

Executive Registry
74-1230/A

OLC 0612/A

9 April 1974

Basic
W-5
4 Apr 74

Mr. Samuel Dash, Chief Counsel
Mr. Fred D. Thompson, Minority Counsel
Select Committee on Presidential Campaign Activities
United States Senate
Washington, D. C. 20510

Gentlemen:

Your letter of 4 April 1974 to the Director requesting that the Agency declassify certain CIA-related materials and documents has been referred to me.

I believe you are aware that on 3 April 1974 the Director responded to a request from Senator Howard H. Baker on this subject. (Enclosed are copies of that exchange of correspondence.)

As stated in the Director's letter, we have prepared and forwarded to the Chairmen of both the Senate Armed Services and the Senate Appropriations Committees, for such disposition as they feel appropriate, preliminary comments on, and suggestions for, correction of Senator Baker's report on his CIA investigation.

We also recommended certain security deletions from said report.

We are proceeding to review the other material pertaining to Senator Baker's investigation which is currently in our possession and will do the same with the additional material when it is made available to us.

W-5

We plan to provide the results of this review to the Chairmen of our Subcommittees of the Senate Armed Services and Appropriations Committees.

We appreciate your comments regarding the classification of legitimate national security information; also with respect to other matters pertaining to operations which might involve intelligence sources and methods.

I would be glad to meet with you to discuss these matters further anytime at our mutual convenience.

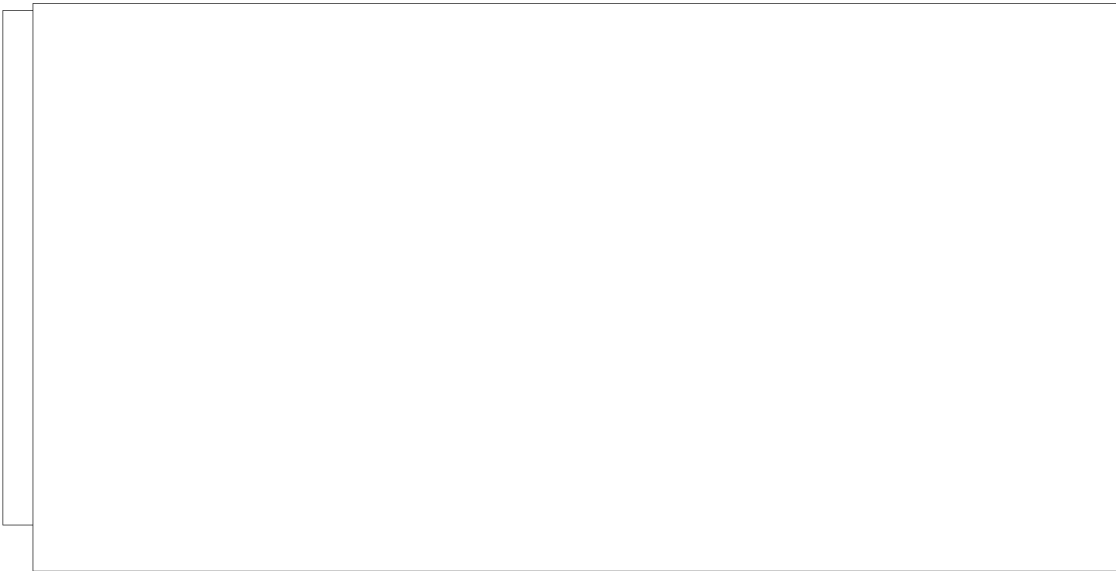
Sincerely,



George L. Cary
Legislative Counsel

Enclosures

cc: Senator Howard H. Baker, Jr.
Senator Sam J. Ervin, Jr.
Senator John L. McClellan
Senator John C. Stennis



(b)(3)

UNCLASSIFIED

INTERNAL USE ONLY

CONFIDENTIAL

SECRET

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Executive Registry
74-1226

FROM: OLC

EXTENSION

NO.

DATE

4 Apr 74

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

RECEIVED

FORWARDED

1.

ER

2.

3.

4.

5.

6.

7.

8.

9.

10.

11.

12.

13.

14.

15.

Attached is your copy of Volume VII of material provided to Senator Baker, Vice Chairman of the Select Committee on Presidential Campaign Activities. In addition to Baker, a Volume has been supplied to Special Counsel Doar of the House Judiciary Committee.

It is to be noted that no material is included at Tabs 4 and 9; the material was not available to OLC when the Volume was sent to Senator Baker. We now have the material in our possession, but with the putative ending of Senator Baker's inquiry and the turning over of his summary to our Senate oversight committees, we are in a holding pattern undecided about its disposition at this time.

