On June 21, 1972 shortly after 9:35 a.m. John Ehrlichman told Acting FBI Director Gray that John Dean would be handling an inquiry into Watergate for the White House and that Gray should call Dean and work closely with him. Gray told Ehrlichman that the FBI was handling the case as a "major special with all of our normal procedures in effect." At 10:00 a.m. Gray telephoned Dean and arranged to meet Dean at 11:30 a.m. in Gray's office. At the meeting they discussed the sensitivity of the investigation, and Dean told Gray that Dean would sit in on FBI interviews of White House staff members in his official capacity as counsel to the President.

26.1 L. Patrick Gray log, June 21, 1972 (received from SSC).
26.2 L. Patrick Gray testimony, 9 SSC 3450.
26.3 John Dean testimony, 3 SSC 942.
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<td>Mr. John Furlong</td>
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PRESIDENTIAL CAMPAIGN ACTIVITIES OF 1972
SENATE RESOLUTION 60

HEARINGS BEFORE THE SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES OF THE UNITED STATES SENATE NINETY-THIRD CONGRESS FIRST SESSION

WATERGATE AND RELATED ACTIVITIES
Phase I: Watergate Investigation
WASHINGTON, D.C., AUGUST 3, 6, 7; SEPTEMBER 24 AND 25, 1973
Book 9

Printed for the use of the Select Committee on Presidential Campaign Activities

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the time available and I do not believe the committee expects me to
launch into such a review. Nevertheless, upon the conclusion of my
statement, I stand ready to answer any questions which the committee
or counsel may desire to ask about any aspect of my stewardship of
the FBI.
I do have, Mr. Chairman, a few preliminary remarks which precede
my discussion of the areas believed to be of prime interest to the
committee.
I was appointed Acting Director of the FBI by Attorney General
Kleinidienst on May 3, 1972. I looked upon this appointment as a return
to the service of my country similar to that which I had rendered in
the U.S. Navy for 26 years. I looked forward then to many years of
additional service to the country in the company of the honorable and
dedicated men and women of the FBI.
On May 16, 1972, my personal staff and I moved into the offices
formerly occupied by the late J. Edgar Hoover; 1 month later, on
June 17, 1972, the burglary of the headquarters of the Democratic
National Committee in the Watergate Hotel occurred.
At the outset, Mr. Chairman, I want to acknowledge that I am fully,
totally, and completely responsible for the performance of duty of
myself and of the men and women of the FBI during the year that I
served as their Acting Director. They, of course, are not in any way
responsible for my performance of duty or for any personal acts or
judgments of mine which occurred during the period I served as Acting
Director.

THE CIA DIMENSION

At the time of the Watergate break-in I was on the west coast visiting
FBI field offices and meeting a commitment to make a commencement
address at Pepperdine University Law School in Santa Ana. I returned to
Washington on the evening of June 20 and received a phone call from
John Ehrlichman the next morning. Mr. Ehrlichman informed me that John Dean would be handling an inquiry into
Watergate for the White House, that I should deal directly with John
Dean concerning the investigation and that Mr. Dean was expecting a
call from me. Mr. Ehrlichman and I then discussed the matter of pro-
cedural safeguards against leaks and I told him that we were handling
case as a major special with all of our normal procedures in effect.
I also indicated to him that we were going to conduct an aggressive
and vigorous investigation and would probably be interviewing people
at the White House.
I called Mr. Dean upon my return to my own office at 10 a.m., and
arranged to meet with him at 11:30 a.m., in my office on June 21, 1972.
At our meeting he discussed with me the sensitivity of the investigation
and the need to avoid leaks in a political year. He also informed me
that he had the responsibility to handle this inquiry for the White
House and would sit in on any interviews of White House staff
personnel. Mr. Dean stated that he would be there in his official capacity
as counsel to the President.
I know that I specifically asked Mr. Dean on two occasions if he
would be making his reports direct to the President. I believe that this
was one of those occasions and I believe that the other occurred when
we were discussing the transmission of FBI file material to him to
FIRST MEETINGS WITH MR. GRAY REGARDING THE INVESTIGATION

I believe that it was on June 21 that I first met with 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 what prompted Ehrlichman to have me do so at this time.

During my meeting with Gray on June 21 he also told me a man by the name of Mr. Bates was heading the investigation. I do not know Mr. Bates, and when I reported this back to Ehrlichman and he asked me who Bates was, I told him I did not know Bates. I can recall on several occasions Ehrlichman asking me if I thought that Gray knew what he was doing and if he had the investigation under control. I responded that he seemed to be relying on men in whom he had full trust.

To the best of my recollection, it was during this June 21 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 totaling $89,000 to a bank in Mexico City. I do not recall whether I first learned about the Dahlberg check from Mr. 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 Andrews, whom I did not know, but I was told was a longtime backer of Senator Hubert Humphrey. Neither Stans nor Mitchell wanted Mr. Andrews to be embarrassed by disclosure of the contribution. The concern about the Mexican money was made a little less clear to me. I was told it was a contribution from a group of Texas who had used an intermediary in Mexico to make the contribution. Although I had not been told, I assumed at that time that they were concerned because it sounded to me as if it might have been a corporate contribution and clearly a violation of the law.

Mr. Stans also explained that he had checked with Sloan to find out how this money had ended up in Mr. Barker'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
27. On or about June 22, 1972 John Ehrlichman met with John Dean and discussed the contents of Howard Hunt's safe and what to do with certain politically sensitive documents.

27.1 John Dean testimony, 3 SSC 937-38.
27.2 John Ehrlichman testimony, 6 SSC 2612-14.
27.3 John Ehrlichman testimony, 7 SSC 2824-26.
27.4 Portion of John Dean notes for Camp David report, SSC Exhibit No. 34-43, 3 SSC 1290.
When Petersen arrived at Kleindienst's office he gave a status report of the investigation. Kleindienst then related my concern to Petersen. Petersen was troubled by the case and the implications of it. Kleindienst had another meeting, so Petersen and I—I believe the other meeting was in his office, so Petersen and I went into Mr. Kleindienst's back office and talked further. To the best of my recollection, we did not discuss specifics, rather it was a general discussion.

I told him I had no idea where this thing might end, but I told him I did not think the White House could withstand a wide-open investigation. The sum and substance of our conversation was that I had no idea how far this matter might go, but I had reason—without being specific—to suspect the worst. The meeting ended on that note, that I hoped I was wrong.

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 Petersen would handle this matter fairly and not pursue a wide-open inquiry into everything the White House had been doing for 4 years. I made this statement not because of anything Petersen specifically said, as much as the impression he gave me that he realized the problems of a wide-open investigation of the White House in an election year.

Returning now to the contents of Mr. Hunt's safe, it was mid-morning on Tuesday, June 20, 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 Kehrli's office overnight. Fielding also reported that they had found a handgun in the safe, which Kehrli had disengaged, a large briefcase containing electronic equipment, and a number of documents, some of which were classified. I told Fielding I would like his assistance later that day in going through the material.

During the afternoon of the 20th, Fielding and I began going through the cartons of Hunt's materials. I remember looking in the briefcase, which contained electronic equipment. I frankly do not know what it was it contained, but it contained loose wires, chapsticks for your lips with wires coming out of them and instruction sheets for walkie-talkies. As I recall, there were also some antennas in there.

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 Vietnam. These were separated out from the rest of the papers. The other papers I assumed related to Hunt's work at the White House. Also, there were personal papers. I will attempt, to the best of my recollection, to describe the papers and documents that were found in the safe. I must point out, however, that I personally did not look at all the documents, rather it was a combined effort by Fielding and myself to determine what was in Hunt's safe.

First, among his personal papers were copies of his submissions for his per diem pay as a consultant, a few travel vouchers, and an envelope containing materials of a personal nature relating to his wife. Among the papers that I assumed related to his work at the White House were numerous memorandums to Chuck Colson, regarding Hunt's assessment of the plumbers unit operation and critical of Mr.
Kragh'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 Mr. 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 the Diem regime in Vietnam; a memorandum regarding some discussion about the bogus cable with Colson and Mr. William Lambert; 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 the safe, I recall that Fielding and I discussed our concern about the public impact of 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, as I assumed at that time that they would probably be returned to the State Department.

I told Young when he came to pick up the materials that they had come from Hunt's safe and he should store them—all together—until I told him what to do with them. Accordingly, Mr. Young took the State Department documents to 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 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 quandary—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. I will explain in a few minutes how I handled the material in Hunt's safe, but before doing so, I would like to continue with the sequence of events.
Mr. Ehrlichman. I take it, Senator, and here I am speculating, rankly speculating. Here's an episode with Mr. McCord, which comes out through Mr. McCord back through Caulfield to Dean. Now, how does John Dean justify having sent Mr. Caulfield to talk to McCord? I don't know whether that is the explanation or not. It certainly was suggested to me as I watched Mr. Dean at this table spinning this tale.

Senator Gurney. Let us go to another area which involved you and Mr. Dean and that is the papers that were taken from Hunt's safe after it was opened by Dean's people. Some of these papers, as you know, were very sensitive. Some were contained in a briefcase of Mr. Hunt's. The testimony, of course, here is that Dean had a conversation with you about this and you made some suggestions about disposing of the papers that were in the briefcase. My recollection is that you advised Mr. Dean to deep-six these papers. Would you care to tell us about this meeting?

Mr. Ehrlichman. That was a meeting, if I heard the testimony correctly, which was also attended by other people and should be susceptible of determination from independent witnesses. To correct an assumption in your question, Senator, I did not know the contents of Mr. Hunt's safe except in the most general terms. I was told, and I can't say who told me—probably Mr. Dean—that there was a pistol and a tape recorder and a number of documents, some of which had nothing to do with Watergate but were very politically sensitive. Now, that was the general description. I had no occasion to look at them. I never saw them except as a few of them were sealed in an envelope and handed to Pat Gray.

