation. I also told Colson that I had been informed that Hunt wanted to talk with him, but since Hunt knew that would put Colson in an awkward position, that he wanted Colson to talk to his lawyer.

#### EXECUTIVE CLEMENCY FOR MR. HUNT AND OTHERS

I called O'Brien (Jan. 2, 1973) and he told me that Hunt was quite upset and wished to plead guilty but before he did so he wanted some assurances from the White House that he would receive executive clemency. O'Brien told me that Hunt would only take the assurances from Colson and that Bittman had been trying to reach Colson. I told O'Brien that I doubted if Colson would be willing to give any such assurances because he was staying at more than arm's length from Hunt. I told O'Brien that I would have to talk with him about it in the morning.

On the morning of Jan. 3, I received another call from Mr. O'Brien saying that the matter had to be resolved immediately because he had talked to Bittman, and they had been trying to get hold of Colson without any success. Colson called me to tell me that Bittman was trying to reach him and asked me if I had seen the letter that Hunt had sent. . .

See TEXT, A12, Col. 1

#### TEXT, From A11

While we were talking I found in my mail a memorandum from Colson with a letter attached from Hunt in which he was desperately pleading to have Colson meet with his attorney, Mr. Bittman. I told Mr. Colson that I was aware of the fact that Bittman wanted to discuss the matter of executive clemency for Hunt and that Hunt would only take assurances from him (Colson). As I recall, Colson said that he did not want to meet with Mr. Bittman but he would do whatever I suggested. I told him I would get back in touch with him.

I next met with Ehrlichman and told him about the situation and he thought that Colson should meet with Bittman. I do not believe Colson was present when I first discussed this with Ehrlichman. I informed Colson that Ehrlichman thought he should meet with Bittman. . .

There was a meeting in Ehrlichman's office on Jan. 3, after Mr. Colson had had a conversation with Bittman about Hunt's potential for executive clemency. I recall that when Colson came to the meeting with Ehrlichman he was extremely shaken, which was unlike Colson. . .

He said that he felt it was imperative that Hunt be given some assurances of executive clemency. The meeting in Ehrlichman's office did not last long and Ehrlichman said that he would have to speak with the President. Ehrlichman told Colson that he should not talk with the President about this.

On Jan. 4, I learned from Ehrlichman that he had given Colson an affirmative regarding clemency for Hunt and that Colson had talked with Mr. Bittman again about the matter.

There was another meeting on this subject on Jan. 5, in Ehrlichman's office, in which Colson explained exactly what he had told Bittman regarding clemency. He said that he had told Bittman that he could not give a specific commitment but he gave him a general assurance. He also said that he told him that clemency generally came up around Christmas and that a year was a long time.

It was as this meeting was ending that I said to Ehrlichman that this will obviously affect all of the others involved as the word will spread, and can I assume that the same commitment extends to all. He said that no one could be given a specific commitment but obviously if Hunt was going to get an assurance for clemency the others could understand that it applied to all. . .

Colson told me (later) that although Ehrlichman had told him that he (Colson) should not discuss this matter with the President, that he, in fact, thought it was so important that he had taken it up with the President himself.

I also learned shortly thereafter, as a result of a telephone call from O'Brien, that Bittman had informed O'Brien that Hunt was satisfied with Colson's assurances.

As I shall state later, the President himself raised this subject on two occasions with me, and told me that he had discussed the matter of executive clemency for Hunt with both Ehrlichman and Colson. The President raised this with me on March 13, 1973, and April 15, 1973.

#### CAULFIELD'S DEALINGS WITH McCORD JANUARY 1973

While I was in California during late December/early January, 1973, I received a call from Mr. Fielding, who told me that Jack Caulfield had received a letter from McCord. Fielding was not explicit regarding the contents of the letter, and said that he had taken down the letter and that I could read it when I returned in the next day or so to the office. . .

I know that Paul O'Brien and I discussed the matter, because he told me that McCord was not cooperating with his lawyer—Mr. Alch. O'Brien also told me that Bittman had planned a CIA defense to the case but McCord who initially had been willing to go along, later refused. . .

It was on Jan. 10, that I received calls from both O'Brien and Mitchell indicating that since Hunt had been given assurance of clemency and that those assurances were being passed by Hunt to the others, that Caulfield should give the same assurances to McCord, who was becoming an increasing problem and again I was told that McCord's lawyer was having problems with him. Both O'Brien and Mitchell felt that McCord might be responsive

the phone. I asked him what he knew about the incident and he vehemently protested that he knew nothing and had no involvement in the matter whatsoever. Colson advised me that Ehrlichman had spoken with him earlier regarding Mr. Hunt, and Colson said we should get together with Ehrlichman as soon as possible. I recall asking Colson if Hunt still worked for him and again he became very defensive and stated that he was merely on his payroll as a consultant because Ehrlichman had so requested.

Colson also expressed concern over the contents of Hunt's safe. Several weeks later—probably four or five—I learned from Paul O'Brien, who was representing the re-election committee, that he had learned from Hunt's attorney, Mr. William Bittman, that Hunt and Colson spoke on the telephone over the weekend of June 17-18th, and that Hunt had told Colson to get the materials out of his (Hunt's) office safe.

I next contacted Liddy and asked to meet with him. He said he would come to my office. As he came into the office I was on my way out. I suggested we take a walk. It was shortly before noon and we walked down 17th street toward the Corcoran Gallery . . .

Mr. Liddy told me that the men who had been arrested in the DNC were his men and he expressed concern about them. I asked him why he had men in the DNC and he told me that Magruder had pushed him into doing it. He told me that he had not wanted to do it.

Magruder had complained about the fact that they were not getting good information from a bug they had placed in the DNC sometime earlier. He then explained something about the steel structure of the Watergate office building that was inhibiting transmission of the bug and that they had gone into the building to correct this problem he said that he had reported

to Magruder that during the earlier entry of the DNC offices they had seen documents—which I believe he told me were either government documents or classified documents—and Magruder had told him to make copies of the documents.

Liddy was very apologetic for the fact that they had been caught and that Mr. McCord was involved. He told me that he had used Mr. McCord only because Magruder had cut his budget so badly. I asked him why one of the men had a check from Mr. Howard Hunt and he told me that these men were friends of Hunt and Hunt had put him in touch with them . . . I asked him if any one from the White House was involved and he told me no . . .

He also told me that he was a soldier and would never talk. He said that if anyone wished to shoot him on the street, he was ready. As we parted I said I would be unable to discuss this with him further. He said he understood and I returned to my office.

After returning to my office I arranged a meeting with Ehrlichman in his office for mid-afternoon. Gordon Strachan came to my office shortly after I had met with Liddy. Strachan told me that he had been instructed by Haldeman to go through all of Mr. Haldeman's files over the week-end and remove and destroy damaging materials. He told me that this material included such matters as memoranda from the re-election committee, documents relating to wiretap information from the DNC, notes of meetings with Haldeman, and a document which reflected that Haldeman had instructed Magruder to transfer his intelligence gathering from Senator Muskie to Senator McGovern. Strachan told me his files were completely clean . . .

I met with Ehrlichman in the mid-afternoon and reported in full my conversation with Liddy. I also told Ehrlichman about the earlier meetings I had attended in Mitchell's office in late January and early February and my subsequent conversation with Haldeman. He told me he wanted to meet later with Colson and told me to attend. Ehrlichman also requested that I keep him advised and find out from the Justice Department on what was going on. I did not mention my conversation with Strachan because I assumed that Ehrlichman was aware of this from Haldeman himself.

Later that afternoon I attended a second meeting in Ehrlichman's office with Colson. I recall Ehrlichman asking where Hunt was. I said I had no idea and Colson made a similar statement. At that point, before the meeting had started, Ehrlichman instructed me to call Liddy to have him tell Hunt to get out of the country. I did this, without even thinking. Shortly after I made the call, however, I realized that no one in the White House should give such an instruction and raised the matter. A brief discussion issued between Ehrlichman and myself. As I recall, Ehrlichman said that he was not a fugitive from justice, so why not. I said that I did not think it was very wise.

At this point, Colson chimed in that he also thought it unwise and Ehrlichman agreed. I immediately called Liddy again to retract the request but he informed me that he had already passed the message and it might be too late to retract.

Following this brief telephone skirmish regarding Hunt's travel plans, the meeting turned to Hunt's status at the White House. I had learned from Fred Fielding, who I had asked to check on it, that Hunt had not drawn a check from his White House consultancy since late March of 1972. But as far as I knew, the records indicated that he was still a White House consultant to Colson. After discussions of this by Colson, who at this point was disowning Hunt as a member of his staff, Ehrlichman called Mr. Bruce Kerhli and requested that he bring Hunt's personnel records up to Ehrlichman's office. Before Kerhli arrived, Colson raised the matter of Hunt's safe. Colson, without getting specific, said it was imperative that someone get the contents of Hunt's safe. Colson suggested, and Ehrlichman concurred, that I take custody of the contents of the safe.

When Kerhli arrived he was quizzed by Ehrlichman and Colson on Hunt's status at the White House. Colson was arguing that Hunt should have been removed from the White House as of March 31, 1972. Mr. Kerhli's records, however, did not so indicate . . .

Following this discussion, Ehrlichman asked Kerhli where Hunt's office was located and how the contents of his safe could be removed. Kerhli explained that he would have to have GSA open the safe. Colson said it must be done immediately and Ehrlichman instructed Kerhli to have me present when the safe was opened and that I should receive the contents of the safe. Kerhli said he would call me when he had made the arrangements and he then left Ehrlichman's office. Ehrlichman told me to report to him on the contents of Hunt's safe and the meeting ended.