Deputy Legislative Counsel

(EXECUTIVE REGISTRY FILE

W-5

UNCLASSIFIED

SECRET

CONFIDENTIAL

INTERNAL

SECRET

VOLUME VII

TABLE OF CONTENTS

1. Date Shackley became Chief, WH.
2. Date [redacted] took over Martinez. (b)(3)
3. Martinez' contact reports.
4. [redacted] debriefing by Chief, WH Division and COG. (b)(3)
5. Pindar's note on finding reference to 22 July 1971 Cushman/Hunt meeting.
6. Documentary evidence of Pindar's request for 22 June 1971 tape.
7. Security technician's calendar note in re destruction of tapes.
8. Greenwood's typed notes and attachments.
9. "Mr. Edward's file."
10. Briefing of certain Mullen employees.
11. Bennett's attorneys.
12. Bob Woodward, of the Washington Post.
13. [redacted] (b)(3)
14. [redacted] contacts since they left Agency. (b)(3)
15. "November Group."
16. Office of Security transcripts, logs, tapes (telephone/room conversation) 16-22 June 1972.
17. [redacted]

Mr. Theodore Shackley succeeded Mr. Broe as Chief, WH Division
on 3 April 1972.

[redacted] took over Martinez on 14 April 1972 at a meeting [redacted]
[redacted]

(b)(3)

(b)(3)

The Committee has been previously supplied those portions of the contact reports relating to Mr. Hunt. The reports contain sensitive information unrelated to the inquiry, but we would be willing to see what type of accommodation could be arranged for their review similar to the procedure suggested or followed in connection with other sensitive matters.

MEMORANDUM FOR: Karl

On a hunch, I went to your office and went through the box of cards I used to keep on General Cushman's appointments. Was surprised to see he did meet with Mr. Hunt on 22 July 71 -- the card is attached. The "Memorandum for the Record" mentioned refers to the transcript of the tape which was made. As you recall, we destroyed those tapes after the machines were taken out of the DDCI's office. However, I called the guys who handle the tapes to ask if they ever make copies or keep the tapes -- and they do have the Hunt tape.

Barbara

19 June 72

(DATE)

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

(47)

HUNT, Mr. Howard (retired Agency employee doing consultant work for White House)

Met with DDCI at Headquarters on 22 July 71. (See memo in Memorandum for the Record file. for details.) Mr. Hunt was requesting alias documentation and a disguise for his use in fulfilling a White House-assigned job.

2 MAY
TAPE CUT BY DCI. 1428-1442

9 MAY
TAPE CUT BY DCI. 1320-1400 Hrs

11 MAY
TAPE CUT BY DCI. 1500-1530 Hrs

24 MAY
TAPE CUT BY DCI. 1530-1615 Hrs

30 MAY
SIX MORE RECORDERS INSTALLED IN
COMMAND CENTER. WORKING AS OF 14:30
HRS. NOW A TOTAL OF EIGHT, ONE FOR
EACH OPERATOR POSITION IN TEL. OFFICE
HL. SEE MEMO.

31 MAY
TAPE CUT BY DCI. 0930-0947Hrs

5 JUNE
TAPE CUT BY DCI 1600 - 1612 Hrs

6 JUNE
TAPE CUT BY DCI 15:15-1532
HRS

19 JUNE HUNT TAPE TO, BAKB

Planning Guide **WEEK IN SIGHT** Beginning JAN. 21

PLANS, SCHEDULES, APPOINTMENTS, ETC. '73

Sunday, Jan. 21	Thursday, Jan. 25
	12
	8 HOL
	4 OIT
Monday, Jan. 22	Friday, Jan. 26
Tuesday, Jan. 23	Saturday, Jan. 27
2:5 ML	
Wednesday, Jan. 24	Future—Keep in Sight
RECEIVED	
RECEIVED	
RECEIVED	

Federal Holiday -
President
Johnson's
Funeral

Copy of Security's calendar page which says:

Start destruction all tapes per Elizabeth

1st meeting - met with Dick Kreager and [redacted] to discuss Bigot case. I was instructed to pick-up keys from special assistant at HQ and proceed to Safe House in DC area. I was to give subject disguise and obtain bio data for Alias documentation. Bio data was to be obtained from Safe House to Lou [redacted] who would return give info to AB Docs and [redacted]

(b)(3)