The conversation has to be weighed, the probability of such a conversation where I said, run out and throw this in the river, has to be weighed against what I actually did, which I think the witnesses who were in the meeting on the 19th will tell you that I did.

We had had a meeting for two purposes on the 19th, which included Mr. Colson, Mr. Kehrl, staff secretary, and Ken Clawson on the White House staff. The meeting was for, as I say, two purposes—one, to try to determine what the facts were about Howard Hunt's employment status, which was very murky at that point in time, because of some lack of documents or some confusion of documents, and things of that sort.

The other purpose was to talk about what to do about this safe which had been found on the premises, and apparently had things in it that related to Howard Hunt, who was then, if not arrested, at least a prime suspect.

The instructions which we agreed upon at that meeting were that a number of people should be present at the opening of that safe. We knew we had to have something from the GSA because they had to open the safe. But in addition to that, I specified to Mr. Kehrl, being present, that Mr. Dean be present and take custody. Then I think Mr. Kehrl suggested that a Secret Service agent be present under the circumstances, because we were breaking into a safe in the White House. And that was the arrangement that was agreed upon when we broke up on the 19th.

My purpose in doing that was twofold. One, this was a kind of extraordinary procedure and I thought there ought to be people who
could, one, later on tell what had happened; two, I was concerned about the custody of these documents, the chain of evidence, the perfection of proof if the time came and there were documents in there that bore on Mr. Hunt’s liability.

So that was done, and it was done, I believe, that same day or that evening.

Senator Gurney. Yes.

Mr. Ehrlichman. Now, it seems to me that it would have been folly for me at some later time, then, to suggest that the briefcase be thrown into the floodtide of the Potomac or that these papers be thrown in the river, or something of this kind.

Now, there was in this story also the suggestion of shredding. I don’t think in my life that I have suggested to anybody that a document be shredded. Shredding is just not something that I have ever resorted to under any circumstances, nor proposed to anybody under any circumstances. As I said, we have a great disposal system at the White House. If you really want to get rid of a document, you put it in a burn bag and you seal it up and it’s never opened again, and it goes into a furnace and that is the end of it.

Senator Gurney. But to get back to this second meeting when John Dean comes to you and tells you, we have got some pretty sensitive papers here, and as he alleges, you say, well, deep-six this briefcase. What’s your testimony on that?

Mr. Ehrlichman. I did not. I have no recollection of that kind of a conversation.

Senator Gurney. Did you make any other suggestion to him that he dispose of these papers in any other way?

Mr. Ehrlichman. We discussed what to do about some papers which he told me about in the safe which really should not be leaked. Again, we have to come back to our FBI problem. And he was genuinely concerned and when he explained it to me, I shared his concern, that if these documents were simply wholesaled to the Washington field office the FBI, we would be reading about it in Time magazine in very short order.

*Senator Gurney. Now you are talking about the ones that were turned over to Gray?

Mr. Ehrlichman. And so Mr. Dean came up with this idea, turning them over to Pat Gray personally. And I certainly concurred in it. I thought that was an ideal solution to the problem.

Senator Gurney. Did that come up in this meeting when supposedly the deep-six conversation came up?

Mr. Ehrlichman. Well, I gathered that that meeting was supposed to have been the meeting when Mr. Kehre and the others were there. It would have necessarily been at that meeting, because the die was cast thereafter. You know, the 20 bishops had witnessed the opening of the safe at this point. So it had to be that meeting. Now, I do not know what meeting he is referring to.

Senator Gurney. I think he said it was the 21st.

Mr. Ehrlichman. The 21st.

I met with Mr. Dean on the 21st in the afternoon. The only thing that I can say to you is that I certainly would not have and did not propose the destruction of those documents.
Senator Gurney. Well, let us get, then to—that is clear enough. Let us get to the Gray papers. As I understand your testimony now, Mr. Dean did raise these sensitive papers. If they were just filed away in the FBI regular files and somebody got to them, why, it would be very embarrassing to a lot of people.

Mr. Ehrlichman. That is what he said.

Senator Gurney. What happened to those papers? Tell your version of the story from his first telling you that these were sensitive papers to where he tells you something different about them?

Mr. Ehrlichman. He agonized for several days about what to do with this situation. I was not involved in a lot of conversations with him about it. He was gone a couple of days during this interval because the river was flooding on account of Agnes hurricane. His house was near the river and so he was just out of the play for a couple of days during that particular time. He was moving his furniture up and putting up sandbags and whatnot.

So he came back from that interval and said he thought he had an idea as to how to solve this problem and that would be to deliver these documents in two parcels—one parcel to the field office and the other parcel to Pat Gray. I certainly concurred in that suggestion. It seemed to me like a good way of making sure that the documents did not leak as long as Mr. Gray held on to them.

Senator Gurney. This was his suggestion to turn them over to Gray?

Mr. Ehrlichman. Yes, sir.

Senator Gurney. And then what happened?

Mr. Ehrlichman. Then, I said that either I would get Mr. Gray to come over, but I think what I said to him was Mr. Gray was coming over that day for another appointment and why didn’t he just bring them over when Pat Gray was there and deliver them to him, so two of us could say that the delivery had been made and we would put an end to this evidentiary chain, so to speak.

Senator Gurney. I understand that he did come over and he did bring the documents and Gray and he and you were there. Then, what happened?

Mr. Ehrlichman. We were there. He said, “Pat, I would like to give you these.” The sense of it was that these were contents of Hunt’s safe that were politically sensitive and that we just could not stand to have them leaked. I do not know whether he had talked to Gray before or not, because Gray seemed to understand the setting and the premise, so to speak. And he turned the documents over to him and John Dean then left.

Senator Gurney. Did you say nothing during this whole meeting?

Mr. Ehrlichman. I probably chimed in on the subject of leaks which was then kind of a—was a theme that I was hitting with Mr. Gray right along. And as I have testified before, I do not recall the specific language that was used. The sense of the conversation between the three of us, which was not a long conversation, was that the purpose of Pat Gray taking delivery of these was to avoid the leak problem which all of us recognized that the FBI was having.

Senator Gurney. Well, I seem to recall there was some testimony about, to Gray by someone, either Dean or you, that these documents should never see the light of day. Do you recall that?
PRESIDENTIAL CAMPAIGN ACTIVITIES OF 1972
SENATE RESOLUTION 60

HEARINGST
BEFORE THE
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES
OF THE
UNITED STATES SENATE
NINETY-THIRD CONGRESS
FIRST SESSION

WATERGATE AND RELATED ACTIVITIES
Phase I: Watergate Investigation
WASHINGTON, D.C., JULY 26, 27, AND 30, 1973
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since the President, in his May 22 speech specifically says he told both you and Mr. Haldeman that he was concerned about the CIA problems and asked you to see to it that the investigation did not uncover these things, on the 20th when you met with the President, did the President give you such instructions or raise those questions with you?

Mr. Ehrlichman. No. Those instructions came through Mr. Haldeman and were given to me I think the morning of the day of the meeting which would have been the 23rd.

Mr. Dash. So actually the President’s statement on May 22 that he instructed Mr. Ehrlichman and Mr. Haldeman, really should have been, he instructed Mr. Haldeman?

Mr. Ehrlichman. Well, no, because he instructed me to attend the meeting but he instructed me through Mr. Haldeman and a great many of my requests from the President would come either from the staff secretary or from Mr. Haldeman or possibly someone else. It was not always face to face.

Mr. Dash. Now, Mr. Hunt’s safe was opened on the evening of June 19 according to the testimony received and Mr. Dean met with you on June 21. Mr. Dean has testified that prior to that meeting he had examined the contents of the safe which were placed in his office and at this time, did he inform you of the contents of the safe on the 21st?

Mr. Ehrlichman. Well, your question, of course, assumes that Mr. Dean knew the contents of the safe. I have heard him testify both ways. Maybe I am wrong, but I thought his testimony was that he did not know the contents of the safe, but that Mr. Fielding had inspected the contents of the safe.

I recall only one conversation with Mr. Dean about the contents of the safe in any sort of descriptive terms and I am sorry I cannot tell you whether it was on that occasion or the following week, but what he described for me was simply that there had been papers, a gun, some electronic equipment of some kind which I have heard described variously as a tape recorder and other kinds of electronic equipment, and that he reported to me that Fielding felt that some of the papers were very politically sensitive.

Now, that was the full report, and when he gave that to me, whether it was the end of the week of the 19th or some time at the beginning of the week of the 20th, I am not able to tell you.

Mr. Dash. Did he not, when he reported to you about the contents of the safe, indicate it also included a forged cable involving President Kennedy and the so-called Diem assassination?

Mr. Ehrlichman. No; he did not.

Mr. Dash. Now, Mr. Dean has testified, and whether it was on this day when he reported to you on the contents or at a later day, that when he told you about the contents with regard to the briefcase, which apparently had some electronic equipment in it, that you said or told him to deep-six the contents.

Now, did you tell him to deep-six the contents when he gave you a description of the contents of the safe?

Mr. Ehrlichman. Well, I testified in response to Senator Gurney’s question on that. In point of fact, Mr. Dash, what Mr. Dean testified to here, you are confusing one of his—one of his press leaks with his testimony, I think. He testified here that I told him to get rid of the briefcase, not the contents.
You probably read in one of the news magazines the other version, but the fact is that I never gave him any suggestion or direction to do either one.