After departing, I believe I went to Mr. Mitchell's apartment. I do not recall who asked me to come to Mitchell's apartment, and it may have been the evening of the 20th, rather than the 19th of June. I recall that when I arrived, Mitchell, Mardian and Magruder were there and I gather had been discussing matters before I arrived. I recall listening, but can only recall discussions of how to handle the matter from a public relations standpoint. I have no other recollection of the meeting.

It was on June 20th or 21st that Strachan and Mr. Richard Howard came to my office. Strachan informed me that Haldeman had authorized an expenditure by Colson of some funds, but the entire amount had not been expended and he was turning over the remainder to me to hold. I told Mr. Strachan that I would hold the funds and would be accountable for them. I placed the cash, \$15,200, in my safe . . .

The cash remained in my safe untouched until October 12th, 1972 when I removed a packet of bills amounting to \$4,850 and placed my personal check for that amount with the remaining cash. I removed the \$4,850 after I had failed to make arrangements to pay for the anticipated expenses of my wedding, and honeymoon. I subsequently expended the cash over a several month period of time as my hon-

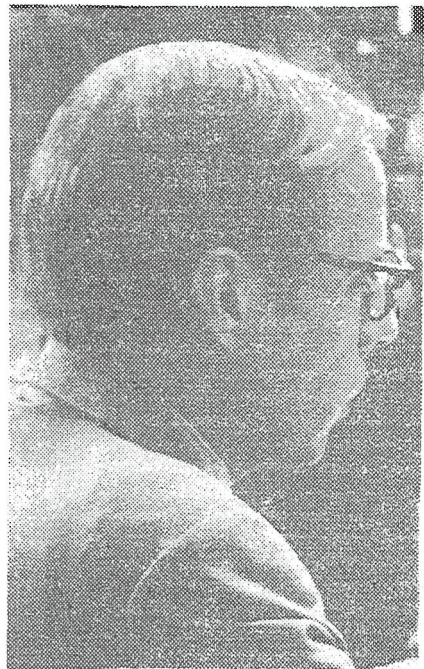
eymoon was cut short and the full amount I had anticipated, was not necessary; thus I used part of the cash for normal daily expenditures . . .

At no time when I was making personal use of part of these funds did I plan—or believe—that I would not have to account for the entire amount at some point in time. However, as I shall state later, there was great pressure, long before October, to use any and all available cash to pay for the silence of the individuals involved in the Watergate and I decided from the outset that I did not want the money I was holding to be used for that purpose.

I have never sought to hide the fact that I made personal use of this money from anyone . . . The money is presently in a trustee account which was established after I informed my lawyers of the fact I was holding the funds.

I met with Attorney General Kleindienst on either Monday, June 19th, or Tuesday, June 20th. I recall that before this meeting I had been asked by Ehrlichman to talk with Kleindienst about the scope of the investigation.

When I went to Kleindienst's office I found him totally dismayed and angered that such a stupid thing could occur. He then told me that over the previous week-end, while at the Burning Tree country club, Liddy—accompanied by Mr. Powell Moore—had sought him out. He said he was incredulous when Liddy stated that John Mitchell had instructed him (Liddy) to tell Kleindienst to get the men who had been arrested out of jail. He told



me that Liddy was rattled and upset and wanted to talk about the entire matter, but Kleindienst told me that he cut Liddy off and told him he would not talk with him.

I told Mr. Kleindienst that I did not have all the facts, but I was very concerned that this matter could lead directly to the President. I told him that I did not know if the President was involved, but I was concerned. I remember Kleindienst saying to me that he certainly hoped that the President was not involved or that I was not involved in this and I responded that I certainly had not been involved in any criminal activity.

I told Kleindienst, without giving him specifics, that I did not know what would happen if the investigation led into the White House, but that I suspected that the chances of re-electing the President would be severely damaged. Kleindienst called Henry Peterson and asked Peterson to come to his office. While we were waiting for Peterson, Kleindienst told me that my superiors at the White House never understood that once an investigation begins, it runs its full course. He said that he was always being asked to take care of this matter or that matter, as if by magic he could make something unpleasant go away. I said I was well aware of that attitude and that I had never been able to get through to anyone at the White House that things just didn't work that way.

When Peterson arrived at Kleindienst's office he gave a status report of the investigation. Kleindienst then related my concern to Peterson. Peterson was troubled by the case and the implications of it. Kleindienst had another meeting, so Peterson and I went into Mr. Kleindienst's back office and talked further. To the best of my collection, we did not discuss specifics, rather it was a general discussion. I

told him I didn't think the White House could withstand a wide open investigation . . .

I do not recall ever reporting this meeting to Ehrlichman, because he had a somewhat strained relationship with Kleindienst and I thought he would raise havoc that I did not have an assurance from Kleindienst that he would take care of everything. I did report, however, that I felt Peterson would handle the matter fairly and not pursue a wide open inquiry into everything the White House had been doing for four years. I made this statement not because of anything Peterson specifically said, as much as the impression he gave me that he realized the problems a wide open investigation of the White House might create in an election year.

Returning now to the contents of Mr. Hunt's safe, it was midmorning on Tuesday, June 20th, when the GSA men brought several cartons to my office, which contained the contents of Hunt's safe. I had learned earlier that morning from Fielding that the boxes had been secured in Kerhli's office overnight. Fielding also reported that they had found a hand gun in the safe, which Kerhli had disengaged, a large briefcase containing electronic equipment, and a number of documents, some of which were classified.\*

Going through the cartons of Hunt's materials, I remember looking in the brief case, which contained electronic equipment. I frankly do not know what it was. It contained loose wires, Chap Sticks with wires coming out of them and instruction sheets for walkie-talkies. We then began sorting the documents. The bulk of the papers were classified cables from the State Department relating to the early years of the war in Viet Nam. These were separated out from the rest of the papers. The other papers I assumed related to Hunt's work at the White House . . .

Among the papers . . . were numer-

\* CASSETTE 12A, AT 8'S;  
PARTIAL TRANSCRIPTION  
DATE FILE 30 JUN

ous memoranda to Chuck Colson regarding Hunt's assessment of the plumbers unit operation and critical of Mr. Krogh's handling of matters, a number of materials relating to Mr. Daniel Ellsberg, such as news clippings and a psychological study of Ellsberg which apparently had been prepared by someone who had never actually met or talked with Ellsberg; a bogus cable, that is other cables spliced together into one cable, regarding the involvement of persons in the Kennedy administration in the fall of Diem regime in Vietnam; a memorandum regarding some discussion about the bogus cable with Colson and William Lambert (then a Life magazine reporter); some materials relating to an investigation Hunt had conducted for Colson at Chappaquiddick; some materials relating to the Pentagon Papers and a paperback book containing the published Pentagon Papers.

Upon examining the contents of Hunt's safe, I recall that Fielding and I discussed our concern about the public impact some of these documents might have if they became public, particularly in an election year. I requested that Fielding remove the politically sensitive documents from the others, which he did. The classified State Department cables were too bulky for my own safe, so I called David Young and requested that he store them for me in his office . . .

The large briefcase was stored in a locked closet in my office suite, and the politically sensitive documents and Hunt's personal papers were placed in a safe in my office. The remaining materials were left in the cartons on the floor in my office.

I subsequently met with Ehrlichman to inform him of the contents of Hunt's safe. I gave him a description of the electronic equipment and told him about the bogus cable, the materials relating to Ellsberg and the other politically sensitive documents. I remember well his instructions: He told me to shred the documents and "deep six" the briefcase. I asked him what he meant by "deep six". He leaned back in his chair and said: "You drive across the river on your way home at night—don't you?" I said Yes. He said, "Well, when you cross over the bridge on your way home, just toss the briefcase into the river."

I felt very much on the spot, so I told him in a joking manner that I would bring the materials over to him and he could take care of them because he also crossed the river on his way home at night. He said no thank you, and I left his office and returned to my office.

After leaving Ehrlichman's office I thought about what he had told me to do and was very troubled. I raised it with Fielding and he shared my feelings that this would be an incredible action to destroy potential evidence. I think Mr. Fielding appreciated my quandry—when Ehrlichman said do something, he expected it to be done. I decided to think it over. I did take the briefcase out of my office because the closet that it was being stored in was used by the secretaries in the office and I did not have an available safe to hold the large briefcase. I was also giving serious consideration to Ehrlichman's instructions. Accordingly, I placed the briefcase in the trunk of my car, where it remained until I returned it to the office after I had reached a decision that I could not follow Ehrlichman's instructions . . . \*

#### COLSON FBI INTERVIEW

To the best of my recollection it was on June 20th or 21st that Colson told me in a casual conversation in the hall outside his office about an incident that he thought was painfully humorous. He told me that a member of his staff, Mr. Douglas Hallett, had an of-

fice in the same suite with Hunt, and Hallett was talking with a wire service reporter while Hunt was in the other office. Colson said to me something to the effect: "Can you believe what a story that reporter might have had if Hunt had come walking out of his office while Hallett was being interviewed?" Colson gave me the impression that this incident had occurred on June 17th or June 19th, but I do not recall which. However, I do recall Colson telling me that it had occurred, as Colson was very concerned about his relationship with Hunt.