1st meeting around July 22- [redacted] met Bigot and gave him disguise and provided bio data to [redacted] Bigot left safehouse and was to return for documents and false palate (speech alteration device) [redacted] brought Alias docs for Bigot (Edward J. Warren) and left. Edward arrived and received docs plus disguise. (Received keys to safe house from a Mr. Wagner)

(about 1 week later)

2nd meeting - Edward requested an adjustment to his glasses and a tape recorder. This recorder was delivered by [redacted] Arrangements for the recorder are unknown. Gave Bigot non-back stopped business cards which I picked-up at C/TSD office prior to meeting. Bigot asked for a second speech alteration device. Believes at this meeting Bigot requested back stopped New York address and phone number. He also wanted a second man disguised and Alias documents provided at later meeting. At end of meeting, returned to TSD/ talked to [redacted] and Dick Kreager re. latest requirements.

(b)(3)

(b)(3)

3rd meeting - (around end of August) Met Bigot and associate at safe house. Received info for Alias Docs for second man and telephoned this info to [redacted] (AB Docs). Bigot requested camera (small one) and I telephoned Dick Kreager re. this request. Dick Kreager discussed this requirement with Chief Photo [redacted] I talked with [redacted] and he said [redacted] would bring camera and Alias docs for second individual to safe house. [redacted] arrived and instructed second man in camera operation and gave him Alias docs. At this time Edward (Bigot) and second man said they were going to catch a plane and had to go. Second man said he had to stop at Pentagon before going to Airport. Edward said he would call me at residence and give me instructions for pick-up of film once operation was completed. Talked with Dick Kreager and said I was to keep him advised on any development.

(b)(3)

(b)(3)

4th meeting - received call at my residence and Edward instructed me to meet him next morning at Dallas Airport for film pickup. He also asked about my credit card for car rental but told him we don't issue credit cards. Met Edward and second man at Dallas and received film and camera. Edward said he needed film and prints soonest the same day. Edward and man mentioned something about "Drugs". Gave film to [redacted] and discussed case with Dick Kreager. Dick said these men are not operating under our supervision and Headquarters doesn't know what they are up to. Dick wanted to see the pictures before I delivered them to Edward that afternoon. Dick also gave me list of what I was to tell Edward. Is one time use of materials and we had no authorization for backstopping etc.; I delivered film (pictures and negs) to Edward that afternoon 5pm meeting. Gave Edward pictures and negatives and began to explain TSD position that no Authorization had been given for backstopping and that we could not continue to support him until further authorization had been given my superiors. Edward was in [redacted] said he would take care of the authorization. I gave master copies of the pictures to Dr. Gottlieb (or) and Karen of [redacted] and Alias plus cards.

(b)(3)

5th meeting - [redacted] at start of [redacted] things I was to give [redacted] Edward. [redacted] also [redacted] is copied [redacted] awards form which I admitted to [redacted] [redacted] [redacted]

2
3

not to [redacted] to [redacted]

(b)(3)

~~SECRET~~

- 22 July Briefed by Dick K. re. Bigot case [redacted] present
- 23 July- 1st. meeting with Bigot
- 20 August- 2nd meeting-requested backstopped New York stuff
- 24 August- Bigot telephoned and asked for meeting on 25th
- 25 August- third meeting- Bigot and associate, asked again for backstopped items. (see [redacted] sheet which he sent re. New York situation. (b)(3)
This was around 26 August
- 26 August- called Waggoner re. information from Bigot for New York backstopping situation. - Waggoner said they were adults could keep in touch by themselves
- 26 August- Bigot called residence in evening and asked for 6AM pick-up of film and camera next day.
- 27 August- Met Bigot and second man at Airport for film-talk with Dick Kreager re. situation. 5th meeting - (same day)
Delivered film and tried to explain that further authorization was needed.
- 31 August- Bigot telephoned for credit card- said no, we don't issue. Asked Bigot for second mans materials and Docs. Bigot said he would either return them or destroy them.
- 14 October 1971 - Briefed Dr. Gottlieb on complete Bigot case, gave him xerox of second mans alias docs and xerox of film prints which were developed in TSD on 27 August. Was told this was for Gen. Cushman's info since he was meeting Bigot following afternoon for lunch (15 Oct.
- Date unknown- Bigot mentioned possibility of mailing things to my residence and then ~~forward~~ forward to him. This never materialized.
- 26 Aug. - Received call from woman believed Bigot's secretary, she gave the answers to the following questions in regard to New York back stopping request:
- A. Length of time needed - 1 month
 - B. Use occasional
 - C. Telephone hours (hours would be needed to be maned 9 to 5)

18 August 1971

1. How long have you worn the Speech Alteration Device in an operational situation?

for 6 hours straight plus two telephone conversations.

