

By Lawrence Meyer and Peter Osnos
Washington Post Staff Writers

The White House counterattacked against John W. Dean III yesterday, putting the responsibility for the Watergate operation and the subsequent cover-up heavily on him and "his patron," former Attorney General John N. Mitchell.

In a 12-page memo delivered to the Senate select Watergate committee yesterday, the White House confronted Dean with its version of the events leading up to the Watergate bugging and the cover-up.

"There is no reason to doubt . . . that John Dean was the principal actor in the Watergate cover-up, and that while other motivations may have played a part, he had a great interest in covering up for himself," the memo, prepared by the office of J. Fred Buzhardt, special counsel to the President, asserts. After the June 17 break-in, the memo states, "He (Dean) must have immediately realized that his patron, Mitchell, would also be involved."

In linking Mitchell to the Watergate operation and the cover-up in a public statement, the White House implicated the man who was once President Nixon's law partner, confidant, close political adviser and intimate friend.

The White House memo relies heavily on previous sworn statements and private interviews with the Senate committee given by former top White House aides H. R. (Bob) Haldeman and John D. Ehrlichman who, along with President Nixon, have been accused by Dean of complicity in the Watergate cover-up. The White House memo is essentially the Haldeman-Ehrlichman account of events with added comment by Buzhardt's office.

"Dean's activity in the cover-up also made him, perhaps unwittingly, the



By James K. W. Atherton—The Washington Post

John Dean under examination.

principal author of the political and constitutional crisis that Watergate now epitomizes," the memo states. "It would have been embarrassing to the President if the true facts had become known shortly after June 17th, but it is the kind of embarrassment that an immensely popular President could easily have weathered."

"The political problem has been magnified 1,000-fold because the truth is coming to light so belatedly, because of insinuations that the White House was a party to the cover-up, and, above all, because the White House was led to say things about Watergate that have since been found to have been

untrue. These added consequences were John Dean's doing," the memo says.

The memo was read to Dean by Sen. Daniel K. Inouye (D-Hawaii) who said he received the memo yesterday from Buzhardt. Dean, who was fired as White House counsel by the President on April 30, was allowed to comment yesterday throughout the reading of the memo and he essentially held to his version of events.

The memo was the first public response to Dean's testimony by the White House. Twice this week White House spokesmen have said that the White House would not comment on his testimony while Dean was appearing before the committee.

One member of the Senate Committee, Sen. Joseph Montoya (D-N.M.), said later in a television interview that "Dean has made a very creditable witness and it would seem to me that it would take some very affirmative action on the part of the President either appearing before the committee or something that would require him to expose himself to cross-examination in order to repel this testimony." He said the committee would be "most receptive" to have Mr. Nixon appear before it and cited previous presidential appearances before congressional committees earlier in the nation's history.

Prior to Inouye's reading of the White House memo, Dean was subjected to nearly four hours of sharp questioning by Sen. Edward J. Gurney (R-Fla.) Gurney's questions about meetings Dean had with Mr. Nixon, about Dean's character and his personal financial dealings, appeared to put Dean on the defensive.

Gurney's cross-examination of Dean concerning meetings Dean said he had with Mr. Nixon in September, 1972,

See HEARING, A13, Col. 1

HEARING, From A1

and in March and April, 1973, produced a different version of these sessions from those Dean gave while reading his 245-page statement on Monday and under examination by chief committee counsel Samuel Dash on Tuesday.

Under questioning by Gurney, Dean conceded that he had told Mr. Nixon virtually nothing specific about the cover-up at a meeting Sept. 15, 1972. Gurney concluded that "there isn't a single shred of evidence that came out of this meeting" to support the charge that Mr. Nixon knew about the Watergate. Gurney also questioned whether Mr. Nixon knew "anything about all this business" before March 21 when Mr. Nixon has said he learned of "serious charges" against White House aides.

Dash's summary of Dean's testimony, which Dean agreed with, had hardened the accusations Dean made Monday about President Nixon's knowledge of and involvement in the Watergate cover-up. Dean had testified that Mr. Nixon had first talked with him about the cover-up, saying Dean had done a "good job," on Sept. 15, 1972, the day indictments were returned against the seven original Watergate defendants.

Gurney turned to this meeting in his questioning of Dean:

Gurney: Did you discuss any aspects of the Watergate at that meeting with the President? For example, did you tell him anything about what Haldeman knew or what Ehrlichman knew?

Dean: Well, given the fact that he (Nixon) told me I had done a good job, I assumed he had been very pleased with what had been going on. The fact that the indictments, he was pleased that the indictments had stopped at (G.