To the best of my recollection the FBI contacted me during the morning of June 22nd and requested an interview with Colson. I so informed Colson, and an interview was arranged for that day. Colson said that he wanted me present when he was interviewed . . .

I believe the committee has access to Mr. Colson's FBI interview, which was rather brief. Colson imparted very little information to them. I did not interject myself into the interview at any time. But did make some rough notes of items covered. In fact, I believe this was the only interview where I made any notes at all. I made these notes because Colson had expressed his concern before the interview regarding someone later being able to attest to his story . . .

The Colson interview formed the general pattern that was followed with other members of the White House staff, that is I would discuss with the person before the interview what I thought the agents would be interested in and then discuss that person's area of knowledge. I had reviewed this procedure with Ehrlichman, who fully concurred in the procedure . . . contrary to some accounts that I sat in on some 14 to 18 interviews at the White House, the only interviews I recall sitting in on were Chapin's, Miss (Kathy) Chenow's (secretary to David Young), Colson's, Ehrlichman's, Miss Joan Hall's, Strachan's, Timmons' and Young's.

The only FBI interview that differed from the normal pattern was the interview of Miss Chenow. It was in late June that Miss Chenow's former roommate notified David Young and I believe also Bud Krogh that the FBI had been to see her and requested to know where Miss Chenow was.

Her roommate had informed the FBI that Miss Chenow was in London on vacation.

David Young came to see Fielding and I and said that this girl could not know anything about the Watergate, but could cause the White House problems by inadvertently answering questions about the Plumbers' operation

\* CASSETTE 12A, AT 6'S  
P. A10, COL 2

where she had been employed and that the telephone had been listed in her name in connection with the Plumbers' operation . . .

I discussed the problem that Chenow could cause the White House with Ehrlichman and suggested that someone bring her back from London for the interview and explain to her that she should not get into Hunt's and Liddy's activities while at the White House. Ehrlichman fully agreed and I called Fielding from Ehrlichman's office and told him he should be on the next plane to London to get the girl. The two first-class round-trip tickets were paid for by the White House. There were two sets because Miss Chenow was provided transportation back to London. I informed Kehrli, who would not authorize such a trip on his word alone, that I had cleared this with Ehrlichman. I do not know if



Kehrli himself checked with Ehrlichman or Haldeman. I believe it was on July 2nd that Fielding left for London and returned with Miss Chenow the next day.

Fielding and Young briefed Miss Chenow when she came back before her interview, and Fielding and I were present when the FBI interviewed her.

#### FIRST MEETINGS WITH MR. GRAY REGARDING THE INVESTIGATION

I believe that it was on June 21st that I first met with (then Acting FBI Director) Gray in his office in the late morning regarding the FBI's investigation. At that meeting he told me he fully realized the sensitive nature of the investigation they were pursuing and that he had placed his most trusted senior people in charge of the investigation. I told Gray that I had been asked to be kept informed about the investigation.

Mr. Gray told me that he had been visiting a number of regional offices and would be doing so in the future. Thus, if I needed any information I should call Mr. Mark Felt in his absence. I might note at this point that indeed Gray was frequently absent from the city during the course of the investigation and this irritated Ehrlichman greatly when he asked me to get information from Gray and Gray was out of the city. On several occasions, in fact, Ehrlichman instructed me to tell Gray to return to the city and mind the store. I passed this message to Gray, but I cannot recall when or what prompted Ehrlichman to have me do so at this time . . .

To the best of my recollection, it was during this June 21st meeting with Gray that he informed me that the FBI had uncovered a number of major banking transactions that had transpired in the account of one of the arrested Cubans—Mr. Barker. He informed me that they had traced a \$25,000 check to a Mr. Kenneth Dahlberg and four checks totalling \$89,000 to a bank in Mexico City.

I do not recall whether I first learned about the Dahlberg check from Gray or whether I learned about it in a meeting in Mitchell's office by reason of the fact that the FBI was trying to contact Mr. Dahlberg about the matter and Dahlberg had called Mr. Stans. At any rate, the fact that the FBI was investigating these matters was of utmost concern to Mr. Stans when he learned of it. Stans was concerned about the Dahlberg check, I was informed, because it was in fact a contribution from Mr. Dwayne Andreas whom I did not know, but I was told was a long time backer of Senator Hubert Humphrey. Neither Stans nor Mitchell wanted Mr. Andreas to be embarrassed by disclosure of the contribution.

Mr. Stans also explained that he had checked with Sloan to find out how this money had ended up in Mr. Laker's bank account and Sloan reported that he had given the checks to Liddy and requested that he cash them. He said he had no idea how Liddy had cashed them, but surmised that he had obviously used Barker to cash them. I was also told—and I do not recall who told me this—that this money had absolutely nothing to do with the Watergate; it was unrelated and it was merely a coincidence of fact that Liddy had used Barker to cash the checks and Liddy had returned the money to Sloan. I was told that the investigation of this matter which appeared to be connected with Watergate but wasn't, was unfounded and would merely result in an unnecessary embarrassment to the contributors.

Accordingly, Mitchell and Stans both asked me to see if there was anything the White House could do to prevent this unnecessary embarrassment. I, in turn, related these facts to both Halderman and Ehrlichman. On June 22nd, at the request of Ehrlichman and Haldeman I went to see Mr. Gray at his office in the early evening to discuss the Dahlberg and Mexican checks and determine how the FBI was proceeding with these matters. Mr. Gray told me that they were pursuing it by seeking to interview the persons who had drawn the checks.

It was during my meeting with Gray on June 22nd that we also talked about his theories of the case as it was beginning to unfold. I remember well that he drew a diagram for me showing his theories. At that time Mr. Gray had the following theories: it was a set up job by a double agent; it was a CIA operation because of the number of former CIA people involved; or it was someone in the re-election committee who was responsible.

Before the meeting ended, I recall that Gray and I again had a brief discussion of the problems of an investigation in the White House. Gray expressed his awareness of the potential problems of such an investigation and also told me that if I needed any information I should call either Mr. Mark Felt or himself. Gray also informed me that he was going to meet with the CIA to discuss their possible involvement and he would let me know the outcome of that meeting. . .

Within the first days of my involvement in the cover-up, a pattern had developed where I was carrying messages from Mitchell, Stans and Mardian to Ehrlichman and Haldeman — and vice versa — about how each quarter was handling the cover-up and relevant information as to what was occurring. I was also reporting to them all the information I was receiving about

See TEXT, A10, Col. 1

#### TEXT, from A9

the case from the Justice Department and the FBI. I checked with Haldeman and Ehrlichman before I did anything. . .

In addition to the conversations that I was having with Gray regarding the status of the investigation, I was continually being asked by Mardian if I had seen the FBI reports on the investigation. I indicated that no, I had not. Mitchell also thought it might be helpful if I saw the FBI reports. As the demands increased for this information, I raised the matter with Ehrlichman and Haldeman and they both thought that I should indeed see the FBI reports. I first raised this with Peterson, who suggested I deal directly with Gray.

To the best of my recollection it was in early July when I called Gray to discuss the matter. Gray indicated that he was going to be in his office on Saturday and that I should come to his office and take a look at the reports in his office. I told him that I thought it was unwise for me to be coming in and out of the Justice Department, particularly since most of the guards and people at the Justice Department knew me. Accordingly, we arranged to meet later at his apartment and he said that he would discuss the matter with me. I recall we took a stroll to the side of his apartment building and sat on a bench in front of the river and talked generally about the case and I raised with him my receiving some of the raw FBI data regarding the investigation. Gray said that he would have to check but wanted an assurance from me that this information was being reported to the President and that was the principal purpose of the request.

I assured him that it was being reported to the President. Even though I was not directly reporting to the President at that time, I was aware of the fact that Ehrlichman or Haldeman had daily discussions with the President, and I felt certain, because Haldeman often made notes, about the information I was bringing to their attention, that this information was being given to the President.

I do not recall when I received the first written information from the FBI but I believe it was after the 21st of July when I received a summary report that had been prepared on the investigation to that stage. It was after I showed a copy of the July 21st report to Mr. Mitchell that Mardian insisted that he be permitted to see the FBI reports. Mitchell agreed, and thought that (re-election committee lawyers) Paul O'Brien and Ken Parkinson should also see them.

I recall that when Mardian, O'Brien and Parkinson finally came to my office to look at the reports, they realized that they were not very meaningful. It was Mr. Mardian, however, who became very excited because of the scope of the investigation that Gray was conducting and the tone of the cables he was sending out of headquarters. Mardian clearly thought that Gray was being too vigorous in his investigation of the case and was quite critical of Gray's handling of the entire matter. He demanded that I tell Gray to slow down, but I never did so.

I do not recall ever finding anything in the FBI reports which I scanned, that was worth reporting to Ehrlichman and Haldeman and so I never read all of the reports that were sent to me. The FBI files containing the reports never left my office, nor were they shown to anyone in the White House other than Dick Moore when Mr. Moore had been instructed to prepare a report on the Segretti incident by Ehrlichman. I never showed the reports to any of the persons who were interviewed by the FBI after their interviews.

#### FIRST DEALINGS WITH THE CIA

It was during the meeting in Mitchell's office on June 23rd or 24th that Mardian first raised the proposition that the CIA could take care of this entire matter if they wished, in that they had funds and covert procedures for distributing funds. I was personally unaware of the workings of the CIA, but Mardian and Mitchell appeared knowledgeable. As a result of this conversation, which was prompted by my reporting that Gray thought the CIA might be involved Mitchell suggested I explore with Ehrlichman and Haldeman having the White House contact the CIA for assistance. It was also argued that the individuals involved in the Watergate incident, as former CIA operatives, might compromise the CIA in some manner, and the CIA should be interested in assisting.