2. Have you experienced any discomfort?

None - normal feeling that device was in place but no trouble.

3. Do you feel the Speech Alteration Device changes your speech pattern effectively?

yes - It degrades the normal speaking voice.

4. Would you recommend the Speech Alteration Device for future operational use?

Oh yes - for any officer who wants to disguise his voice.

5. *Would have felt just as secure using this device abroad - Good for pitching purposes.*

27 AUGUST



(b)(3)

RE. NEW YORK SITUATION- ED WARREN WILL NEED ANOTHER SET OF ALAIS DOCS WITH THE BACK-STOPPED ADDRESS AND LICENSE ETC. THOSE DOCS (ALAIS) WE PREVIOUSLY ISSUED WILL BE RETURNED WHEN THE NEW SET IS AVAILABLE. P.S. HE WOULD LIKE THE BACK-STOPPED SITUATION READY BY LATE NEXT WEEK-----

RE. GEORGE- HE WOULD LIKE HIS DOCS CHANGED TO THE ALAIS NAME OF ROY JAMES ANDERSON- BOTH ROY AND ED WILL BE WORKING WITH THE SAME BUSINESS OUTFIT.

BACK-STOPPING- NEW YORK PHONE TENDER WILL BE BRIEFED ONLY THAT ED WARREN AND ROY ANDERSON LIVE TOGETHER IN THE APARTMENT. BOTH ARE IN THE SAME BUSINESS.

A. ALL MAIL WILL BE FORWARDED TO ME AND I WILL FORWARD IT TO ED.

B. PHONE RELAY FROM NEW YORK TO WASHINGTON WILL BE MADE TO:

MR. EDWARD WARREN CODE 202 347 0355

C. ED REQUESTED SOME SORT OF CARD SIGNIFYING THAT THEY HAVE RENTED A CAR BEFORE. THEREFORE AVOIDING THE \$500. DEPOSIT REQUIRED.

Goods account accepted

PLEASE LET ME KNOW IF I CAN BE OF FURTHER ASSISTANCE



(b)(3)

[redacted] -although a briefing approval had been
obtained, according to [redacted] records she never was briefed.

[redacted] she was cleared on 27 December 1972 and
briefed on 29 December 1972.

The firm representing Bennett at the Grand Jury appearance was:

Duvall, Tate, Bywater, McNamara & Davis
10560 Main Street
Fairfax, Virginia

with offices at:

1025 Connecticut Avenue - Suite 911
Washington, D. C.

As far as we know, they were not made witting, but we do not know what Bennett may have told his attorneys.

We have developed no information reflecting that Mr. Woodward has ever had any relationship with the Agency.



(b)(3)

(b)(6)

