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CIA Role Debated at Cover-up Trial

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

The dispute over the CIA caught the agency's deputy director, Lt. Gen. 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 June 17, 1972, 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 in-

cover 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

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sional 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. Some of the Nixon campaign donations that financed the Watergate bugging and break-in had been laundered through a bank in Mexico City.

"We're not trying to put the blame (for the break-in) on the CIA," said one of Haldeman's lawyers, Frank H. Strickler. "I'm not trying to do that."

He said he was attempting to show, instead, that the CIA had agents as well as assets in Mexico that could have been jeopardized by an untrammelled investigation.

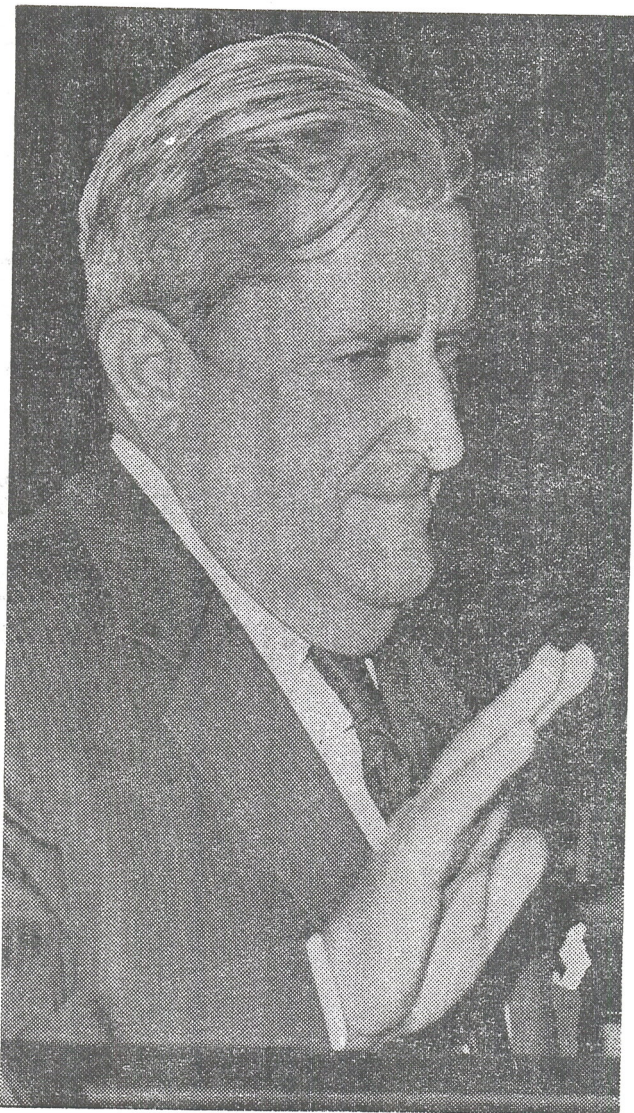
Chief trial prosecutor James F. Neal replied scornfully that there was no evidence that Haldeman knew of the CIA's activities or cared about them.

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."

At one point during the dispute, U.S. District Court Judge John J. Sirica listened once again to the White House tapes recordings in question before allowing the scattershot questioning about the CIA to continue.

"I want to find out what their defense is," Sirica said of Haldeman and his lawyers.

Although the jurors were out of the room at the time, Haldeman's chief counsel, John J. Wilson, angrily chided the judge a few minutes later for making the remark.



Associated Press

CIA's Vernon Walters turns down an autograph seeker.

"If I said it, it was in error," Sirica replied.

"You did say it," Wilson said testily, "and I object to it . . . We stand before you with the presumption of innocence."

The judge calmly told Wilson to put the protest in his "bag of errors" and let it go at that.

Throughout the day, the Haldeman lawyers tried to show that the former White

House aide had every reason to think that the Watergate investigation might cramp the CIA's style.

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

Walters, who had been with the CIA two months at the time, said he had only

"hearsay knowledge" of "with the CIA 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, 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."

The CIA began supplying all this information and more in a series of memorandums that began going to the FBI as early as June 20, 1972, three days after the break-in.

"What's all this leading up to?" Sirica demanded.

Strickler pointed out that Haldeman and former White House aide John D. Ehrlichman met with Helms and Walters on the afternoon of June 23, 1972, in an effort to limit the Watergate investigation.

The FBI was, at that point, hot on the trail of the so-called "Dahlberg-Ogarrio checks," which Bernard Barker had cashed and which helped finance the Watergate spy work. Strickler contended that there was also reason to believe at the same time that an investigation of the Ogarrio, or Mexican, checks could compromise CIA activities there.