On Monday morning, June 26th, I spoke with Ehrlichman regarding this suggestion. He thought it was a good idea and worth exploring. He told me to call the CIA and explore it with them. I told him that I had never dealt with anyone at the CIA and did not know (CIA) Director (Richard) Helms. He told me that I should not call Mr. Helms, rather General Walters. I told him I did not know General Walters either. He then told me that he and Haldeman had had a little chat—as he called it—with Mr. Helms and General Walters a few days earlier about their dealings with the FBI in relationship to the investigation. He was not specific. He then told me that I should deal with General Walters because he was a good friend of the White House and the White House had put him in the deputy director position so they

could have some influence over the agency. He told me that I should tell General Walters that I was calling because he (Ehrlichman) had requested that I follow up on the earlier meeting they had and if there were any problems General Walters should call him.

(Walters) seemed somewhat surprised and uncertain about my call, so I told him that he might like to check with Mr. Ehrlichman. He said he would get back to me and he later called me back to set up a meeting to visit me about noon that day.

When General Walters came to my office I told him again that I was meeting with him at Ehrlichman's request. I made some general comments about the Watergate case. It was from my discussion with Walters that I became aware of the fact that Ehrlichman and Haldeman had discussed the Dahlberg and Mexican money. We then discussed the fact that some of the leads that the FBI were pursuing were, to my understanding, unrelated to the Watergate but could result in persons,

totally uninvolved, being embarrassed. I also told him that I understood the FBI had developed three possible theories of the case, which I explained and then asked if, in fact, any of the men arrested were persons that were working for the CIA. General Walters assured me that they were not. I then told him that I had been asked to explore every possible means of dealing with this rather embarrassing and troublesome situation, because some of the men involved were looking for assistance.

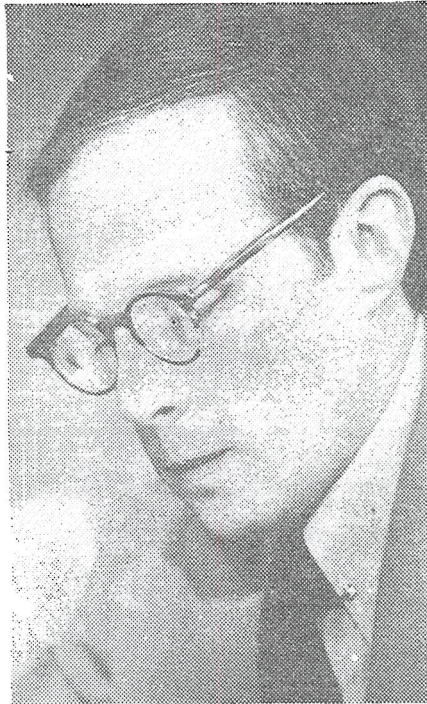
I asked him if there was any possible way the CIA could be of assistance in providing support for the individuals involved. General Walters told me that while it could, of course, be done, he told me that he knew the Director's feelings about such a matter and the Director would only do it on a direct order from the President. He then went on to say that to do anything to compound the situation would be most unwise and that to involve the CIA would only compound the problem because it would require that the President become directly involved . . .

Subsequent to my meeting with General Walters, I reported back to Ehrlichman that Walters had informed me that any involvement by the CIA in this matter was impossible. I recall that when I reported this to Ehrlichman, he very cynically said, "Very interesting."

He told me that I should talk with General Walters further and push him a little harder to see if the CIA couldn't help out, particularly with regard to the unnecessary pursuit of investigative leads. I also recall Ehrlichman saying something to the effect that General Walters seems to have forgotten how he got where he is today . . .

On the morning of June 28th I arranged again to meet with General Walters. I was embarrassed about requesting the meeting because he had been most explicit and convincing to me at the first meeting . . .

He expressed sympathy over the situation, but said there was nothing his agency could do . . . I then asked him if he had any ideas at all and he said



that it might be possible to explain the matter as an anti-Castro activity. We had some general discussion of this, but nothing concrete emerged from the discussion. Before Walters departed I assured him that I agreed that I would be most unwise to involve the CIA, and thanked him — almost apologetically — for coming by again. At no time did I push him as I had been instructed . . .

I subsequently informed Ehrlichman and Haldeman that unless the President directly ordered the CIA to provide support for those involved and that the CIA was not going to get involved. I told them I agreed with Walters that this would be a terrible mistake and they both told me they agreed.

#### TRANSMITTING THE MATERIALS IN MR. HUNT'S SAFE TO THE FBI

I would now like to explain the transmitting of the materials in Hunt's safe to the FBI. As I noted earlier, shortly after the FBI interview on June 22nd of Colson, and my later instructions from Ehrlichman to "deep six" the brief case and shred documents, I had informed the FBI that I would forward the material found in Hunt's office. After weighing the implications of Ehrlichman's instructions to destroy the items I decided that I would not engage in any such activity myself or be pushed into it. Accordingly I asked David Young to return the State Department cable to my office. I had already returned the brief case from my car trunk to my office.

On the 25th or 26th of June I explained to Ehrlichman that I thought that the men who had drilled the safe had probably seen the brief case, that the Secret Service agent who was present had probably seen some of the material; that Kerhli and Fielding had seen it — and what would happen when all those people were later asked by the FBI about the contents of the safe.

I said I felt we must turn over the material to the FBI. With regard to the sensitive documents, I suggested that they be given directly to Gray. I told Ehrlichman that, if ever asked under oath, I had to be able to testify that to the best of my knowledge everything found in the safe had been turned over to the FBI.

The FBI agents came to my office, I believe on the 26th or 27th of June. I gave them one box, which had been packed and told them that as soon as the other material was packed I would get it to them . . .

I spoke with Ehrlichman on the 28th and informed him the material had been sent to the FBI with the exception of the politically sensitive documents. He told me he was meeting later that day with Gray and I should bring them over at that time.

I went to Ehrlichman's office just before Mr. Gray arrived. I placed the envelopes on the coffee table in his office. When Gray arrived Ehrlichman told him that we had some material for him that had come from Hunt's safe. Ehrlichman described it as politi-

cally sensitive, but not related to the Watergate case.

I told Gray that Fielding and I had gone through Hunt's documents and had turned over all the materials to the agents except the documents in these two envelopes. I said we did not believe they related to the Watergate in any way, but should they leak out they would be political dynamite in an election year. I believe at that point Gray placed the two envelopes in his briefcase. At no time while I was present with Gray and Ehrlichman was he instructed by myself or Ehrlichman to destroy the documents. Rather, he was merely told that they must never be leaked or made public. I departed and returned to my office.

The next time the fact of giving these documents to Gray came up was shortly before the criminal Watergate trial in January of this year. Fielding, Kerhli and I were being interviewed by the prosecutors regarding the handling of the materials in Hunt's safe to establish the evidentiary chain. At one point in the interview, I asked Henry Peterson, who was present with Mr. Earl Silbert, if I could speak with him privately. At that time I felt I had to tell Peterson that not all the materials from Hunt's safe had gone directly to the agents, rather that two envelopes of material, the contents of which I could not itemize any better than I can now, had been given directly to Gray.

I told Petersen that if I were to testify I would have to reveal this fact. Mr. Petersen suggested that the interview be terminated, which it was, and that they would get back to me and we could complete it on another day.

I recall that shortly after this meeting in Petersen's office, where I disclosed these facts to Petersen, I talked with Gray at a Department of Justice luncheon. After the luncheon he came up to me and told me that I must "hang tight" on not disclosing his receipt of the documents. He also informed me that he had destroyed the documents. I told Ehrlichman about this shortly after Gray told me he had destroyed the documents, and when Ehrlichman called me just before the President selected Gray as his nominee for director of the FBI, Ehrlichman asked me if I had any problems with Gray and I reminded him of the destruction of the documents. He indicated that was not a problem.

It was after I commenced my informal interviews with the Watergate prosecutors in early April of this year that this subject arose again. I repeated my story, as I have to this committee. They later informed me that Gray denied having ever received such documents.

This was the first issue of fact that arose in my discussions with the prosecutors, so my attorney requested that I take a polygraph test, which I did. Subsequently, as is now public knowledge, and not to my surprise because I believe that Gray is both an honorable and truthful man, he has admitted that he had received and destroyed the documents.

## MR. KALMBACH AND SILENCE MONEY

I would now like to turn back again to the end of June, 1972. After my meetings with General Walters and subsequent meeting with Haldeman and Ehrlichman, I informed Mitchell that there could be no CIA assistance. To the best of my recollection, this occurred on the afternoon of June 28th, in a meeting in Mr. Mitchell's office and I believe that Mr. Larue and Mr. Mardian were also present. There was a discussion of the need for support money in exchange for the silence for the men in jail and if the CIA could not do it they would have to find money somewhere else. Mr. Larue indicated that Mr. Stans had only a small amount of cash. I believe he said \$70,000 or \$80,000, but more would be needed.

After some discussion which I cannot recall with any specificity at this time, Mitchell asked me to get the approval of Haldeman and Ehrlichman to use Mr. Herb Kalmbach (then President Nixon's personal lawyer) to raise the necessary money. Before I departed the meeting I remember that Mr. Mitchell, in an aside for my ears only, told me that the White House, in particular Ehrlichman, should be very interested and anxious to accommodate the needs of these men.