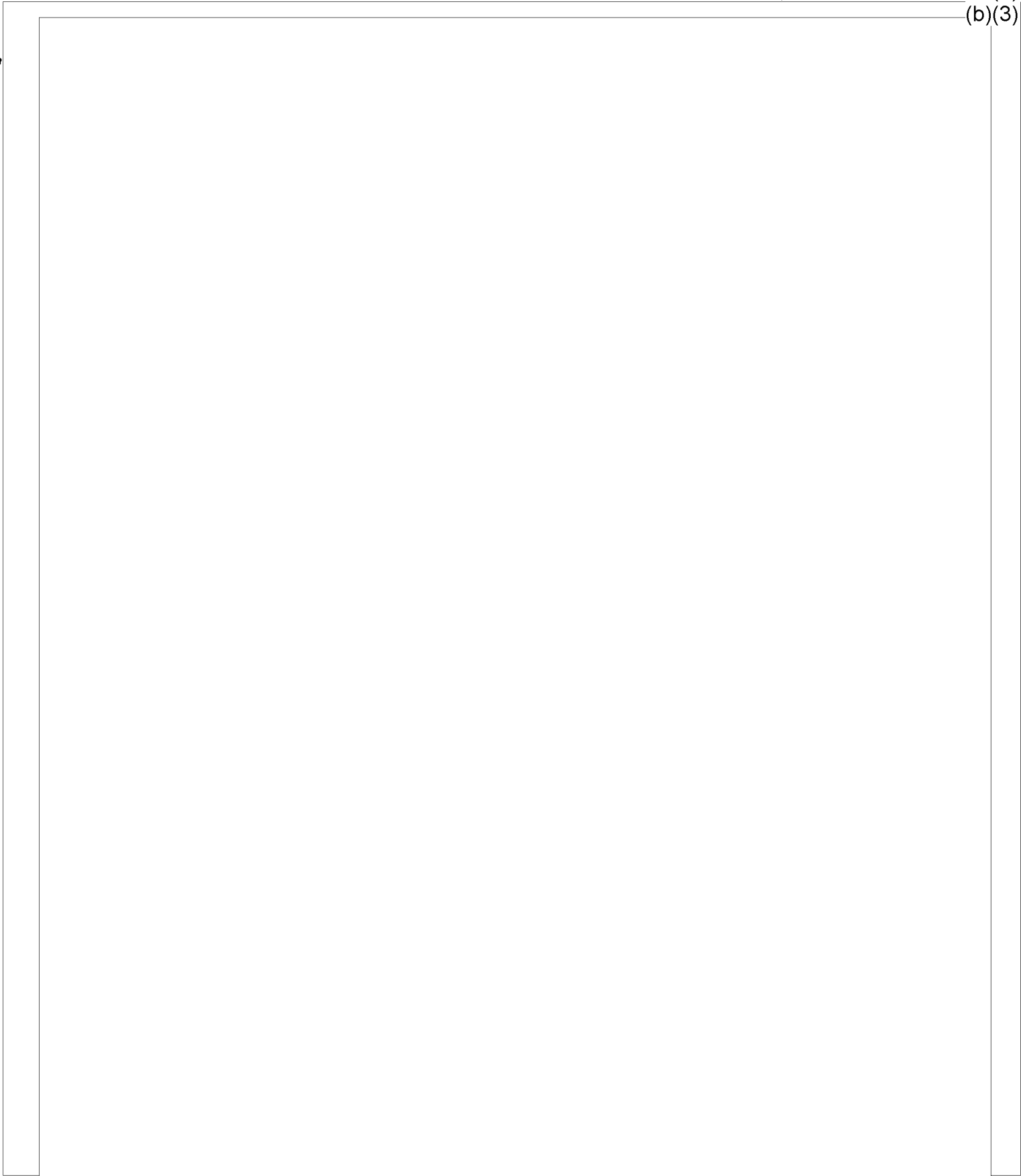
~~SECRET~~

(b)(3)

(b)(6)

