

Watergate Trial-- CIA's Ties Debated

Washington

Former White House chief of staff H. R. (Bob) Haldeman's lawyers insisted yesterday that he had good reason to enlist the CIA in an attempt to block the original Watergate burglary investigation.

The claim touched off an acrimonious, day-long debate at the Watergate cover up trial that centered on the CIA's covert operations in Mexico in 1972 when the Watergate burglars were arrested at Democratic National Committee headquarters.

Watergate prosecutors concluded the session with a confident air and promised to rest their case next Thursday, a week earlier than expected. 7/21/74

The dispute over the CIA caught the agency's deputy director, Lieutenant General Vernon A. Walters, squarely in the crossfire. Before the day was done, he found himself recanting secret testimony he gave last year before a House Armed Services subcommittee.

According to Walters' congressional testimony, then-CIA director Richard Helms told him shortly after the Watergate break-in that an investigation of its financing could expose some of the CIA's own banking techniques.

"Mr. Helms said there was no involvement by the CIA in the Watergate bugging, but investigation of the financial part of it might uncover some of the methods or techniques by which the agency moved money," Walters told the House subcommittee in May of 1973.

Confronted with that testimony yesterday, however, Walters said:

"I must have misspoken. I have no recollection of Mr. Helms making this statement."

Haldeman's lawyers had evidently been relying heavily on Walters' congressional testimony in fashioning their defense strategy.

They maintained the CIA "did have assets south of the border which could have been compromised" by a full-fledged FBI investigation of the Watergate scandal's Mexican connection.

Chief trial prosecutor James F. Neal replied scornfully that there was no

evidence that Haldeman knew of the CIA's activities or cared about them.

In a quick counterattack, first with the jurors out of the room and then with them present, Neal pointed out that Haldeman himself proposed the CIA strategem to President Nixon on June 23, 1972, because, in Haldeman's own words, "The FBI is not under control."

Strickler questioned Walters repeatedly about a July 6, 1972, memo that the CIA official signed although it had actually been prepared by the secret agency's security staff.

Walters, who had been with the CIA for the only two months at the time, said he had only "hearsay knowledge" of many of the details, but he acknowledged that:

- Watergate burglar Eugenio Martinez had been on a \$100-a-month retainer for the CIA, as an informant in Miami's Cuban exile community, at the time of the June 17, 1972, Watergate break-in. Martinez had first been hired by the CIA in 1960 and went on retainer in 1969.

- Watergate burglar Bernard Barker had been a regular FBI contact in Cuba who was "turned over to the CIA in 1969" and then evacuated from the country shortly after Fidel Castro took over in January, 1960.

- The public relations firm of Robert R. Mullen & Co., where Watergate spy E. Howard Hunt went to work in 1970 after his retirement as a CIA agent, had been "providing cover overseas for a number of years for agency employees."

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