Gordon) Liddy because the only other link into the White House, as we had discussed earlier in sessions with Ehrlichman and Haldeman, was (deputy Nixon campaign director Jeb Stuart) Magruder.

Gurney: Did you discuss what Magruder knew about Watergate and what involvement he had?

Dean: No, I didn't. I did not get into any, I did not give him a report at that point in time.

Gurney: Did you discuss the cover-up money that was being raised and paid?

Dean: No, sir.

Gurney: Did you discuss (Haldeman's aide Gordon) Strachan bringing wiretap information in to Haldeman?

Dean: No, I did not.

Gurney: Did you discuss Haldeman instructing Strachan to destroy all of these materials?

Dean: No, I did not.

Gurney: Did you discuss the CIA cover-up idea?

Dean: I did not.

Gurney: Did you talk about coaching Magruder on his perjured testimony in August?

Dean: No, I did not.

"Well," Gurney then said, "now how can you say that the President knew all about these things from a simple observation by him that 'Bob (Haldeman) tells me you are doing a good job?'"

"Well, Senator," Dean replied, "I assume you know how your staff operates. I assume members of your staff understand how you operate, how reporting requirements proceed. I was aware of the fact that Mr. Haldeman had often made notes, Mr. Haldeman has a good memory. Mr. Haldeman does not leave details aside. This was the hottest issue that was going in the campaign. I can't believe that the fact that we were going to contain this matter would totally escape the President's attention and it was to me a confirmation and a compliment to me that I had done this."

Gurney: Don't you think the President might have been complimenting you on the, I will use the word, investigation, even if you don't desire that word, of the involvement of the people in the White House, the FBI interviews, all of that business, don't you think he might have been discussing that?

Dean: I would think he would say something to the effect that "Well, your investigation has been very accurate" rather than "Bob's been telling me everything you have been doing and you have been doing a good job."

Gurney: Did he (Nixon) say that "Bob has been telling me everything you have been doing?"

Dean: He said, "Bob has been reporting to me," something of this nature.

Gurney: I thought you said that he

(Nixon) said that "Bob has been telling me what a good job you have been doing."

Dean: Well, we are quibbling over words, but I remember . . .

"We are not quibbling over words," Gurney interrupted angrily. "We are talking about something very important, whether the President of the United States knew on Sept. 15th about the Watergate and the cover-up."

"I am totally aware," Dean replied.

"This affects his Presidency and the government of the United States," Gurney said.

"I am quite aware of that and I have told you I am trying to recall," Dean replied. "My mind is not a tape-recorder. It does recall impressions of conversations very well, and the impression I had was that he had told, he told me that, Bob had reported to him what I had been doing. That was the impression that very clearly came out."

"In other words," Gurney said, "your whole thesis on saying that the President of the United States knew about Watergate on Sept. 15 is purely an impression; there isn't a single shred of evidence that came out of this meeting."

"Senator," Dean replied, "I don't have a thesis. I am reporting the facts as I am able to recall them truthfully to this committee."

Dean, who had been so confident and self-possessed during his first two days of testimony—answering questions without relying on notes or his lengthy statement—appeared to be tired or rattled as yesterday afternoon wore on. Frequently, he paused to sip ice water, emptying two glasses. On occasion, Dean slipped on details and had to correct himself. By the end of Gurney's examination, Dean had opened up his written statement and referred to it frequently before responding to the question.

Gurney's apparent strategy was to discredit Dean's credibility and, through close examination, discredit Dean's assertion that Mr. Nixon knew about the cover-up before March 21, 1973. That date is crucial to Mr. Nixon's version of events, since on April 17 he said publicly that "On March 21, as a result of serious charges which came to my attention, some of which were publicly reported, I began intensive new inquiries into this whole matter."

Dean had told the committee that Mr. Nixon assessed various committee members before the hearings started. Dean said that he learned that Mr. Nixon "was confident . . . that Sen. Gurney would protect the White House and would do so out of political instinct and not have to be persuaded to do so."

"The long and short of this . . . discussion," Dean said Monday, referring to a conversation he had in February, 1973, with Haldeman and Ehrlichman, "was that the White House had one friend—Sen. Gurney."

Gurney showed no reaction to this portion of Dean's statement Monday and showed clearly yesterday that it would not hinder him from questioning Dean sharply as he bored on Dean's accounts of meetings with the President.

During all his questioning, Gurney made no mention of references in

Dean's opening statement Monday indicating that the President and some of his aides, including Dean, had thought months ago that Gurney might be a White House "friend" on the Senate committee.