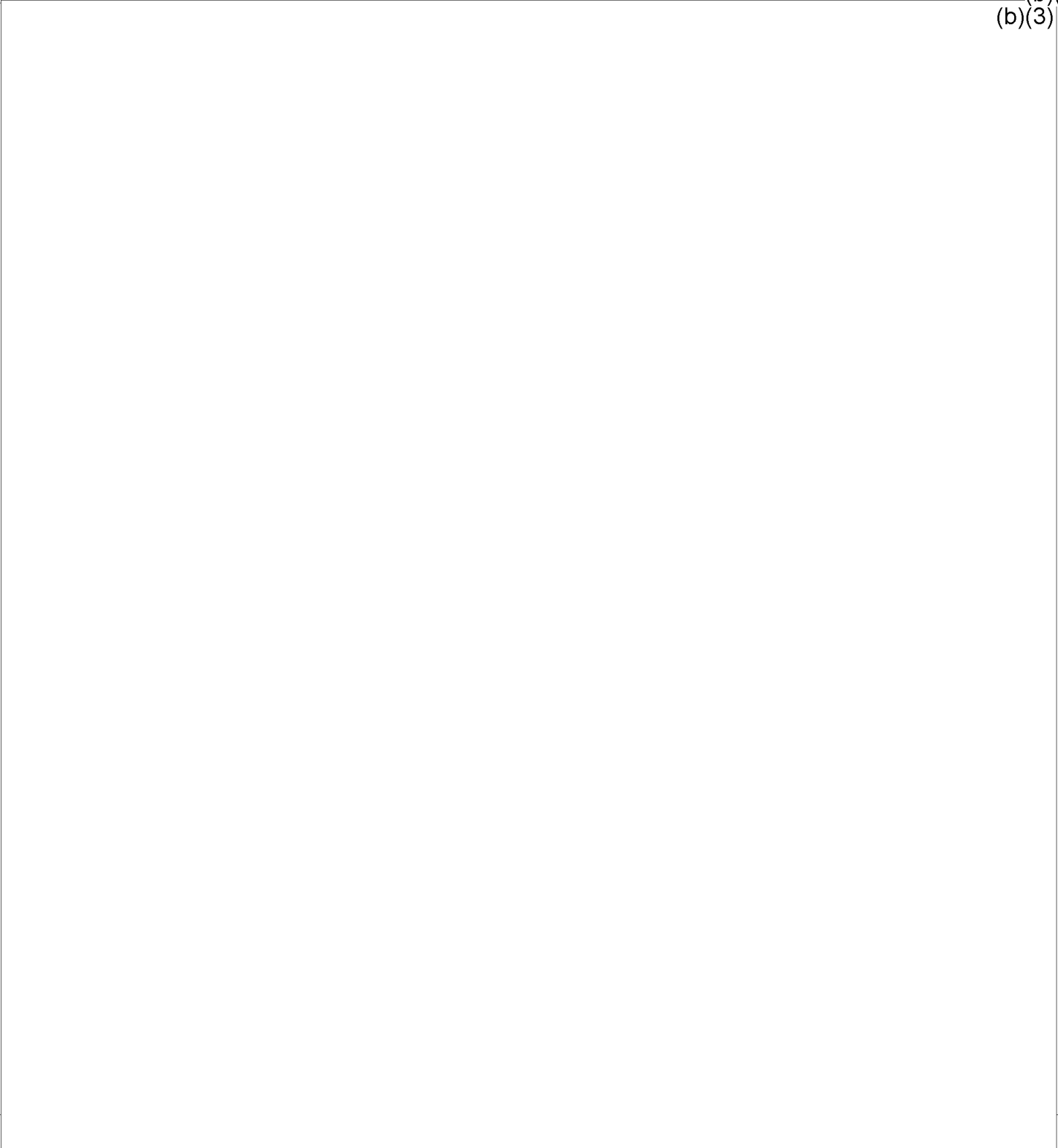
~~SECRET~~

(b)(6)
(b)(3)



~~SECRET~~

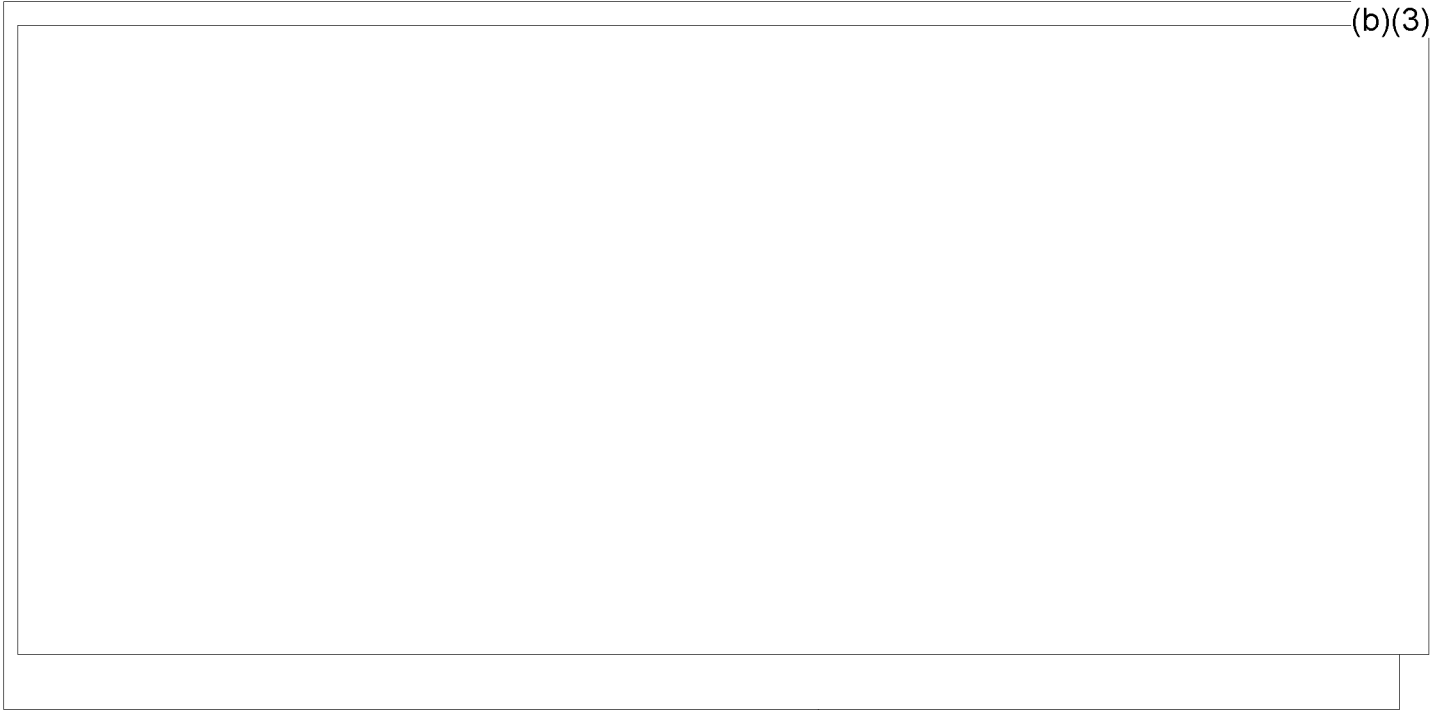
□ (b)(6)
(b)(3)