Mr. DASH. I think Mr. Dean did testify to deep-six the briefcase and certainly not take the contents out before he deep-sixed it. But you say you never gave him that instruction?

Mr. EHRlichman. No, sir.

Mr. DASH. Do you use the term deep-six?

Mr. EHRlichman. Do I use it?

Mr. DASH. Yes.

Mr. EHRlichman. Well, I used it quite a bit since it was suggested to me.

Mr. DASH. Prior to that?

Mr. EHRlichman. Prior to that I do not think that was a familiar part of my lexicon.

Mr. DASH. Apparently Dean did not seem to understand either what you meant and when asked, is it his testimony that you mentioned the fact he goes over the bridge and he could drop it into the water. Do you recall that testimony?

Mr. EHRlichman. No. I recall some testimony—oh, do I recall the testimony?

Mr. DASH. Yes.

Mr. EHRlichman. Yes, I recall hearing him say that here.

Mr. DASH. And do you recall having told him that?

Mr. EHRlichman. No; I did not tell him that. I do recall a conversation with Mr. Dean about the river because just at this time Mr. Dean's house was in the process of being flooded by the Potomac, and we had quite a bit of discussion about the fact that he was away from work several days, sandbagging his house and moving the furniture, and so on, and we were discussing that in the context of his having held this material from the FBI for what he was concerned might be considered to be an inordinate period of time.

Mr. DASH. And so he may have gotten mixed up in your question about the house and the river—

[Laughter.]

Mr. EHRlichman. No.

Mr. DASH [continuing]. With the contents?

Mr. EHRlichman. No. I do not think that Mr. Dean is at all mixed up. I think he knows exactly what he is trying to do.

Mr. DASH. He is trying to testify.

Now, Mr. Fielding testified in the depositions in the Democratic National Committee suit on May 15, 1973. It was Mr. Dean's testimony before this committee that after he alleged—

Mr. EHRlichman. Mr. Fielding testified that it was Mr. Dean's testimony?

Mr. DASH. No, no. I have not finished my question. Please.

Mr. EHRlichman. Well, I am already mixed up. Could we start over?

Mr. DASH. Yes. Mr. Dean testified after you had instructed him to deep-six or drop the briefcase in the water, that he went to see Mr. Fielding and reported back to Mr. Fielding that that was the instruction they were concerned about, primarily because too many people had actually seen what had come out of the safe.
Now, Mr. Fielding has given his deposition in the Democratic National Committee suit on May 15, 1973, and let me read you what Mr. Fielding states in that deposition.

In a question concerning the conversation he had with Mr. Dean, his answer was:

I would say it was closer to the 29th than the 27th. I am afraid I cannot really pinpoint it much more than that. In the course of the conversations that we had, John indicated that there was a lot of concern about this material and we had a discussion about it. I would have said this is not a quote, that it would be unfortunate if some of this stuff leaked out or is revealed to the press. By the same token, it all has to be turned over. It is all evidence, even though obviously some of it is totally unrelated to the break-in. In the context of that kind of conversation, Mr. Dean indicated to me that Mr. Ehrlichman had suggested to him this was in the context of a conversation about a briefcase, that he deep-six the briefcase.

Now, this is Mr. Fielding's deposition recalling what Mr. Dean told him.

Now, I just raise that to you on the basis that Mr. Dean testified that he had gone back to tell Mr. Fielding that you had told him that and Mr. Fielding has so deposed that he has.

Mr. Ehrlichman. Well, Mr. Dash, it is perfectly silly to suggest that I would go to the elaborate lengths that I did in making sure that the Secret Service and Kehrli and the GSA and somebody from Dean's office was present at the opening of the safe and that I would give instructions for taking custody of the contents and then make a suggestion like that. I mean, I think you have to give me credit for understanding the importance of evidence in a case of this kind and I did understand that and on the 19th made darn sure that that evidence was preserved in a way that if there were a subsequent trial, the evidence could be identified and placed in evidence carefully.

Mr. Dash. It was Mr. Dean's testimony that he had to so instruct you that that was the problem, that so many people had seen it that it would be inadvisable to do it.

Mr. Ehrlichman. Well, why don't you ask Mr. Colson, Mr. Kehrli, and Mr. Clawson, who were also at that meeting, who it was that established the process by which the integrity of that evidence would be preserved, and then perhaps you will get some independent view of it.

Mr. Dash. Is it not true that you did seek to ask Mr. Clawson and Mr. Colson certainly by a telephone call concerning whether or not you had made such a statement to Mr. Dean? And you have copies—I am now referring to a transcript of a telephone call that you had with Mr. Clawson which your attorney has provided under subpoena to us. There is no date on this transcript.

Mr. Ehrlichman. There is a date on mine.

Mr. Dash. No date on mine. What date do you have?

Mr. Ehrlichman. April 17.

Mr. Dash. April 17 does appear on the Colson transcript. Now—

Mr. Ehrlichman. For some reason they excised the date from your copy.

Mr. Dash. Now, I will read this telephone conversation and ask that it be made part of the record. It is short and I can read it but I will refer primarily to where you were asking Mr. Clawson to recall being at a meeting and where the question of Hunt's safe had been discussed.
The following is an enlargement of one page of SSC Exhibit No. 34-43, a handwritten statement prepared by John Dean at Camp David, Maryland between March 23, 1973 and March 28, 1973. The entire exhibit is printed at 3 SSC 1263-1293.
Portion of handwritten notes (John Dean Camp David report)

him to the office & take the contents. After opening the safe BK & FFF boxed the contents & sent them to BK's office for safe keeping. They boxes were delivered to my office the next morning. DEAN/in & out

There were three items that I considered very [word unclear].
(1) Electronic Equipment. (2) Pol. [word unclear] memos un related to the W/G. (3) the fact that there was a gun & bullets

I reported what was found in the safe to JE & Colson. It was suggested that I "deep-six" the material, but I said I was unwilling to do that. I express concern for our tampering with the evidence and that we should merely hold it in my office because no one had requested it. I discussed this with FFF & he agreed [four words struck] said I would be [word unclear] to destroy evidence. Accordingly the contents were kept in my office. No [word unclear] was made, but my office is secure so I just left it in boxes, except for classified cables which I had stored in a safe.

Retyped from indistinct original
I continued to work on the file. After working on the file, I went to the lawyer's office to get the file. I then went to the blue office for safekeeping.

The lawyer came back to my office.

I announced that he was present.

Surely the file went through the sending. There were two boxes. I could not keep the document well.

(1) No security was related to the file. (2) The file was joint with a box for a similar document.

I repeated what was said on the safe to the lawyer. It was suggested that the file "deep-six" be returned, but I said I was unwilling to do so. I expressed concern for the document with the subject, and stated that a similar document held in my office because no one had requested it. I reassured him that we had agreed to file a similar document. I said I would be away to destroy evidence.

Because the cabinet was not in my office, no index was made, and no effort was made

I just left it as a kind of index card which I had found in the file.
28. On June 22, 1972 FBI agents interviewed Charles Colson in the EOB. John Dean was present. When the agents inquired about Howard Hunt's office in the EOB, Dean told them either that he would have to check out whether Hunt had an EOB office or that the request to see Hunt's office would have to be checked out.

28.1 Charles Colson draft statement prepared for delivery to the SSC, September 1973, 10 (received from SSC).

28.2 John Dean testimony, 3 SSC 939-40.

28.3 Notes of Charles Colson interview, June 22, 1972, SSC Exhibit No. 34-16, 3 SSC 1160.


Opening Statement of Charles W. Colson Before Select Committee on Presidential Campaign Activities, United States Senate

I appreciate the opportunity to present this opening statement to your Committee. I shall first attempt to the best of my recollection to recount my knowledge of the events surrounding the Watergate Affair.

I will also attempt, if I may, to give this Committee some insight into the mood and atmosphere which existed in the White House during the Nixon years. I have followed your proceedings to date; it is clear that you are seeking to determine not only what in fact happened, but why and how these things could have happened.

AS TO THE FACTS:

I first heard that there had been a burglary at the Democratic National Committee headquarters on the radio. It was Saturday, June 17, 1972. I thought it was no more than an ordinary burglary -- one more addition to the D. C. crime
that their proposals, whatever they were, be considered. There was no discussion that I can recall of what it was that they were planning to do other than the fact that I have the distinct impression that it involved security at the convention and/or gathering intelligence during the Democratic National Convention."

As I recall, the meeting lasted no more than five minutes. The event had no significance in my mind insofar as Watergate was concerned until I learned this year for the first time what the plan in fact involved and of the meetings involving Mr. Mitchell, Mr. Magruder and others.

On June 21, I suggested to Mr. Dean that I give a statement to the FBI. I believed if I were to give a formal, sworn statement as to my own lack of knowledge or involvement, the fact of having done so might help to stem the flow of adverse publicity. I do not know whether it was as a result of my request, but shortly thereafter, Dean told me to come to his office for an interview with two FBI agents. I was questioned in the presence of Mr. Dean.

On August 28, again accompanied by Dean, I gave a deposition to Mr. Silbert for the Grand Jury then investi-
COLSON'S FBI INTERVIEW

To the best of my recollection it was on June 20 or 21, that Colson told me in a casual conversation in the hall outside his office about an incident that he thought was painlessly humorous. He told me that a member of his staff, Mr. Douglas Hallett, had an office in the same suite with Mr. 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 19 or 20, 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 22 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 and also wanted to meet with me prior to the interview. He was insistent that I be present because he was concerned that the FBI report of the interview might not be accurate and he wanted someone else to attest to his story.