He was referring to activities that they had conducted in the past that related to the White House, such as the Ellsberg break-in.

I conveyed this request to Haldeman and Ehrlichman and they told me to proceed to contact Mr. Kalmbach. I called Kalmbach on June 28th, and told him that Haldeman, Ehrlichman and Mitchell had requested that he come back to Washington as quickly as possible. He told me he would take the next flight he could get.

I met Mr. Kalmbach at the Mayflower Hotel on the 29th of June. We first met in the coffee shop, but could not find sufficient privacy to talk, so we went to his room. I had always been very open in my dealings with Mr. Kalmbach, and I knew that he had stated, after he completed his fund raising activities prior to April 7, 1972, that he did not wish to engage in any further fund raising activities, so I told him everything I knew about the case at that time, including my concern that it might involve the President himself, but I did not know that for a fact. I also told him that Haldeman, Ehrlichman, and Mitchell felt it was very important that he raise the money. I told him that per Mitchell's instructions he should contact Fred La Rue as to the amounts needed and the timing.

I knew that Kalmbach was not happy with this assignment, and said he was undertaking it only because Mitchell, Haldeman and Ehrlichman had so requested. I do not know if Mr. Kalmbach discussed this with any of these persons, but given the nature of the request, I did not expect him to take it on my word alone. I had ever before requested that Kalmbach raise money or had I ever before passed on to him any such instructions.

Subsequent to our meeting, Kalmbach informed me he was departing to raise the money, but he wanted Tony Ulasewicz to handle any deliveries because Mr. Ulasewicz was the only man he would trust. He said that he did not have his telephone number and re-

quested that I call Jack Caulfield and request that Mr. Ulasewicz call him in California. I called Caulfield and made the request, but I did not tell Caulfield the reason Kalmbach wanted to have Mr. Ulasewicz call.

Within a week or so, Kalmbach returned to Washington and requested that I meet him in Lafayette Park, which I did. He said that I could report to Haldeman and Ehrlichman that he had raised the money and in fact he said he had it in his briefcase. To the best of my recollection he told me he was en route to meet Mr. Ulasewicz, but wanted me to know the job was done.

Following that meeting and several days later as I recall, he called me and said that he had asked Fred La Rue to come to my office to give him the details of who was to get how much. I recall that such a meeting did occur in my office, but I was on and off the telephone while La Rue and Kalmbach were going over the figures and I have absolutely no recollection of the details of their discussion. I know that La Rue had the figures on a sheet of paper and Kalmbach wrote them down in his own code on a small piece of paper which he placed in his wallet. I have no further knowledge of how or when or to whom delivery was made. Mr. Kalmbach merely told me later that it had been done and I passed this on to Ehrlichman and Haldeman.

### DISCUSSION OF MITCHELL AND MAGRUDER REMAINING AT THE RE-ELECTION COMMITTEE

I had frequent discussions with Ehrlichman and Haldeman, in which I would report back to them on information they had requested or report information I had received. It was sometime during the last ten days of June that I recall a meeting in Haldeman's office in which they asked me for my recommendation regarding removing Mitchell and Magruder from the re-election committee.

This discussion preceded my contacting Kalmbach. At that time I repeated my knowledge of the meetings which had occurred in Mitchell's office in January and February when Liddy was presenting his proposal.

The next time I heard anything about this subject was when it was publicly announced that Mr. Mitchell was resigning. I was somewhat startled that Magruder was remaining. It was clear that Magruder was the only link back to the White House, and Magruder might not stand up if indicted.

I recall Haldeman asking me if I thought Magruder would stand up if indicted and I said no. I have always assumed it was a presidential decision to keep Magruder on at the re-election committee. Following the decision, Ehrlichman and Haldeman indicated a greatly increased interest in Magruder's problems. They were aware of the strategy to stop the involvement at Liddy, because I reported to them on the story that Magruder would tell, that is, that he did not know what Liddy was doing. They frequently asked me how Magruder was doing in relationship to the FBI and grand jury investigation. I also had calls from Mr. Larry Higby (a Haldeman assistant) as to Magruder's status.

I do not know when I first learned of Magruder's proposed testimony. (at the first Watergate trial). But I do know that it had already been formulated when I first heard about it. I informed Haldeman and Ehrlichman of the story. We discussed it and no one was sure it would hold up. This discussion did occur before Mitchell resigned. We, of course, knew that it was a fabricated story.

When I later learned that Mr. Porter would corroborate Mr. Magruder's testimony, I informed Haldeman and Ehrlichman of that. I had never heard Mr. Magruder's story in full detail until just before his grand jury appearance, in mid August, 1972 when he asked me if I would be a devil's advocate and question him before he went before the grand jury. Magruder came to my office, as I recall, the day before his second appearance before the grand jury. . . .

I spent about an hour or more questioning him. Shortly after I had this session with Magruder, Higby called me to tell me that Magruder had been to see him, to let Haldeman know he was ready.

Following Magruder's appearance before the grand jury I received a call from Higby requesting information for Haldeman as to how Magruder had done before the grand jury. I subsequently called Mr. Peterson, who said he would find out and call me back. (Assistant Attorney General) Peterson called back and said he had made it through by the skin of his teeth. I called Haldeman and so informed him, and subsequently informed Mitchell and Magruder. I recall that Haldeman was very pleased, because this meant that the investigation would not go beyond Liddy.

In early September Paul O'Brien came to my office and informed me that there was an outstanding subpoena for Magruder's diary. O'Brien said that Magruder's diary reflected the meetings in Mitchell's office in January and February with Liddy, Magruder, Dean and Mitchell. O'Brien also informed me that there had been discussion of destroying or altering the diary, but he did not think much of that. I agreed that to alter it would be impossible because it would be discovered by the FBI laboratory.

It was after the matter of Magruder's diary being subpoenaed and Magruder again being recalled to the grand jury that Mitchell requested that I meet with him and Magruder to discuss how Mr. Magruder should handle this matter before the grand jury. During the meeting at which this was discussed, I told Mitchell and Magruder that I had no idea what they had discussed before I arrived late at the second meeting in February. I said I recalled there was some reference to the election laws at the first meeting and Magruder could explain my presence with Liddy at the meetings by reason of the election laws. Magruder liked this idea and said that was how he would handle it. I later learned that Magruder testified that one of the meetings had been cancelled, and the meeting that did occur was to introduce Liddy to Mitchell and had dealt with election law problems. I assumed

that these refinements to the story were added by Magruder because they were not discussed at the meeting with Mitchell.

### APPEARANCES OF WHITE HOUSE PERSONNEL BEFORE THE GRAND JURY

I shall now turn from the matter of Magruder's appearances before the grand jury to the appearances of members of the White House staff before the grand jury.

The handling of the appearances of the White House staff before the grand jury was very similar to the procedure that had been followed with regard to their interviews by the FBI. By that I mean either Mr. Fielding or myself would discuss with the individual before he went to the grand jury the likely questions he would be asked, the unrelated areas that we didn't feel it was necessary for the individual to get into.

that these were decisions for the Department of Justice and the police . . .

My own desires were sometimes superseded when Mr. Haldeman or Mr. Ehrlichman did not like the way a particular demonstration was being handled. Sometimes they so instructed me to inform the Justice Department or (D.C. Police) Chief (Jerry) Wilson, and sometimes Mr. Ehrlichman would so inform justice or the chief himself.

As soon as a potential demonstration was in the wind, I began receiving calls from Mr. Larry Higby, Mr. Haldeman's principal staff assistant, requesting intelligence reports. . . . I became directly and personally aware of the President's own interest in my reports regarding demonstrations when he called me during a demonstration of the Viet Nam Veterans Against the War on the Mall in front of the Capitol. This was the occasion in May, 1971 (I believe that is the date), when the government first sought to enjoin the demonstration and later backed down. The President called me for a first hand report during the demonstration and expressed his concern that I keep him abreast of what was occurring. Accordingly, we prepared hourly status reports and sent them to the president.

I was made aware of the President's strong feelings about even the smallest of demonstrations during the late winter of 1971, when the President happened to look out the windows of the White House and saw a lone man with a large 10-foot sign stretched out in front of Lafayette Park. Mr. Higby called me to his office to tell me of the President's displeasure with the sign in the park and told me that Mr. Haldeman said the sign had to come down.

When I came out of Mr. Higby's office, I ran into Mr. Dwight Chapin who said that he was going to get some "thugs" to remove that man from Lafayette Park. He said it would take him a few hours to get them, but they could do the job. I told him I didn't believe that was necessary. I then called the Secret Service and met with Mr. Louis Sims. Mr. Sims said that he felt the Park police could work it out. . . . Within 30 minutes the man had been convinced that he should move to the backside of Lafayette Park. There the sign was out of sight from the White House. I reported back to Mr. Haldeman and after a personal look-see—he was delighted. I told Mr. Chapin he could call off the troops. . . .

In early February of 1972, I learned that any means—legal or illegal—were authorized by Mr. Haldeman to deal with demonstrators when the President was travelling or appearing some place. I would like to add that when I learned of the illegal means that were being employed, I advised that such tactics not be employed in the future and if demonstrations occurred—they occurred.