The next important meeting, after Sept. 15, 1972, with President Nixon, according to Dean, was on Feb. 27, 1973, when Mr. Nixon told him to report directly to him on the Watergate affair because Haldeman and Ehrlichman were "principals" and could not be objective.

Dean said that as the Feb. 27 meeting was ending, "We were walking to the door to leave the office, he (Nixon) again complimented me on the fact that I had done a good job during the campaign, that this had been the only issue that they (the Democrats) had had, that they had tried to make something of it but they had been unable to make anything of it and he was very complimentary of my handling of the job."

"It was not dissimilar from a compliment he had paid me earlier. I again repeated to him that this thing had been contained, but I was not sure that it could be contained indefinitely," Dean said.

Mr. Nixon, according to Dean, "told me we have got, you know, you have got to fight back on situations like this. And I can recall something I cannot express in writing—a gesture—he sort of put his fist into his hand and said, 'You have just got to really keep fighting back and I have got confidence in you that you can do that and this thing will not get out of hand.'"

On Feb. 28, Dean said, he told Mr. Nixon "that I thought he ought to be aware of the fact that I had been involved in obstruction of justice, when I made known to him that I had been made a conduit for decision. He said, 'John, you don't have any legal problems to worry about, I just don't believe you have any problems at all.' And it was left hanging at that."

Asked by Gurney if he had mentioned any specific examples of where he had obstructed justice, Dean said, "I did not get into specific instances."

Dean said he had another meeting, "which I cannot date," attended by White House aide Richard Moore in which Dean said he told Mr. Nixon that he (Dean) was involved in an obstruction of justice.

The next meeting Dean said he had with Mr. Nixon where the Watergate was discussed was on March 13 when Dean said he told Mr. Nixon that the Watergate defendants would require as much as \$1 million to remain silent. Dean has testified that Mr. Nixon said that amount of money would be no problem to raise and also acknowledged that Watergate conspirator E. Howard Hunt Jr. had been promised executive clemency.

On March 21, Dean has testified, he gave Mr. Nixon a full account of the Watergate affair. Mr. Nixon, according to Dean's testimony, did not appear to understand the implications of what Dean was telling him and that the President himself was involved in the cover-up.

Gurney disputed Dean's interpretation of the events he described:

"Now, then," Gurney said, "we come to the year 1973 and from what I have been able to gather in the questioning

I have just finished, your testimony is that on Feb. 28 you did discuss this matter of obstruction of justice and then you also testified to what you did here on March 13, and then, of course, we come to the meeting on March 21 when you told him most of what Watergate was all about.

"And the summary that I can see from the testimony,—the President of the United States certainly didn't know anything about all this business, to this one senator, until this thing on Feb. 28, according to your testimony, and on March 13, but especially, of course, on March 21 where you did discuss with him at great length the Watergate and he at a later press conference said that he learned about it on that date," Gurney concluded.

The White House memo that Inouye read late yesterday afternoon suggests that even if Dean, as he has claimed, did not know that the Watergate operation had been approved prior to June 17, "It must have been clear to Dean, as a lawyer, when he heard on June 17th of Watergate, that he was in personal difficulty. The Watergate affair was so clearly the outgrowth of the discussions and plans he had been in on that he might well be regarded as a coconspirator with regard to them."

The thesis of the memo—that Dean was a prime mover of the cover-up rather than simply a functionary in it—rests heavily on establishing that Dean had criminal involvement of his own prior to June 17 that he had to mask. The memo concedes that "the extent of his knowledge of that specific operation (the Watergate operation) or of his approval of the plan ultimately adopted have not yet been established."