Colson came to my office shortly before the scheduled meeting with the FBI. He said that he did not wish to get into unrelated matters and he said again that he had no information regarding the Watergate. I told him I presumed that the agents would only be interested in his knowledge about the Watergate and his relationship with Hunt.

The agents arrived, identified themselves, and somewhat to my surprise, gave Colson a warning of his rights, which he waived. I believe the committee has access to Mr. Colson's FBI interview, which was rather brief, Colson imparted very little information to them.

[The document referred to was marked exhibit No. 34-16.]

Mr. Dean, 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.

I have submitted to the committee the very rough notes, which have also been transcribed from my handwriting—the rough notes that I hastily jotted down during the interview, and find them very revealing in light of the statement that was made during the nomination hearings of Mr. Patrick Gray for the FBI directorship, and would like to digest for a moment regarding the comment that was made during those hearings that "Dean probably lied" to the FBI as to whether Hunt had an office in the White House.

DEAN PROBABLY LIED

During the interview of Mr. Colson on June 22, the agents asked him if Mr. Hunt had an office in the White House. Colson responded that he thought Mr. Hunt had an office in the EOB, but he did not

*See p. 1150.
know where it was located. This question came up about midway through the interview and was not, as I recall, pursued further at that point by the agents, other than a question to me as to whether it would be possible to get the room number. I said yes. At the end of the interview and as the agents were departing, they asked me if they could see—not whether Mr. Hunt had—rather whether they could see Mr. Hunt's office right then. I told them I would have to check it out and get back to them.

Those are the facts as I remember them, and Colson happened to stop by my office on the day that Gray said I probably lied. I asked Colson for this recollection of the matter and he stated that he remembered it as I had remembered it. At that time I had forgotten that I had made the notes during Colson's interview, which clearly reflected that Colson had stated during the interview that Hunt had an office in the White House. A few days after Colson's interview I called the agents and told them I had the materials from Hunt's office and would get the material to them shortly.

I learned after Mr. Gray made his statement during his nomination hearing that he based his conclusion on a report, written by the agents, some 7 months after the incident. When I talked with Gray about the matter during his nomination hearing and he informed me that he did not feel he could retract the statement without creating more problems, I told him that I did not think that the agents involved should be brought into the matter because I was sure that they had honestly reported the matter as they had remembered it. I had dealt with the agents involved on several occasions and felt that they had called it the way they had remembered it, so I let the matter drop and decided that I would just have to take the rather unpleasant heat and live with it.

Mr. Chairman, this could be a point where I could summarize part of this statement regarding handling of the FBI interview with the White House and just merely state generally that they follow a very similar pattern.

Senator Ervin. That would be all right if you could indicate for the committee the pages on which the statements are made that you summarize so we can have those pages printed in full in the body of the record.

Mr. Ervin. All right, sir. I will summarize beginning at the bottom of page 63 through 66 and merely note to the committee that the handling of the FBI interviews at the White House followed the pattern that had first been established by the interview with Mr. Colson. I cleared this procedure with Mr. Ehrlichman. He felt it was a good idea I was there. I was there when he was present or when he was interviewed and I think that the material is self-explanatory as to any questions that the committee might have regarding those interviews.

**General Handling of FBI Interviews at the White House**

As previously indicated the first person to be interviewed at the White House by the FBI was Colson and Colson had insisted that I be present during his interview and requested I review the matter with him prior to his interview. The Colson interview
PRESIDENTIAL CAMPAIGN ACTIVITIES OF 1972
SENATE RESOLUTION 60

HEARINGS
BEFORE THE
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES
OF THE
UNITED STATES SENATE
NINETY-THIRD CONGRESS
FIRST SESSION

WATERGATE AND RELATED ACTIVITIES
Phase I: Watergate Investigation
WASHINGTON, D.C., JUNE 25 AND 26, 1973
Book 3

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IV

No. 34-13—(328) Copy of agenda prepared by Gordon Liddy for meeting of November 24, 1971, with Attorney General Mitchell and John Dean ............................... 1150
No. 34-14—(331) Memorandum for Larry Highy from John Dean with attachments .......................................................... 1151
No. 34-15—(335) White House memorandum for John Dean from Charles Colson concerning Howard Hunt, with attachment........ 1157
No. 34-16—(330) FBI interview of Charles Colson ................................................................. 1160
No. 34-17—(333) Memorandum for H. R. Haldeman and John Ehrlichman from John Dean re: O'Brien letter concerning special prosecutor........ 1161
No. 34-18—(334) Memorandum for John Dean from Charles Colson re: Chronology of Howard Hunt's activities .......................... 1169
No. 34-19—(337) Memorandum re: Counteractions (Watergate) by Kenneth Parkinson and John Dean ........................................... 1173
No. 34-20—(339) Draft letter from Congressman Brown to Attorney General Henry Petersen re: Extensive public hearings into financial aspects of Watergate "Bugging" incident ............................ 1184
No. 34-21—(361) Memorandum to John Dean from Kenneth Parkinson re: 1972 political filings ........................................... 1183
No. 34-22—(364) Banking and Currency Committee notice of meeting change and subpoena list, with attachments ................. 1190
No. 34-23—(366) Letter to Congressman Putman from Assistant Attorney General Henry Petersen re: Extensive public hearings into financial aspects of Watergate "Bugging" incident ............................ 1194
No. 34-24—(362) Question and answer conversation between Ziegler, Ehrlichman, Chapin, and Moore Statement by Dwight Chapin ...... 1200
No. 34-25—(367) Memorandum for H. R. Haldeman from John Dean re: Watergate and Segretti, with attachments ..................... 1210
No. 34-26—(368) Information on campaign spending—HRH and Dean, dated May 18, 1971 .......................................................... 1226
No. 34-27—(369) Memorandum for Herb Kalmbach from John Dean re: Bill from Jack Gleason's lawyer on Common Cause law suit .... 1231
No. 34-28—(370) White House note to John Dean from Charles Colson "Now what the hell do I do?" with attachment .................. 1233
No. 34-29—(374) Handwritten note to Mr. John Caulfield re: CIA taking the blame ................................................................. 1235
No. 34-30—(376) Document entitled "Relevancy of Intercepted Communications" ................................................................. 1236
No. 34-31—(377) Message given by Saundra Greene to Mr. Gordon Liddy ................................................................. 1238
No. 34-32—(380) Memorandum for the President from John Dean re: Congressional hearings regarding Watergate ..................... 1239
No. 34-33—(382) Memorandum from H. R. Haldeman for John Dean re: Appointment of minority counsel to "Ervin Committee," with additional memos .................................................. 1240
No. 34-34—(388) Agenda—Matters to be discussed and resolved ........ 1243
No. 34-35—(389) Potential matters for discussion with Senator Baker (Meeting to be totally off the record) ............................. 1245
No. 34-36—(390) Memorandum for H. R. Haldeman from John Dean, with attachment entitled "Talking Points for Meeting with the Attorney General" ................................................................. 1247
No. 34-37—(393) Memorandum for Larry Highy and John Dean from Jerry Jones. Subject: Options for Jeb Magruder ...................... 1248
No. 34-38—(391) Memorandum for the files from John Dean. Subject: Call from Secretary Dean re: Jeb Magruder ...................... 1251
No. 34-39—(392) Draft letter addressed "Dear Mr. Chairman" from John Dean with oath attached to bottom of letter ...................... 1232
No. 34-40—(393) Taped conversation between Dean and Magruder with attached Camp David envelope ............................. 1238
No. 34-41—(401) Statement of charges against White House and Committee To Re-Elect the President officials ....................... 1261

Note: Figures in parentheses indicate page that exhibit was officially made part of the record.
1160

Exhibit No. 34-16

# HOW DID HUNT COME TO STAFF?

CC AS A CONSULTANT. I KNEW HIM. PENTAGON PAPERS NEEDED SOMEONE TO REVIEW. KNEW THAT HE WAS CAPABLE.

# HOW DID YOU KNOW HIM?

CC SOCIAL

# ASSOCIATED WITH CIA?

CC NO

# POINT THAT WORKED ON DECLASSIFICATION PROJECT -- WHO?

CC DAVID YOUNG

# STATUS: CC SAID ADVISED IN MARCH THAT HIS OFFICE ADVISED HIM NOT USING HUNT.

# HUNT HAD OFFICE IN WHITE HOUSE

# DO YOU KNOW A MISS HASTINGS - NO

# DO YOU KNOW CADDY - NO

# DO YOU KNOW ARRESTED INDIVIDUALS - NO

# ALFRED BALDWIN - NO

# DID YOU HIRE HUNT FOR SPECIFIC JOB - NO

# DO YOU KNOW WHO FINANCED HUNT? - ONLY SALARY HERE.

MULLEN & BOOKS

# WORKED YOUR OFFICE RE LEAKS - NO
LOUIS PATRICK GRAY III

HEARINGS
BEFORE THE
COMMITTEE ON THE JUDICIARY
UNITED STATES SENATE
NINETY-THIRD CONGRESS
FIRST SESSION
ON
NOMINATION OF LOUIS PATRICK GRAY III, OF CONNECTICUT,
TO BE DIRECTOR, FEDERAL BUREAU OF INVESTIGATION

FEBRUARY 28, MARCH 1, 6, 7, 8, 9, 12, 20, 21, and 22, 1973

Printed for the use of the Committees on the Judiciary

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Senator Byrd. What would be the necessity of continuing to meet and talk with Mr. Ehrlichman after you had had the initial discussion with him to proceed?

Mr. Gray. I don't know, and I am not going to go down that path until I can review my appointment records and review my recollection. I won't say I met with him 6, 8, 12 times, until I know. It may be less. But I am talking from recollection.