I stated earlier that there was a continuing dissatisfaction with the available intelligence reports. The most frequent critic was Mr. Haldeman, but the President himself discussed this with me in early March of this year, as a part of the planned counter offensive for dealing with the Senate Watergate investigation. The President wanted to show that his opponents had employed demonstrators against him during his re-election campaign. However, with each demonstration that the President was confronted with, and each incident that occurred during the campaign, my office had sought to determine if it had in fact been instigated by political opponents of the President—Sen. McGovern, the Demo-

cratic Party or whomever. We never found a scintilla of viable evidence indicating that these demonstrators were part of a master plan; nor that they were funded by the democratic political funds; nor that they had any direct connection with the McGovern campaign. This was explained to Mr. Haldeman, but the President believed that the opposite was, in fact, true.

#### CONCERN ABOUT LEAKS

I believe that most anyone who worked at the White House during the past four years can attest to the concern that prevailed regarding leaks—any and all leaks. This was a matter of frequent discussions amongst staff members and in some instances leaks were investigated by Haldeman's office or Ehrlichman's . . .

I began to understand the high degree of concern after I got to know Mr. Jack Caulfield, who had been assigned to my staff. I would guess that I had been at the White House almost a year before Caulfield told me that he had been directed by Ehrlichman to

wiretap a newsman's telephone in pursuit of a leak. Mr. Caulfield told me that the wiretap was on for only a short period of time because he believed the FBI had taken over. He told me that he had been directed to perform the wiretap when Mr. Hoover was unwilling, but Mr. Ehrlichman wished to proceed.

The wiretap was undertaken, as I recall, in late 1969 or early 1970. Caulfield told me that it was performed by Mr. (Anthony) Ulasewicz, Mr. John Regan and himself. He later repeated the story to me telling me that it had been a rather harrowing experience when he was holding the ladder in a back alley of Georgetown while also trying to keep a look out as another member of the group was working at the top of the ladder. He also told me that he received what he referred to as the "pair numbers" from Mr. John Davies, who was then on the White House staff, but who had previously been employed or had an association with the telephone company before joining the White House staff . . .

I believe Caulfield told me it was Joseph Kraft's telephone they tapped.

While there was an always present concern about leaks, that concern took a quantum jump when The New York Times began publishing the Pentagon Papers in June of 1971. . . . To the best of my recollection—I have been unable to get confirmation through the White House records—it was late June or early July that Jack Caulfield came to me to tell me that former President Assistant Charles Colson had called him in, at Ehrlichman's direction, and instructed him to burglarize the Brookings Institute in an effort to determine if they had certain leaked documents.

What prompted Mr. Caulfield to come to me was that he thought the matter was most unwise and that his instructions from Colson were insane. He informed me that Mr. Ulasewicz had "cased" the Brookings Institute and that Ulasewicz had made a friendly contact with one of the security men in the building, but the security system at the Brookings building was extremely tight and it would be very difficult to break in. Caulfield told me that he had so informed Colson.

But Colson had instructed him to pursue the matter and if necessary he should plant a fire bomb in the building and retrieve the documents during the commotion that would ensue. Mr. Caulfield said Colson's entire argument for burglarizing the Brookings was based on a publication he had obtained indicating that the Brookings was planning for the fall (1971) a study of Viet Nam based on documents of a current

nature, and a former consultant to the NSC worked there.

Caulfield convinced me that Colson was intent on proceeding, by one means or another, so I advised Caulfield that he should do nothing further. That I would immediately fly to California and tell Ehrlichman that this entire thing was insane. I flew to California on a military aircraft courier flight that was going to San Clemente. I sat with Mr. Robert Mardian on the flight, who told me he was going to see the President about a highly important matter that he could not discuss with me—a matter which I will refer to later.

When I arrived in California I arranged to see Ehrlichman and told him that the burglary of Brookings was insane—and, to persuade him, probably impossible. He said O.K. and he called Mr. Colson to call it off, and I called Mr. Caulfield to tell him it was called off.

It was not until almost a year or more that I learned the reason for Mardian's trip to see the President. Mr. Mardian later told me, in a social conversation, that he had gone to see the President to get instructions regarding the disposition of wiretap logs that related to newsmen and White House staffers who were suspected of leaking. These logs had been in possession of Mr. William Sullivan, an assistant director of the FBI, and were, per Mr. Mardian's instructions from the President, given to Ehrlichman.

I had occasion to raise a question about these logs with Ehrlichman during the fall of 1972, and he flatly denied to me that he had the logs. I did not tell him at that time. I had been told he had them. About February 22nd or 23rd of this year, Time Magazine notified the White House it was going to print a story that the White House had undertaken wiretaps of newsmen and White House staff and requested a response . . .

(FBI official) Sullivan explained to

me that all but one set of the logs had been destroyed and all the internal FBI records relating to the wiretaps except one set, had been destroyed and all the material had been delivered to Mr. Mardian . . .

I then called Mr. Ehrlichman and told him about the forthcoming story in Time magazine . . . I also told him I knew he had the logs because Mr. Mardian had told me. This time he admitted they were in his safe. I asked him how Mr. (Presidential Press Secretary Ron) Ziegler should handle it. He said Mr. Ziegler should flatly deny it—period. I thanked him, called Mr. Ziegler and so advised him.

Turning now to the so-called "plumbers" unit that was created to deal with leaks. The first I heard of the plumbers unit was in late July of 1971 . . .

I stumbled into it unknowingly when Mr. Egil Krogh happened to mention it to me. I was not involved in its establishment; I only know that Mr. Krogh and Mr. David Young were running it under Ehrlichman's direction. Shortly after Krogh told me about his unit, he told me that they were operating out of a super secured location in the basement of the executive office building. He invited me down to see the unit, which I did and he showed me the sensor security system and scrambler phone.

I never discussed with Krogh or Young what they were doing or how they were doing it. It was through Jack Caulfield that I learned that Mr. Gordon Liddy was working with Mr. Krogh. I did not know Liddy personally, although I may have met him. All I knew about Mr. Liddy was that Mr.

Caulfield had told me that Mr. Gene Rossides of the Treasury Department and Liddy had a falling out and Krogh waded into the middle of the dispute by hiring Liddy and bringing him into the White House.

I did not realize that Mr. Howard Hunt worked—most of his time while at the White House—in the plumbers unit until after June 17, 1972. I had seen Hunt on many occasions in Colson's office, and finally asked Colson who he was. He told me that he was doing some consultant work for him and then introduced me. That was the only time I ever talked with Mr. Hunt.

I am not aware of what success the plumbers unit had in dealing with leaks. I recall on one occasion after Jack Anderson printed the documents from an NSC meeting, asking Bud Krogh if they had figured out who leaked the information to Mr. Anderson. He told me yes, but that he couldn't disclose the name of the individual.

As I have indicated, the June, 1971 publication of the Pentagon Papers caused general consternation at the White House over the leak problem. On June 29, 1971, the President brought the subject of leaks up in a cabinet meeting as a part of a White House orchestrated effort to curtail all leaks. As a part of that effort, Mr. Haldeman instructed Mr. Fred Malek, Mr. Larry Higby, Mr. Gordon Strachan and myself to develop a follow-up strategy for dealing with leaks. Mr. Malek and I never took the project very seriously, but Mr. Strachan and Mr. Higby continued to push. I have submitted to the committee memoranda outlining the project that finally developed, in which Mr. Malek was to take charge and Mr. Haldeman was to be brought in as the "lord high executioner" when a leak was uncovered. The committee will note from the documents I have submitted, this project was to complement and not compete with the plumbers. To the best of my knowledge this project never uncovered the source of a single leak.

#### INTEREST IN POLITICAL INTELLIGENCE

The pre re-election White House thrived on political gossip and political intelligence. I knew of the type of information they sought even before I joined the White House staff. During the summer of 1969, while I was working at the Justice Department, the then Deputy Attorney General, Richard Kleindienst, called me into his office and told me that the White House wanted some very important information. Mr. Kleindienst instructed me to call Mr. DeLoach, then deputy director of the FBI, and obtain from him information regarding the foreign travels of Mary Jo Kopechne. I was told that Mr. DeLoach would be expecting a call from me and once I had the information in hand, I was to give it to Jack Caulfield at the White House.

the information being obtained from the FBI and the fact that I was made the courier of the information. To this day I can only speculate that I was asked to convey the information so that others could deny they had done so should the matter become known.

It was not until I joined the White House staff and Caulfield was placed on my staff that I learned that Caulfield was assigned to develop political intelligence on Senator Edward Kennedy. Mr. Caulfield told me that within some six hours of the accident at Chappaquiddick on July 13, 1969, he had a friend named Tony on the scene, who remained on the scene conducting a private investigation of the matter and reporting pertinent information back to him.

It was not until this spring that I knew or could remember Tony's full name—Anthony Ulasewicz. Caulfield told me that Mr. Ulasewicz posed as a newspaper reporter, and always asked the most embarrassing questions at any press gathering related to the Chappaquiddick incident.

Caulfield also informed me that his instructions were to continue surveillance of Senator Kennedy and that he was doing so on a selected basis. I was told by Caulfield that although he had been assigned to my staff that he would continue to perform various intelligence gathering functions assigned to him by Ehrlichman or Haldeman.

I recall only once becoming involved in Mr. Caulfield's activities relating to Senator Kennedy. That occurred in the fall of 1971 when I received a call from Larry Higby, who told me that Haldeman wanted 24-hour surveillance of Senator Kennedy and regular reports on his activities.