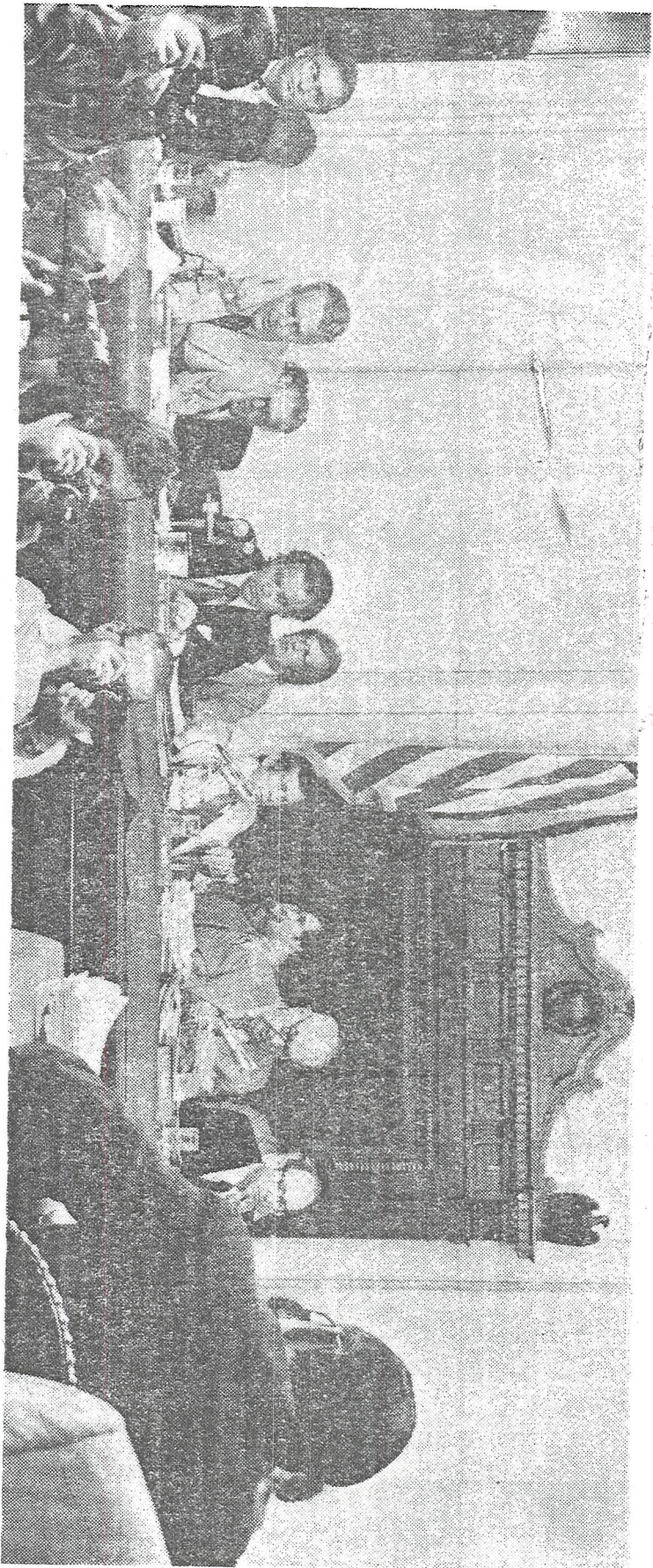
The memo asserts that after the election and the Watergate trial last January "Dean may have thought that this cover-up had been a success." Mr. Nixon, whom the memo says "had barely known Dean," was concerned as the Senate hearings approached "that all of the available facts be made known."

Dean was assigned, and subsequently pressed "continually," to prepare a written statement of all the "detailed facts as they related both to the committee to re-elect and the White House," the memo says.

"On March 20," the memo states, "the President indicated that he still did not have all the facts. In the preceding week Dean had begun to express to Richard Moore (a White House aide) concern about Dean's own involvement. . . After the two of them met with the President on March 20, Moore told Dean: 'I don't think the President has any idea of the kinds of things that you've told me about.' When Dean agreed that the President did not, Moore told Dean that it was his obligation to advise the President and lectured Dean on this subject."

"On March 21 Dean gave the President a more complete, but still laundered version of the facts, and so surprised the President that, according to press accounts of what Dean is saying: 'The President came out of his chair.'"

"He (Dean) suggested that Haldeman, Ehrlichman and Dean might all have some problem about the financial transactions with the defendants but that he thought they were more technical and political than legal. He gave no



John Dean faces Watergate committee. From left are Sens. Weiker and Gurney, minority counsel Thompson, Sens. Baker and Ervin, and majority counsel Dean.

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

hint, however, of his own orchestration of perjured testimony by Magruder and others," the memo states.

After Mr. Nixon became suspicious of Dean, the memo states, and relieved him of his responsibilities concerning the Watergate investigation, "Dean decided to strike out on his own to hunt for immunity for the long list of wrongs he had committed."

Since being fired April 30, the memo concludes, Dean's "increasingly shrill efforts . . . to save himself by striking out recklessly at others are too familiar and too painful to require mention."

Throughout Inouye's reading of the memo, Dean held to his original testimony. At one point, Dean said, "I think that my testimony answers in great detail my dealings with Mr. Haldeman, Mr. Ehrlichman and the

President, and based on what I know, and knowing the position I held in the White House staff, there is no way conceivable that I could have done and conceived and implemented the plan that they are trying to suggest that I did."

The committee also has more than 35 questions prepared by the White House and submitted, under the committee's rules, to be asked of Dean.