Senator Byrd. Can you indicate also for the record the content of the discussions that took place in each of these meetings?

Mr. Gray. To the best of my recollection, yes, I will.

Senator Byrd. The dates and whether or not anyone else was present, what you discussed in each instance?

Mr. Gray. Whether it was by telephone, whether it was by meetings.

Senator Byrd. In the material that you supplied for the committee, page 53 there was included a letterhead memo dated July 21, 1973, that you prepared at the request of and sent to John Dean, counsel to the President. On page 10 of that memo, you state:

It was determined from Mr. John Dean that the personal effects of Everett Howard Hunt had been removed from Hunt's office in the Executive Office Building and brought to his, Dean's, office. This material which was turned over to the FBI on June 27, 1973, included auxiliary equipment for the transceivers and other equipment identical to items known to have been purchased by James Walter McCord, Jr.

What were the circumstances involved in Mr. Dean turning over the equipment in Mr. Hunt's office 10 days after the break in?

Mr. Gray. This came up as a result of agents' desire to find out whether or not Mr. Hunt had an office there. Mr. Dean said that he would have to check whether or not Mr. Hunt had an office there and would ascertain that.

Indeed, at this point in time, the White House records indicated that Howard Hunt had ceased his employment as of March 29, 1972. We had previously ascertained that fact. Later we delivered these materials and an inventory was made of these materials that were delivered to us. Included among those materials were a gun, electronic equipment lying in Hunt with the type of electronic equipment that was possessed by Mr. McCord, and top secret materials involving South Vietnam dispatches.

Senator Byrd. Did Mr. Dean volunteer this evidence?

Mr. Gray. We really didn't ask him for it. We didn't ask for a search warrant because at that point in time, when we were talking with Mr. Dean, we really didn't know what we were looking for. We didn't ask for a search warrant because we couldn't specify with particularity what we wanted. We didn't know.

Senator Byrd. I noted the FBI interviewed Mr. Dean on June 27; is this when the evidence was turned over?

Mr. Gray. The evidence, as I recall, was turned over on June 26. Yes, this material was furnished to us on the morning of June 26, 1972.

Senator Byrd. You have indicated that there was electronic bugging equipment and there was a gun involved.

What other evidence was turned over to the FBI at this time by Mr. Dean?

Mr. Gray. I would have to go to the inventory. There was a two-page inventory, as I recall. It is an exhibit to our summary, and I will produce that. It is a rather extensive inventory.
Senator Byrd. The next day Mr. Dean called you at 10:25 a.m., regarding leaks concerning material delivered to the FBI. What particular leak and what specific material did he have in mind?

Mr. Gray. He was calling me then about those rumors that were continuing, as he put it, to the effect that the FBI was dragging its feet in this investigation and that a gun had been found in Mr. Hunt's effects. This was the subject of that call, as best as I can recollect it, sir.

Senator Byrd. On the same afternoon at 11:30 you called him. You state you have no recollection of the substance of that call. Could it have been with respect to Mr. Hunt's properties?

Mr. Gray. No, I do not think it was. I covered that pretty thoroughly in that morning call. That is why I am sure it isn't. I have tried to remember it. It could have been on leaks, it could have been on toll call records, or it could have been on witness interviews, but I just don't know.

Senator Byrd. Going back to Mr. Dean, when he indicated that he would have to check to see if Mr. Hunt had an office in the Old Executive Office Building, he lied to the agents; didn't he?

Mr. Gray. I would say looking back on it now and exhaustively analyzing the minute details of this investigation, I would have to conclude that that probably is correct, yes, sir.

Senator Byrd. Now, you just conclude that at this point.

How about on the 27th, the day after—

Mr. Gray. No, sir. No, sir, there were none of us that discussed it in that timeframe. We did not even consider it. We didn't think about it.

Senator Byrd. I cannot for the life of me, with all due respect to you, imagine how these things would not have occurred to you in the face of the chain of events that are on the record.

Mr. Gray. We are looking at it in hindsight, Senator Byrd.

Senator Byrd. I am talking about the 27th—looking back on the 19th and the 22nd of June.

Mr. Gray. I think you have to place it in the proper perspective as we looked at it with a fast moving, fast paced investigation, with events and reports and details coming in. I am saying to you that it did not occur to us then. We were concerned at the time about the chain of custody. There is no question about that.

Senator Byrd. Mr. Gray. Hindsight is a very useful agent. Let's take hindsight for a moment. You indicated that Mr. Dean probably lied to the FBI agents as you now look back, yet yesterday you said you would continue to send to him raw FBI files if he requested them. Why would you now continue to send raw FBI files to an individual who probably lied, to use your words, to an FBI agent?

Mr. Gray. Well, Senator Byrd, I think that you have got to realize once again that I am a Bureau Chief in an executive department of the Government, that I have to take orders from somebody, that I do report to somebody, that I am just not out there in the open. You know, independent and doing exactly as I please, and that man is Counsel to the President of the United States.

Senator Byrd. I recognize all this.

Mr. Gray. I think you know that his first duty—I would like, if I may, to let the record clearly show that I have testified that his first duty was to the President of the United States in connection with the
29. On or about June 22, 1972 Acting FBI Director L. Patrick Gray met with John Dean. Gray told Dean the FBI had discovered that a $25,000 check drawn by Kenneth Dahlberg and four checks totalling $89,000 drawn on a bank in Mexico City payable to Manuel Ogarrio had been deposited in a Miami, Florida bank account of Bernard Barker, one of the persons arrested on June 17, 1972 at the DNC headquarters in the Watergate. Gray and Dean discussed the FBI's alternative theories of the Watergate case, including the theory that the break-in was a covert operation of the CIA. The following day Dean reported to H. R. Haldeman on his meeting with Gray.

29.1 L. Patrick Gray log, June 22, 1972 (received from SSC).
29.2 L. Patrick Gray testimony, 9 SSC 3451.
29.3 John Dean testimony, 3 SSC 942-43.
29.4 Memorandum from C. W. Bates, FBI, June 22, 1972 (received from SSC).
29.5 Telegram from FBI Washington Field Office to L. Patrick Gray, June 22, 1972 (received from SSC).
29.7 H. R. Haldeman testimony, 8 SSC 3040.
# Daily Log

**Director's Office**

**Federal Bureau of Investigation**

**Date:** Thursday, June 27, 1972

<table>
<thead>
<tr>
<th>Time</th>
<th>Caller</th>
<th>Via</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>7:15</td>
<td>Mr. Gray</td>
<td>US</td>
<td>Spoke to (New London, CT) No Answer</td>
</tr>
<tr>
<td>8:11</td>
<td>Mr. Gray</td>
<td>US</td>
<td>Spoke to (Andrews AFB) No Answer</td>
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<tr>
<td>9:22</td>
<td>Mr. Bates &amp; SAC Kunkel</td>
<td>US</td>
<td>Spoke to Mr. Gray</td>
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<td>10:25</td>
<td>Mr. J. P. Monk</td>
<td>US</td>
<td>Spoke to Mr. Gray</td>
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<td>12:14</td>
<td>Duncan, Photographer</td>
<td>US</td>
<td>Senator Weicker - Out, Left Word</td>
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<td>Mr. Gray</td>
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<td>Spoke to Mr. Gray</td>
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<td>Mr. Bates</td>
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<td>Mr. Gray</td>
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<td>Mr. Gray</td>
<td>US</td>
<td>Spoke to Mr. Richard Hunsen, CIA</td>
</tr>
<tr>
<td>5:24</td>
<td>Mr. John W. Dean III</td>
<td>US</td>
<td>New Message</td>
</tr>
<tr>
<td>7:21</td>
<td>Mr. Bates</td>
<td>US</td>
<td>Left Word to Mr. Gray</td>
</tr>
<tr>
<td>11:32</td>
<td>Office Closed</td>
<td>US</td>
<td></td>
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**Director:**

IN - IN - IN - IN - IN - IN -
OUT - OUT - OUT - OUT - OUT -

**Dr.**
PRESIDENTIAL CAMPAIGN ACTIVITIES OF 1972
SENATE RESOLUTION 60

HEARINGS
BEFORE THE
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES
OF THE
UNITED STATES SENATE
NINETY-THIRD CONGRESS
FIRST SESSION

WATERGATE AND RELATED ACTIVITIES
Phase I: Watergate Investigation
WASHINGTON, D.C., AUGUST 3, 5, 7; SEPTEMBER 24 AND 25, 1973
Book 9

Printed for the use of the
Select Committee on Presidential Campaign Activities

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1973

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Washington, D.C. 20402 - Price $3
assist him in his inquiry. I asked Mr. Dean if he would be reporting directly to the President or through Mr. Haldeman or Mr. Ehrlichman. He informed me that he would be reporting directly to the President.

At this meeting with Mr. Dean there was no discussion of whom we were going to interview or where our leads might take the investigation. We did discuss the scheduling of White House interviews through Mr. Dean and his sitting in on the interviews as counsel to the President.

On Thursday, June 22, 1972, after being briefed by Mr. Charles W. Bates, Assistant Director, General Investigative Division, regarding the latest developments in the Watergate case and undoubtedly as a result of information developed at that briefing, I telephoned Director Helms of the CIA. I told him of our thinking that we may be looking into a CIA operation and asked if he could confirm or deny this. He said he had been meeting on this every day with his men, that they knew the people, that they could not figure it out but that there was no CIA involvement.