~~SECRET~~

~~SECRET~~

(b)(6)
(b)(3)



~~SECRET~~

MEMORANDUM FOR: Executive Director-Comptroller

Per our conversation on Monday.

*Thanks -
WFC
7/20/72*

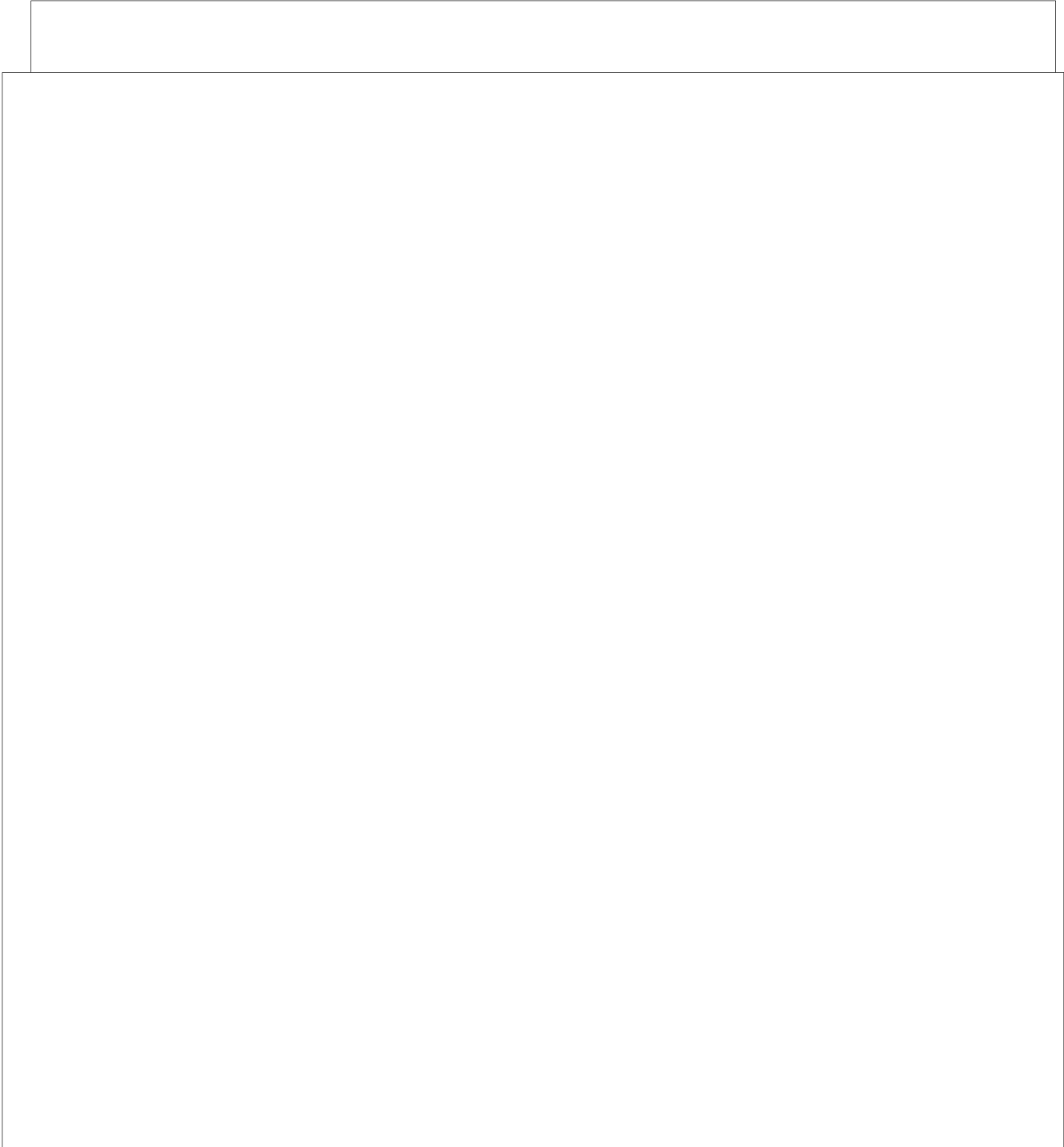
[Redacted Signature]