I passed this on to Caulfield and we discussed it. He told me that he thought that this was most unwise because it would require several men and also could uncover his activities in that Senator Kennedy was bound to realize he was under surveillance and given the fact that it could easily be misinterpreted as someone who was planning an attack on his life, and the police or the FBI might be called in to investigate. I agreed fully with Caulfield. After some initial resistance, I convinced Higby that it was a bad idea and the day in, day out, surveillance concept was called off. Instead, Caulfield was to keep a general overview of Senator Kennedy's activities and pursue specific investigations of activities that might be of interest . . .

The persons on the White House staff who were most interested in political intelligence were Ehrlichman, Haldeman and Colson. As the re-election campaign drew closer, I would have to say that it was principally Colson and sometimes Haldeman who sought information from my office that had political implication to it. While I have been unable to make a complete review of my office files to document the many types of inquiries, I do have some documents that evidence a fair sampling of the type of requests that were frequently made and how they were handled by my office. The documents are extremely sensitive and could be injurious to innocent people whose names are mentioned in them. Accordingly, I have submitted them for the Committee's use and I am prepared to answer any questions the Committee may have regarding these documents . . .

There were also frequent efforts to obtain politically embarrassing information on Mr. Lawrence O'Brien, the Democratic national committee chairman, Senator Muskie and Senator McGovern . . . I have submitted to the committee records and documents which show the efforts of the White House to politically embarrass those individuals. Again, because of the very sensitive nature of information contained in these documents, and the problems that information might unfairly cause those individuals, I shall not discuss the documents further . . .

#### OPERATION SAND WEDGE

Mr. Caulfield, in the spring of 1971, came to me and told me that he was thinking of leaving the White House staff and establishing an investigative/security consulting corporation. He felt that there was a need and a market for what he described as a "Republican Intertel"—Intertel being a firm that has been in existence for a number of years and working in the private investigation/security area. He told me that he felt he should get started as soon as possible so that he could have a going concern by campaign time and that his firm could provide investigative/security assistance to the campaign . . .

Mr. Caulfield's firm would provide services for corporations, but it would also provide free services to the 1972 re-election campaign . . .

Shortly after these conversations, Caulfield informed me that he had formed a group to develop a plan to submit to Mr. Ehrlichman, Mr. Haldeman and Mr. Mitchell. The planning group intended to become the principal officers of the corporation once it commenced its activity. Caulfield and the group spent several months developing their plans and in early August of September of 1971 Caulfield brought me a copy of a memorandum entitled "Operation Sand Wedge" and told me he was seeking a meeting with Mr. Ehrlichman to discuss the matter and requested that I assist him in getting a meeting with Mr. Mitchell. I don't know if Mr. Caulfield met with Mr. Ehrlichman . . .

To the best of my recollection, "Operation Sand Wedge" envisioned the creation of a corporation called Security Consulting Group, Inc., which was to have offices in Washington, Chicago and New York. It was to have an "overt" and "covert" capacity. The covert capacity would have operated out of New York—presumably under the aegis of Mr. Ulasewicz and was to be separate and apart from the other operations in Washington and Chicago. The principal activity of the Security Consulting Group, Inc. was to provide private security for all phases of the campaign, but the New York "covert" operation would have the capacity to provide "bag men" to carry money and engage in electronic surveillance—if called upon to do so.

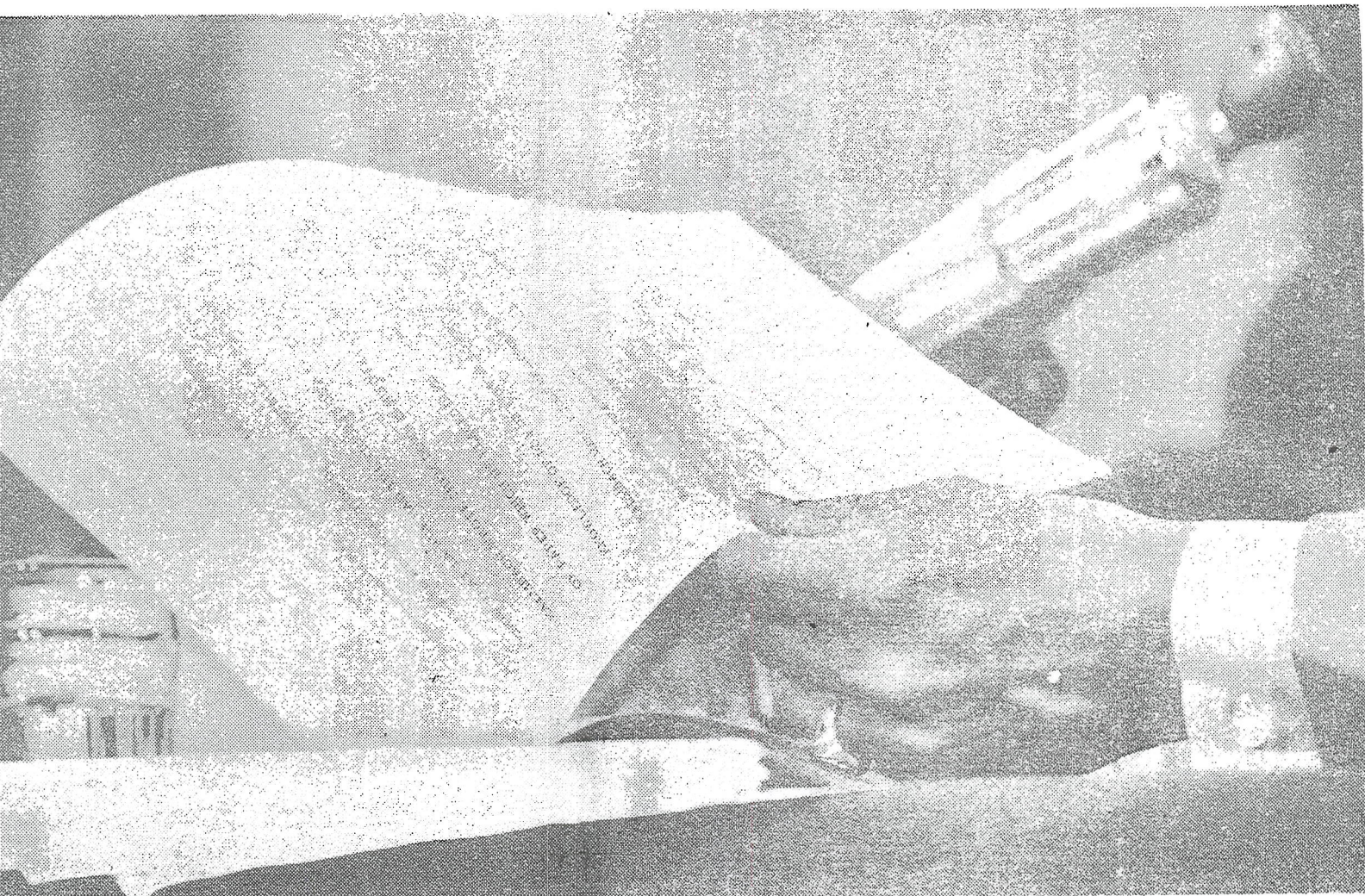
I did discuss "Operation Sand Wedge" with Mr. Mitchell. I recall that he was not interested at all. He told me that he thought Jack Caulfield was a fine person, but he felt the principal problems would relate to security and the problems that demonstrators might pose to the campaign.

Mitchell said he wanted a lawyer to handle any such operation and asked me to think about candidates . . .

I also recall that Ehrlichman raised "Operation Sand Wedge" with me. I do not know if this was a result of his meeting with Caulfield or Caulfield sending him a copy of the memorandum. Ehrlichman told me that he would like to keep Tony Ulasewicz around during the campaign, but he did not think much of Caulfield's proposed grand plan. Ehrlichman told me that Mitchell knew about Tony and that Mitchell and Jack should talk about Tony's future.

By November, 1971, Caulfield realized that his plan was dead and he abandoned the idea. Realizing this, he told me he would like to work for Mr. Mitchell during the campaign—as an aide-de-camp, and requested that I assist him in getting an appointment with Mitchell. I arranged for him to meet with Mr. Mitchell on November 24, 1971. Pursuant to Mr. Caulfield's request, I was not present at the meeting, but Jack later said that Mitchell had requested that he do some investigative work on McCloskey's campaign . . . Caulfield continued to call his intelligence gathering capabilities "Operation Sandwedge." I have submitted to the committee copies of the investigative report that Caulfield prepared for Mitchell on the McCloskey New Hampshire campaign, and I hasten to add that Caulfield employed no illegal procedures in gathering this information.

#### ESTABLISHING AN INTELLIGENCE GATHERING CAPABILITY AT THE RE-ELECTION COMMITTEE



Photos By James K. W. Atherton—The Washington Post

To the best of my recollection, it was the spring of 1971 that Mr. Haldeman discussed with me what my office should do during the forthcoming campaign year. He told me that we should take maximum advantage of the President's incumbency and the focus of everyone in the White House should be on the re-electing of the President.

It was decided that the principal area of concern for my office should be keeping the White House in compliance with the election laws and improving our intelligence regarding demonstrations. I was also told that I should provide legal assistance in establishing the re-election committee and insuring that they had their own capacity to deal with the potential threats of demonstrations during the campaign and particularly at the convention.

I advised Haldeman that Jack Caulfield was developing a security plan and that he wanted to discuss his plan with Mitchell and Erlichman. I also told him I would seek to get the Inter-agency Evaluation Committee working on the potential for demonstrations during the campaign . . .