I met again with Mr. Dean at 6:30 p.m. the same day to again discuss the scheduling of interviews of White House staff personnel and to arrange the scheduling of these interviews directly through the Washington field office rather than through FBI headquarters. At this meeting I also discussed with him our very early theories of the case; namely, that the episode was either a CIA covert operation of some sort, simply because some of the people involved had been CIA people in the past, or a CIA money chain, or a political money chain, or a pure political operation, or a Cuban right wing operation, or a combination of any of these. I also told Mr. Dean that we were not zeroing in on any one theory at this time, or excluding any, but that we just could not see any clear reason for this burglary and attempted intercept of communications operation.

I believe that it was at this meeting on June 22 that I told him of our discovery of a bank account in the name of Bernard Barker, who was arrested in the Watergate burglary, and the fact that a $25,000 check associated with Kenneth Dahlberg and four checks drawn on a Mexican bank payable to Manuel Ogarrio, in the total amount of $80,000, were deposited in the Barker account. I do not have a clear memory of telling him about my telephone call earlier in the day to Director Helms regarding the question of CIA involvement. It is likely that I would have discussed the Helms call with him in connection with our discussion of the theories of the case, since Mr. Helms had informed me that there was no CIA involvement.

On Friday, June 23, 1972, Mr. Bates met with me again to brief me on recent developments. I telephoned Mr. Dean following my meeting with Mr. Bates. I am quite certain that this call again involved the Barker bank account and the Ogarrio and Dahlberg checks. Either in this call or in the meeting of the preceding evening Mr. Dean first raised with me the idea that if we persisted in our efforts to investigate this Mexican money chain we could uncover or become involved in CIA operations. I remember telling Mr. Dean in one of these early telephone calls or meetings that the FBI was going to pursue all leads aggressively unless we were told by the CIA that there was no CIA interest or involvement in this case.
FIRST MEETINGS WITH MR. GRAY REGARDING THE INVESTIGATION

I believe that it was on June 21 that I first met with 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 what prompted Ehrlichman to have me do so at this time.

During my meeting with Gray on June 21 he also told me a man by the name of Mr. Bates was heading the investigation. I do not know Mr. Bates, and when I reported this back to Ehrlichman and he asked me who Bates was, I told him I did not know Bates. I can recall on several occasions Ehrlichman asking me if I thought that Gray knew what he was doing and if he had the investigation under control. I responded that he seemed to be relying on men in whom he had full trust.

To the best of my recollection, it was during this June 21 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 totaling $80,000 to a bank in Mexico City.

I do not recall whether I first learned about the Dahlberg check from Mr. 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. Darbyne Andrews, whom I did not know, but I was told was a longtime backer of Senator Herbert Humphrey. Neither Stans nor Mitchell wanted Mr. Andrews to be embarrassed by disclosure of the contribution. The concern about the Mexican money was made a little less clear to me. I was told it was a contribution from a group of Texans who had used an intermediary in Mexico to make the contribution. Although I had not been told, I assumed at that time that they were concerned because it sounded to me as if it might have been a corporate contribution and clearly a violation of the law.

Mr. Stans also explained that he had checked with Sloan to find out how this money had ended up in Mr. Barker's bank account and Sloan reported that he had given the checks to Liddy and received that he cashed 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 specifically 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 Sloum. 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 Haldeman and Ehrlichman. On June 22, at the request of Ehrlichman and Haldeman I went to see Mr. Gray at this 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 Mr. Gray on June 22 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 setup 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 reelection committee who was responsible. Gray also had some other theories which he discussed, but I do not recall them now, but I do remember that those I have mentioned were his primary theories.

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 needed any information I should call either 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.

On June 23 I reported my conversation with Gray of the preceding evening to Ehrlichman and Haldeman. We discussed the Dahlberg and the Mexican checks and the fact that the FBI was looking for answers regarding these checks. I had the impression that either Ehrlichman or Haldeman might have had a conversation with someone else about this matter but this was mere speculation on my part at that time.

Within the first days of my involvement in the coverup, a pattern had developed where I was carrying messages from Mitchell, Stans, and Marlin to Ehrlichman and Haldeman—and vice versa—about how each quarter was handling the coverup and relevant information as to what was occurring. I was also reporting to them all the information I was receiving about the case from the Justice Department and the FBI. I checked with Haldeman and Ehrlichman before I did anything. One of the few sets of early documents evidencing this working relationship with Haldeman and Ehrlichman relates to responding to Larry O'Brien’s letter of June 21 to the President requesting the appointment of a special prosecutor. I have submitted these documents to the committee.

[The documents referred to were marked exhibit No. 34-17, 2]
At 4:00 p.m. on 6/21/72, Mr. Felt, SAC Kunkel of WPO and I met with Mr. Gray on this case. We brought him up to date on all aspects. It was agreed that this was most important, that the FBI's reputation was at stake, and that the investigation should be completely impartial, thorough and complete. Several points were discussed and these have already been furnished to the field for handling, such as reinterview with McCuin to identify the Secret Service official, further details regarding the $100 bills.

In answer to our question, Mr. Gray instructed as follows:
Hold up any dissemination of this information to Department or White House. Hold up electronic sweep. Hold any interviews of White House personnel.

SAC Kunkel broached the theory that this was in furtherance of the White House efforts to locate and identify "leaks." It was admitted this was a theory. Mr. Gray said we should, of course, consider this but not let it influence our complete investigation. I assured him the investigation was going full speed and that I would keep him briefed on any developments.

At Mr. Gray's request, SAC Kunkel and I met with him at 9:30 a.m., 6/22/72. He was brought up to date on developments over-night and was informed that all points he raised yesterday were being thoroughly explored. At this meeting he again instructed that the dissemination be held up and that the electronic sweeps be held. I told him that both the CIA and the Metropolitan Police had inquired of WPO about briefings in this matter and that I felt we should brief no one. He agreed.

CONTINUED-OVER

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Memorandum to Mr. Bolz
Re: JAMES W. MCCORD, JR., AND OTHERS

At 10:25 a.m., Mr. Gray called me and authorized our making an offer to the Democratic National Committee, the Credentials Committee, and the Republican National Committee for electronic sweep of their facilities. He also authorized a contact with Mr. John Dean of the White House regarding interviews and information needed there. This is being immediately handled by WFD.

While on the phone with him, I advised him of a new development: Subject Barker had tried to cash a cashier's check with the Republic National Bank, Miami, on 4/26/72. This check was drawn on the Boca Raton Bank and was for $25,000. The Republic Bank checked with the Boca Raton Bank and they were advised the check was good and had been obtained by Mr. Kenneth Harry Dahlberg. Our files show Dahlberg was investigated at the request of the White House in December, 1969. He is an industrialist from Minnesota, is a millionaire, and has been active in the Republican Party in the Midwest for a number of years. The White House records disclosed he was not presently connected with the White House.

I talked to Mr. Gray again at 5 p.m. on 6/22/72 after his return to the office. I again went over the latest developments.

At 3:15 p.m. on 6/23/72 Mr. Gray called me. He said he had just talked to the Deputy Director of CIA in his office and he briefed me in detail regarding the conversation. I again told him I felt the FBI had no choice but to continue our full investigation and obtain all the details. He agreed.

At 6:00 p.m. on 6/23/72 Mr. Gray called me. He said he had just talked with Sandy Smith, a reporter for TIME magazine. Smith told him that TIME had adverse information affecting Mr. Gray but not affecting the FBI; that Gray had refused to permit Agents to check Colson's telephone toll calls and to interview him and that Gray had instructed this investigation be wrapped up in 24-48 hours, the inference being it would be a whitewash by the FBI on Gray's instructions. Mr. Gray told me he told Smith that the question had not arisen regarding Colson's toll calls; that we had checked with Colson to get toll calls made by Hunt; that he had not instructed the case be wrapped up in 48 hours but had instructed that it receive immediate priority attention and that he had indicated he had held up the electronic sweep of the Democratic and Republican headquarters until he had all necessary facts and that the sweep had now been ordered. Mr. Gray instructed that I have all Agents in

-2-

Retyped from indistinct original

The eight remaining pages of this memorandum do not pertain to paragraph 28.
UNIVERSITY OF CONNECTICUT

Memorandum

to: Mr.]

from: C. W. Bates

subject: JAMES W. MCCORD, JR., AND OTHERS
BURGLARIES OF DEMOCRATIC PARTY
NATIONAL HEADQUARTERS, 6/17/72
INTERCEPTION OF COMMUNICATIONS

At 4:00 p.m. on 6/21/72, Mr. Felt, SAC Kunkel of WFO and I met with Mr. Gray on this case. We brought him up to date on all aspects. It was agreed that this was most important, that the FBI's reputation was at stake, and that the investigation should be completely impartial, thorough and complete. Several points were discussed and these have already been furnished to the field for handling, such as reinterview with McCuin to identify the Secret Service official, further details regarding the $100 bills.

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SAC Kunkel broached the theory that this was in furtherance of the White House efforts to locate and identify "heads." It was admitted, this was a theory. Mr. Gray said we should, of course, consider this but not let it influence our complete investigation. I assured him the investigation was going full speed and that I would keep him briefed on any developments.

At Mr. Gray's request, SAC Kunkel and I met with him at 6:30 p.m., 6/22/72. He was brought up to date on developments over night and was informed that all points he raised yesterday were being thoroughly explored. At this meeting he again instructed that the dissemination be held up and that the electronic sweeps be held. I told him that both the CIA and the Metropolitan Police had inquired of WFO about briefings in this matter and that I felt we should brief no one. He agreed.
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I talked to Mr. Gray again at 5 p.m. on 6/22/72 after his return to the office. I again went over the latest developments.