The questions, which have not been asked yet, cover a wide range of Dean's testimony, his activities in the White House and press accounts purporting to give his version of the Watergate affair.

The questions also suggest at some points how the committee should react to Dean's testimony: "Compare (Dean's answer) with the version in the prepared statement to see if it appears ei-

ther inconsistent or memorized."

One of the few light moments in yesterday's hearings occurred when Sen. Sam J. Ervin Jr. (D-N.C.), the committee's chairman, referred to White House "enemies" lists that Dean had turned over. Commenting on the lists, which contain more than 200 names, Ervin said, "I can't help observe when I consider the 'opponents list,' why the Democratic vote was so slight in the November election."

Committee Vice Chairman Sen. Howard H. Baker Jr. (R-Tenn.) interjected to say that Ervin had said it better in an earlier comment. Baker quoted Ervin as saying, "I think we're going to demand a recount. There are more enemies than we got votes."

Gurney's nearly four-hour interrogation of Dean yesterday—the longest

time any single senator has spent questioning a witness in the Watergate hearings so far—drew in large part on Dean's use of \$4,850 in campaign funds for personal purposes.

At one point Gurney suggested that Dean was guilty of embezzling the funds, but the senator agreed to rephrase his remarks after Dean's lawyer, Charles N. Shaffer, interjected: "Based on the facts that have been discussed with Mr. Dean, if they are true, Mr. Gurney says that is embezzlement. I disagree with him and I think there are enough lawyers in the room to know what embezzlement is."

Dean has acknowledged to the Watergate prosecutors and in his Senate testimony taking the money from a \$15,200 Nixon campaign cash fund that he kept in his office safe, but he said again yesterday that there was "no intention on my part never to account for the full amount."

Dean also acknowledged, however, that he did not restore the cash until "March or April" of this year—as much as six months after he took it out.

"In other words," said Gurney "you never told anybody about this or really did anything about it until April when, of course, the whole Watergate thing was blowing."

Dean responded that he considered putting the money back at the time he went to the Watergate prosecutors in April without telling them he had it in the first place, but he "said that is the dishonest thing to do in this regard. I have to come forward and explain that I did make personal use of the money."

At the time he withdrew the funds, which he intended to use for his wedding, honeymoon and upcoming household expenses, Dean put a check made out to cash into the safe as he guaranteed that he would repay it, according to his testimony.

Dean's bank records for that period, subpoenaed by the committee and turned over to Gurney during the noon recess yesterday, show a balance of only about \$1,600.

Gurney pressed Dean in both the morning and afternoon sessions about precisely how he spent the money. Dean said it was used for hotel fees, groceries, pocket expenses and other related items.

"I am curious about the wedding trip," Gurney asked, "Do you use credit cards?"

Dean said he did. "Did it ever occur to you to use these on your honeymoon instead of this cash?" Gurney asked.

"Well," said Dean, "as my wife well knows, I try to use my credit cards as infrequently as possible, because I don't like to live on credit."

Dean also again contended that he withheld the full \$15,200 from the Nixon campaign committee after the election because he had "made a decision that the cash that I was holding I didn't want to be used to pay for the support for the silence of these individuals (the Watergate conspirators) and I was not going to become involved in that with actual cash that I was passing for that purpose."

Gurney disputed the point saying that Dean withheld the money because it was a "greater risk" for him to have it discovered he had taken out the \$4,850 than to turn it back and have it used for hush money.

At Gurney's request and with Dean's acquiescence, Sen. Ervin asked Dean to turn over to the committee a "full financial statement"—apparently the first such statement requested publicly from a witness—in addition to an accounting for the way he spent the \$4,850. Dean has said that the full \$15,200 is currently in an escrow account maintained by him.

In another line of questioning yesterday apparently aimed at probing Dean's character, Gurney again brought up the matter of Dean's 1966 departure from a Washington law firm and a subsequent statement on a civil service form that Dean had been fired from the firm for unethical conduct.

On Tuesday, Dean read a lengthy letter from a lawyer outside the firm—and involved in the business transaction that led to the accusation of unethical conduct—that said no unethical conduct was intended.

Dean said yesterday that the "person who made the comment that it was an ethical charge retracted the comment." But he also said his departure from the law firm was "a rather heated discharge as a matter of my unwillingness to discuss the matter (his involvement in a television investment venture) with a senior partner in the organization."

The hearings will resume at 10 a.m. today with Dean as the witness. Former Attorney General Mitchell is scheduled to be the next witness, but because Dean's testimony has lasted longer than expected, Mitchell will not appear now until July 9, after the committee's recess for the July 4 holiday.