On several occasions (Jeb Stuart) Magruder told me that he would like to have Fred Fielding, my principal assistant (as re-election committee counsel). Fred Fielding and I discussed it, but rejected it for several reasons . . . after I informed Magruder that

Mr. Fielding was not available, he requested that I suggest someone else, because he was desperately in need of an in-house lawyer . . .

I next went to Mr. (Egil) Krogh and asked him if David Young might be available and interested. Krogh told me that Young was very much involved in a White House declassification project and could not be spared . . .

During my conversation with Krogh about Young, he suggested that Mr. Gordon Liddy might be available, in that he had just completed his work. Krogh spoke very highly of Liddy's ability as a lawyer and said that his FBI/Treasury department background in law enforcement would qualify him to handle a demonstration intelligence and security operation for the re-election committee. I did not know Mr. Liddy but I respected Krogh's judgment. . .

Several days later Mr. Krogh informed me that Liddy was interested and asked me to come to his (Krogh's) office and meet Mr. Liddy and describe the job. I did this. I told Liddy that the primary responsibility of the job was to serve as the lawyer for the re-election committee, but among the responsibilities of the general counsel would be keeping abreast of the potential of demonstrations that might ar-

See TEXT, A9, Col. 1

fect the campaign. Liddy said he was interested. Krogh said that he first would have to clear it with Ehrlichman. I advised them that Mr. Mitchell and Mr. Magruder would be making the decision on filling the post, and if Krogh got the O.K. from Ehrlichman, I would set up a meeting for Liddy to be interviewed by Mitchell.

When Krogh gave me the O.K. from Ehrlichman, I called Mr. Mitchell then still Attorney General and told him that Krogh, with Ehrlichman's approval, had suggested Mr. Gordon Liddy for the general counsel post (at the re-election committee).

I arranged for Liddy to meet with Mitchell on November 24, 1971. I attended the meeting. . . I do recall that it was a very general type of job interview. Mitchell realized that Liddy was not familiar with the election laws and asked if I would assist him in any way I could in getting himself familiar with those laws. I agreed. There was virtually no discussion of intelligence plans, other than that Liddy would draw up some sort of plans.

I can also recall that several weeks after Liddy left the White House he was asked to turn in his White House pass. Liddy came to me and asked me to intervene on his behalf so that he might retain his pass and avoid the cumbersome problems of clearance every time he wished to enter the White House. I thought that my office would have a good deal of contact with Liddy, so I requested that he be permitted to keep his pass. This request was turned down, however. . .

#### LIDDY'S PLAN—MEETINGS IN MITCHELL'S OFFICE

The next time I recall meeting with Mr. Liddy was at a meeting in Mitchell's office on January 27, 1972. Magruder called my office to set up the meeting and only after I called Magruder to ask why he wanted me to attend the meeting did I learn that Liddy was going to present his intelligence plan. I met Magruder and Liddy at Mitchell's office. Liddy had a series of charts or diagrams which he placed on an easel and the presentation by Liddy began.

I did not fully understand everything Mr. Liddy was recommending at the time because some of the concepts were mind-boggling and the charts were in code names, but I shall attempt to reconstruct the high points that I remember as best I can.

Liddy was really making a sales pitch. He said that the operations he had developed would be totally removed from the campaign and carried out by professionals. Plans called for mugging squads, kidnapping teams, prostitutes to compromise the opposition, and electronic surveillance. He explained that the mugging squad could, for example, rough up demonstrators that were causing problems. The kidnapping teams could remove demonstration leaders and take them below the Mexican border and thereby diminish the ability of the demonstrators to cause problems at the San Diego convention. The prostitutes could be used at the Democratic Convention to get information as well as compromise the person involved. I recall Liddy saying that the girls would be high class and the best in the business. When discussing the electronic surveillance he said that he had consulted with one of the best authorities in the country and his plan envisioned far more than bugging and tapping phones. He said that, under his plan, communication between ground facilities and aircraft could also be intercepted. . .

With regard to (electronic) surveillance. . . he suggested several potential targets. I cannot recall for certain

if it was during this meeting or at the second meeting in early February that he suggested the potential targets. The targets that I recall he suggested were Mr. Larry O'Brien, the Democratic Headquarters and the Fountainbleu Hotel during the Democratic Convention. Mr. Liddy concluded his presentation by saying that the plan would cost approximately one million dollars.

I do not recall Magruder's reaction, because he was seated beside me, but I do recall Mitchell's reaction to the "Mission Impossible" plan. He was amazed. At one point I gave him a look of bewilderment and he winked. Knowing Mitchell, I knew that he was not going to throw Liddy out of his office or tell him he was out of his mind, rather he did what I expected. When the presentation was completed, he took a few long puffs on his pipe and told Liddy that the plan he had developed was not quite what he had in mind and the cost was out of the question.

(Mitchell) suggested (Liddy) go back and revise his plan, keeping in mind that he was most interested in the demonstration problem.

I remained in Mitchell's office for a brief moment after the meeting ended. Mitchell indicated to me that Mr. Liddy's proposal was out of the question. I joined Magruder and Liddy and as we left the office I told Liddy to destroy the charts. Mr. Liddy said that he would revise the plans and submit a new proposal. At that point I thought the plan was dead, because I doubted if Mitchell would reconsider the matter. . .

The next time I am aware of any discussions of such plans occurred on, I believe, February 4, 1972. Magruder had scheduled another meeting in Mr. Mitchell's office on a revised intelligence plan. I arrived at the meeting very late and when I came in, Mr. Liddy was presenting a scaled down version of his earlier plan. I listened for a few minutes and decided I had to interject myself into the discussions. Mr. Mitchell, I felt, was being put on the spot. The only polite way I thought I could end the discussions was to interject that these discussions could not go on in the office of the Attorney General of the United States and that the meeting should terminate immediately.

At this point the meeting ended. I do not know to this day who kept pushing for these plans. Whether Liddy was pushing or whether Magruder was pushing or whether someone was pushing Magruder. I do know, in hindsight, that I should have not been as polite as I was in merely suggesting that Liddy destroyed the charts after the first meeting. Rather, I should have

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said forget the plan completely. After I needed the second meeting, I told Liddy that I would never again discuss this matter with him. I told him that if any such plan were approved, I did not want to know. One thing was certain in my mind, while someone wanted this operation, I did not want any part of it, nor would I have any part of it.

After this second meeting in Mitchell's office, I sought a meeting with Mr. Haldeman to tell him what was occurring, but it took me several days to get to see him. I recall that Higby got me into Haldeman's office when another appointment had been cancelled or postponed. I told Haldeman what had been presented by Liddy and told him that I felt it was incredible, unnecessary and unwise. I told him that no one at the White House should have anything to do with this. I said that while the re-election committee needed an ability to deal with demonstrations, it did not need bugging, mugging, prostitutes and kidnapers. Haldeman agreed and told me I should have no further dealings on the matter.

I assumed the Liddy plan was dead in that it would never be approved. I recall Liddy coming into my office in late February or early March on a matter relating to the election laws. He started to tell me that he could not get his plan approved and I reminded him that I would not discuss it with him. He stopped talking about it, and we went on with our business. . .

Between the meeting in Mitchell's office on February 4th, 1972, and June 19th, 1972, I had no knowledge of what had become of Liddy's proposal. I did receive a memorandum from Magruder on March 26th, 1972, that indicated that Liddy was doing some investigative work for Magruder, but nothing that appeared illegal.

#### FIRST KNOWLEDGE OF WATER-GATE INCIDENT

In late May of 1972 the Bureau of Narcotics and Dangerous Drugs asked me to deliver a graduation address at its training school in Manila, Philippines, on Saturday, June 17th, 1972. . .

I returned from this four-day trip to the Far East on the morning of June 18th. When I landed in San Francisco, after twenty hours of flying, I called my assistant, Fred Fielding, to check in and tell him that I was going to spend an additional day in San Francisco to get some sleep before I returned to Washington and, accordingly, I would not be in the office until Tuesday. It was at this time that I first learned from Mr. Fielding of the break-in at the DNC headquarters. Mr. Fielding told me that he thought I should return home immediately as there might be a problem and that he would fill me in when I got home. . .

I flew back to Washington and arrived on Sunday evening. I had a brief conversation with Mr. Fielding and he informed me that he had learned from Jack Caulfield that Mr. McCord from the re-election committee was among those arrested in the DNC on Saturday and also that one of the Cubans arrested had a check that was made out by Howard Hunt to some country club.

I recall that my immediate reaction was that Chuck Colson was probably involved. I was truly exhausted at this point so I told Mr. Fielding that I couldn't do anything at this time and I went to bed without doing a thing.

On Monday morning, June 19th, I arrived at my office about 9:15. . . While reading the news accounts of the incident, I received a call from Jack Caulfield who repeated what Mr. Fielding had told me on Sunday evening. Mr. Caulfield informed me that he had received the information from Mr. Boggs of the secret service.

I next received a call from Magruder and, as best I can recall, Magruder said something to the effect that this might create some problems and I should look into it. He also stated that this was all Liddy's fault and he volunteered a few harsh epithets regarding Liddy. . .

I next received a call from Ehrlichman, who instructed me to find out what I could and report back to him. I advised Ehrlichman of my call from Magruder and told him I probably should talk to Liddy—he agreed. I recall that Ehrlichman told me to find out what Colson's involvement was in the matter and he also suggested I speak with Mr. Kleindienst to see what the Justice Department knew about it. I told him I would report back after I had talked with Liddy. . .

I next talked with Chuck Colson on