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[705]
FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

JUN22 1972

TELETYPE

NR COS WF PLAIN
7:14PM IMMEDIATELY-22-72 ASW
TO ACTING DIRECTOR
FROM WASHINGTON FIELD SIX PAGES

JAMES WALTER MC CORD, JR., ET AL, BURGLARY, DEMOCRATIC
NATIONAL COMMITTEE HEADQUARTERS, WASHINGTON, DC, JUNE
Interception of Communications
SEVENTEEN SEVENTYTWO; [unreadable]
Office of Origin: Washington Field Office

SUMMARY OF INVESTIGATION.

INVESTIGATION AT REPUBLIC NATIONAL BANK, MIAMI, FLORIDA,
REVEALED BANK RECORDS REGARDING "BARKER ASSOCIATES, INC."
REFLECT FOUR CHECKS DEPOSITED TO BARKER ASSOCIATES,
INCORPORATED ACCOUNT TOTALING EIGHTY NINE THOUSAND DOLLARS.
ALL CHECKS DATED APRIL FOUR SEVENTYTWO. TWO CHECKS WERE
DRAWN ON BANCO INTERNACIONAL, MEXICO CITY. BARKER ATTEMPTED
TO CASH THESE CHECKS ON APRIL TWENTYONE SEVENTYTWO BUT MIAMI
BANK REFUSED UNTIL CHECKS WERE DEPOSITED AND CLEARED THROUGH
FOREIGN BANK. BARKER RECEIVED CASH FOR THESE DEPOSITS ON
MAY EIGHT SEVENTYTWO. ON THAT SAME DATE BARKER RECEIVED
APPROXIMATELY TEN THOUSAND DOLLARS IN NEW ONE HUNDRED
END PAGE ONE

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DOLLAR BILLS BUT REPUBLIC NATIONAL BANK DID NOT MAKE ANY
NOTE OF THE SERIAL NUMBERS.

A SUBPOENA WAS SERVED TODAY AT MARYLAND NATIONAL BANK,
EIGHT FOUR ZERO ZERO BALTIMORE BOULEVARD, COLLEGE PARK,
MARYLAND, TO THE CUSTODIAN OF RECORDS FOR ALL RECORDS AND
ACCOUNTS, ETC., PERTAINING TO JAMES W. MCCORD AND RECORDS
OF MCCORD ASSOCIATES, BOTH OF ROCKVILLE, MARYLAND. THESE
RECORDS ARE BEING REPRODUCED AND WILL BE TURNED OVER TO THE
FBI.

ON THIS SAME DATE, SAC, UFO PERSONALLY CONTACTED SENATOR
ROBERT DOLE REPUBLICAN COMMITTEE NATIONAL CHAIRMAN, AND
LAWRENCE O'BRIEN, CHAIRMAN, DEMOCRATIC NATIONAL COMMITTEE
REGARDING THE "SHEEP" OF THE ABOVE HEADQUARTERS FOR BOTH
PARTIES. BOTH WERE AGREABLE. MR. O'BRIEN SUGGESTED THAT DUE
TO A PRIOR BURGLARY AT THE OFFICE OF THE CHAIRMAN OF THE CREDENTIAL
COMMITTEE, SHOULD BE INCLUDED IN THE SNS. FORMER ASSISTANT

END PAGE TWO

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NATIONAL COMMITTEE HEADQUARTERS, WASHINGTON, DC, JUNE
Interception of Communications
SEVENTEEN SEVENTY-TWO; 7/22/72
Office of Origin: Washington Field Office

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END PAGE TWO
PURPORTED ATTEMPT TO INVOLVE THE CENTRAL INTELLIGENCE AGENCY IN THE WATERGATE AND ELLSBERG INCIDENTS

THURSDAY, MAY 31, 1973

United States Senate,
Subcommittee of the Committee on Appropriations,
Washington, D.C.

The subcommittee met at 10:00 a.m., pursuant to recess, in room 1223, Dirksen Senate Office Building, Hon. John L. McClellan (chairman of the subcommittee) presiding.

Present: Senators McClellan, Pastore, Young and Hruska.

Gentlemen, the committee will come to order.

Mr. Haldeman, we appreciate your appearance this morning. We are very glad you have responded to our request to come and testify.

As you know, the committee is investigating or inquiring into matters that have transpired relating to the CIA.

This committee is not making or undertaking to make a comprehensive inquiry into all aspects that may be involved in the so called Watergate matter. We are undertaking to establish here a true record of the facts with respect to the CIA, its integrity, whether there has been any attempt

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Mr. Haldeman. I don't believe anyone else was.

Chairman McClellan. Just you and the President?

Mr. Haldeman. Yes, sir.

Chairman McClellan. You say the five points you set out in your statement are the reasons given you by the President for the necessity of that meeting.

Mr. Haldeman. Yes, sir. If I can describe the chronology there, it might be helpful.

Chairman McClellan. Start from the moment the President contacted you or began talking to you about a meeting. Start with that and give us your whole version of what happened from the minute you first knew that the President wanted a meeting set up.

Mr. Haldeman. With your permission, could I go back a step prior to that?

Chairman McClellan. We do not want to restrict or limit you in any way. You give us the true story, beginning with when you first knew that the President was interested in and wanted this meeting set up, the reasons why he wanted such a meeting, and what was to be the hoped for result, what was the objective of the meeting, what purpose was it to serve.

Mr. Haldeman. Right.

Either that morning, the 23rd or the preceding afternoon, and I am not sure which, afternoon or evening, John Dean, as I can best recall this, and again it is trying to recall events
of a year ago, John Dean told me that the FBI was concerned about the question of whether there might be CIA involvement in some aspects of the Watergate affair, either directly or indirectly.

In raising this concern of the FBI, I felt that something needed to be done at that point in time to guide the FBI as to whether there was involvement and, if so, what, and what problems there might be in that respect. I transmitted this report, in essence, to the President, I believe on the morning of the 23rd.

Chairman McClellan. That was John Dean who talked to you the day before?

Mr. Haldeman. Either the day before or that morning. I am not sure which.

Chairman McClellan. What authority or what responsibility did John Dean have in the matter at the time he talked to you? From what authority or motivation was he becoming involved or was involved at that time?

Mr. Haldeman. John Dean was Counsel to the President. One of his areas of responsibility was the liaison and contact between the White House and the Justice Department and the FBI. In that regard, he was the man at the White House who was maintaining the hour-by-hour contact with the Bureau and other Justice Department officials in their investigation of the Watergate matter.
This material contains information affecting the national defense of the United States within the meaning of the Espionage laws, Title 18, U.S.C., Sections 793 and 794, The transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

United States Senate, Committee on Appropriations,
Washington, D.C.

The subcommittee met at 10:00 a.m., pursuant to notice, in room 1233, Dirksen Senate Office Building, Hon. John L. McClellan (chairman of the subcommittee) presiding.

Present: Senators McClellan, Pastore, Young and Metzenbaum.

Gentlemen, the committee will come to order.

Mr. Haldeman, we appreciate your appearance this morning. We are very glad you have responded to our request to come and testify.

As you know, the committee is investigating or inquiring into matters that have been alleged relating to the White House in the past and the handling of them. It is only fair that we get the opportunity to question you, Mr. Haldeman, so that we can clear the record on some of these matters with you and with the American people. We want you to have a full record of our meetings with you in your notes, Mr. Haldeman, so that we may have full knowledge of what has gone on.
SECRET

Mr. Haldeman. I don't believe anyone else was.

Chairman McClellan. Did you and the President?

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Mr. Haldeman. Right.

Rather than morning, the 23rd, as the preceding witnesses, if I am not quite clear, attend or morning. John Dean, as I recall, would have, and again in trying to recall exactly
at a later date, John Dean told the FBI the FBI was concerned
with the question of whether there might be CIA involvement
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intelligence reports.

QUADRI

DR

[715]
PRESIDENTIAL CAMPAIGN ACTIVITIES OF 1972
SENATE RESOLUTION 60

HEARINGS
BEFORE THE
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES
OF THE
UNITED STATES SENATE
NINETY-THIRD CONGRESS
FIRST SESSION

WATERGATE AND RELATED ACTIVITIES
Phase I: Watergate Investigation
WASHINGTON, D.C., JULY 31, AUGUST 1 AND 2, 1972
Book 8

Printed for the use of the
Select Committee on Presidential Campaign Activities

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WASHINGTON : 1973

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Mr. DASH. At that meeting do you recall that there was a general discussion as to what happened, what information was current concerning the break-in and the relationship with the committee?

Mr. Haldeman. I have no specific recollection of the contents of that meeting but I am sure, that given the time situation, that it must have been in regard to the Watergate break-in.

Mr. DASH. Now, is it true, if you look at your record that during that period right after you got back there are about two or three meetings on different days.

Mr. Haldeman. Yes.

Mr. DASH. I think you met with him on the 20th, on the 23d, and on the 26th. Does your record show that?

Mr. Haldeman. I show—there is an example now of my log of June 20 that does not show a meeting with those people that I have identified, that I have got in my summary here as a result of information from other sources. What my log shows is a meeting in John Ehrlichman's office which is all my secretary would know. She didn't know who was in the meeting.

Mr. DASH. Right.

Mr. Haldeman. I am sorry then you were going—

Mr. DASH. I was saying do you have a record of a meeting with Mr. Dean on the 23d and again on the 26th after the meeting with him on the 20th?

Mr. Haldeman. Not in the log, no. The 23d?

Mr. DASH. Yes.

Mr. Haldeman. It doesn't show me I don't believe.

Mr. DASH. Do you have it in the summary that you have received from other sources?

Mr. Haldeman. No; that doesn't show a meeting with Dean, either. I think I talked with Dean on the phone that day, that morning. I don't believe I met with him but I am not sure.

Mr. DASH. You indicated in your earlier testimony that Mr. Dean did receive various report of what happened and told you at that time that he had told you earlier about telling you after one of the meetings.

Could you place in any one of those meetings when he told you?

Mr. Haldeman. No; I can't.

Mr. DASH. Would it be your recollection that it would be during that week when you got back?

Mr. Haldeman. Not necessarily, no. As I say, the only meeting that I see with Dean during that week was the meeting in Mr. Ehrlichman's office on the 20th apparently.

Mr. DASH. Did the President either communicate with you or did you have a meeting with the President, prior, shortly prior, to June 23, 1972?

Mr. Haldeman. I am sure I did. Do you want me to check?

Mr. DASH. You met frequently with the President so you—

Mr. Haldeman. Yes, sir.

Mr. DASH. So you are pretty sure you can find such a meeting?

Do you recall prior to that meeting on June 23, the President having a discussion with you concerning the investigation that would be ongoing with regard to the Watergate break-in and a concern he had that such an investigation by the FBI might include the work of the special investigating unit in the White House and also the CIA?
30. On June 22, 1972 the President held a press conference. He was asked whether he had made an investigation to determine whether there was a direct link between the people who bugged the DNC headquarters and the White House. The President said:

Mr. Ziegler and also Mr. Mitchell, speaking for the campaign committee, have responded to questions on this in great detail. They have stated my position and have also stated the facts accurately.

This kind of activity, as Mr. Ziegler has indicated, has no place whatever in our electoral process, or in our governmental process. And, as Mr. Ziegler has stated, the White House has had no involvement whatever in this particular incident.

As far as the matter now is concerned, it is under investigation, as it should be by the proper legal authorities, by the District of Columbia Police, and by the FBI. I will not comment on those matters, particularly since possible criminal charges are involved.

30.1 President Nixon news conference, June 22, 1972, 8 Presidential Documents 1078-79.
Weekly Compilation of Presidential Documents

Monday, June 26, 1972

Volume 8 - Number 26
Pages 1073-1101
in 1952 from Cornell and his L.L.B. from Harvard in 1955. He was admitted to the bar of the State of California in 1956.

Erickson is married and has two children. He resides in McLean, Va.

Note: The announcement was released at Key Biscayne, Fla.

United Nations Conference on the Human Environment

Statement by the President on the Conference Held June 5–16 in Stockholm. June 20, 1972

I have just received a report on the United Nations Conference on the Human Environment concluded last Friday at Stockholm from Chairman Train who headed the large and distinguished United States delegation.

The United States has worked long and hard over the past 18 months to help make the Conference a success. Representatives of 113 nations met together for 2 weeks to produce an impressive number of agreements on environmental principles and recommendations for further national and international action in this important field.

The United States achieved practically all of its objectives at Stockholm.

1. The Conference approved establishment of a new United Nations unit to provide continued leadership and coordination of environmental action, an important step which had our full support.

2. The Conference approved forming a $100 million United Nations environmental fund which I personally proposed last February.

3. The Conference overwhelmingly approved the U.S. proposal for a moratorium on commercial killing of whales.

4. The Conference endorsed our proposal for an international convention to regulate ocean dumping.

5. The Conference endorsed the U.S. proposal for the establishment of a World Heritage Trust to help preserve wilderness areas and other scenic natural landmarks.

However, even more than in the specific agreements reached, I believe that the deepest significance of the Conference lies in the fact that for the first time in history, the nations of the world sat down together to seek better understanding of each other's environmental problems and to explore opportunities for positive action, individually and collectively.

The strong concern of the United States over the fate of our environment has also been demonstrated in our direct dealings with individual nations. The Great Lakes Water Quality Agreement which I signed in Ottawa this April with Prime Minister Trudeau was evidence of the high priority this Administration places on protecting the environment. The Environmental Agreement which I signed in Moscow on May 23 is proof of the desire of our Nation to work together with the others on the common tasks of peace.

I am proud that the United States is taking a leading role in international environmental cooperation, and I congratulate our U.S. delegation on its success at Stockholm. The governments and people of the world must now work together to make the objectives of the Stockholm Conference a reality.

THE PRESIDENT'S NEWS CONFERENCE OF JUNE 22, 1972

The President. Ladies and gentlemen:

Next week before the Congress recesses, I am planning to have a general news conference. Prior to that time, in talking to Mr. Ziegler, I found that a number of members of the press, looking back at previous news conferences, have indicated that there is a tendency for foreign policy and defense policy questions to dominate the conferences so much that questions on domestic policy do not adequately get covered.

As a matter of fact, I have noted several of you in your commentaries, after some news conferences, have indicated that we have not given enough attention to the domestic issues.

So, subsequently, after discussing the matter with Mr. Ziegler, I thought it would be useful this week, on this occasion, to have you here in the office for the purpose of covering domestic issues only. The session next week will be open to both foreign policy, defense policy, and domestic issues.

So, today we will take all questions on domestic issues and next week you can cover all three areas to the extent you wish to.

BUDDING OF DEMOCRATIC HEADQUARTERS

Q. Mr. O'Brien has said that the people who bugged his headquarters had a direct link to the White House. Have you had any sort of investigation made to determine whether this is true?

The President. Mr. Ziegler and also Mr. Mitchell, speaking for the campaign committee, have responded to questions on this in great detail. They have stated my position and have also stated the facts accurately.

This kind of activity, as Mr. Ziegler has indicated, has no place whatever in our electoral process, or in our governmental process. And, as Mr. Ziegler has stated, the White House has had no involvement whatever in this particular incident.

As far as the matter now is concerned, it is under investigation, as it should be, by the proper legal authorities.
Food Prices

Q. Mr. President, wholesale food prices have led to increases in the cost of living in the last few weeks. Are you considering any kind of controls over the price of food?

The President. In the whole area of inflation we have had a period of pretty good news generally. As you know, in 1969 and early 1970 the rate of inflation, the CPI, peaked out at 6 percent. Since that time it has been moving down and particularly since the August 15 new policy with the control system was announced, it has now been cut approximately in half, running at around the rate of 3 percent. The most troublesome area however is the one you have referred to—food prices.

We cannot take too much comfort from the figures that came out yesterday because as you know they actually reflected a slight drop in food prices. I met yesterday, however, with the Quadrant and Mr. Stein reported that the weekly reports that we get, which of course, were not reflected in yesterday's numbers, indicate that meat prices, particularly, are beginning to rise again and rising very fast.

For that reason, I have directed that the Cost of Living Council which will be meeting this afternoon look into this matter to see what further action can be taken to deal specifically with food prices, but particularly with meat prices.

Now with regard to meat prices, to give you an indication of the direction of my thinking, you can move on the control side. But as we all remember in that period immediately after World War II, when we had controls but too much demand and too little supply, and all the black markets, controls alone will not work unless you also move on the supply side.

At the present time, we have apparently a world shortage of meat, and particularly a shortage of meat in the United States where the demand is constantly going up, as the income of our people goes up.

We have to get, therefore, at the problem of supply. Consequently, one of the areas that I am exploring is the quota system. I have directed our staff to check into the advisability of a temporary lifting of quotas on imported meat which will move on the supply side. It will not affect the problem immediately, but at least it would affect it over the next few months.

That does not rule out, also, the possibility of moving on the control side and the control side is a matter where the Cost of Living Council is presently, or will be at 4 o'clock this afternoon, considering a number of options which I will consider as the matter develops.

Defense Budget and SALT Agreements

Mr. President, this may be a borderline question in the domestic field, but I believe it may fall there since the issues are before Congress. Could you tell us your view of the relationship between the development of offensive weapons, as proposed in your defense budget, and the SALT agreements?

The President. I have noted the progress of the debate in the committee, and particularly the controversy, or alleged controversy and contradiction which seems in some quarters to have been developed between the views of the Secretary of Defense and the views that I have expressed and the views that have been expressed by Dr. Kissinger and Secretary Rogers.

I think that I can put the thing in context best by first pointing out the Secretary of Defense's position, and then relating that position to the overall position of the United States in attempting to develop policy that will adequately protect the security of the United States and also move forward on the arms limitation front.

The Secretary of Defense has a responsibility, as I have a responsibility, to recommend to the Congress action that will adequately protect the security of the United States. Moving on that responsibility, he has indicated that if the SALT agreement is approved, and then if the Congress rejects the programs for offensive weapons not controlled by the SALT agreement, that this would seriously jeopardize the security of the United States. On that point he is correct.

What I would suggest to the Congress and would recommend to individual Congressmen and Senators, who will have the responsibility of voting on this matter, is the following course: First, the arms limitation agreements should be approved on their merits. I would not have signed those agreements unless I had believed that, standing alone, they were in the interest of the United States. As a matter of fact, the offensive limitation is one that is particularly in our interest because it covers arms where the Soviet Union has an ongoing program which will be limited in this 5-year period, and in which we have no ongoing programs.

So, consequently, I would recommend and strongly urge that the Congress approve the ABM treaty, and also the limited, temporary, offensive limitations curb. However, after the Congress moves in that field, all Congressmen and Senators—and this would, of course, include them all—who are concerned about the security of the United States should then vote for those programs that will provide adequate offensive weapons in the areas that have been recommended by the Secretary of Defense and by the Administration.

Now the reason for that is twofold: first, because if we have a SALT agreement and then do not go forward with these programs, the Soviet Union will, within a matter of a very limited time, be substantially ahead of the United States overall, particularly in the latter part of the seventies.

If the United States falls into what is a definitely second position, inferior position to the Soviet Union overall in its defense programs, this will be an open invitation for more instability in the world and an open invitation,