Howard S. Osborn
Director of Security

20 July 1972
(DATE)

~~CONFIDENTIAL~~

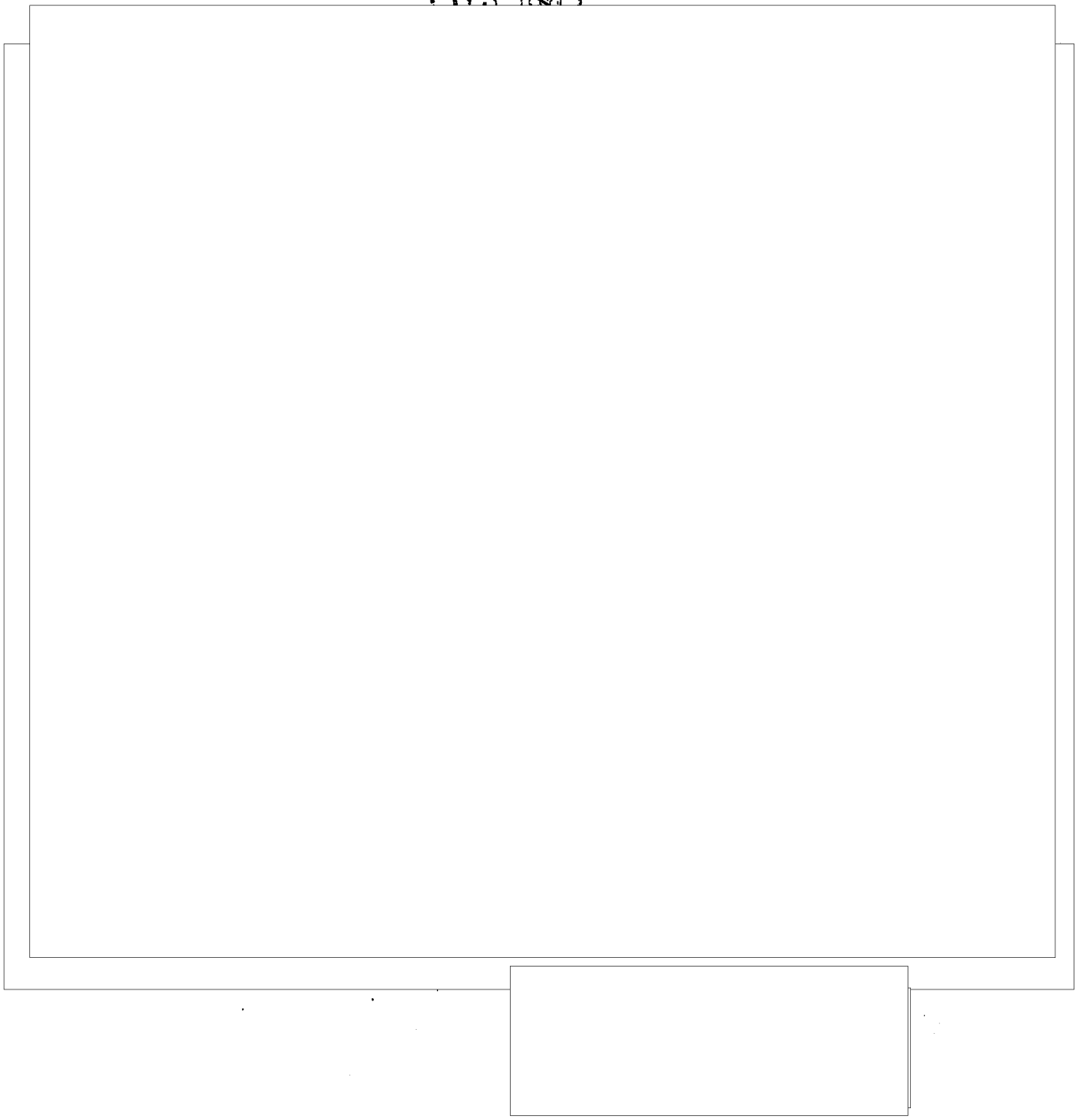
EYES ONLY



~~CONFIDENTIAL~~

EYES ONLY

~~CONFIDENTIAL~~
~~EYES ONLY~~



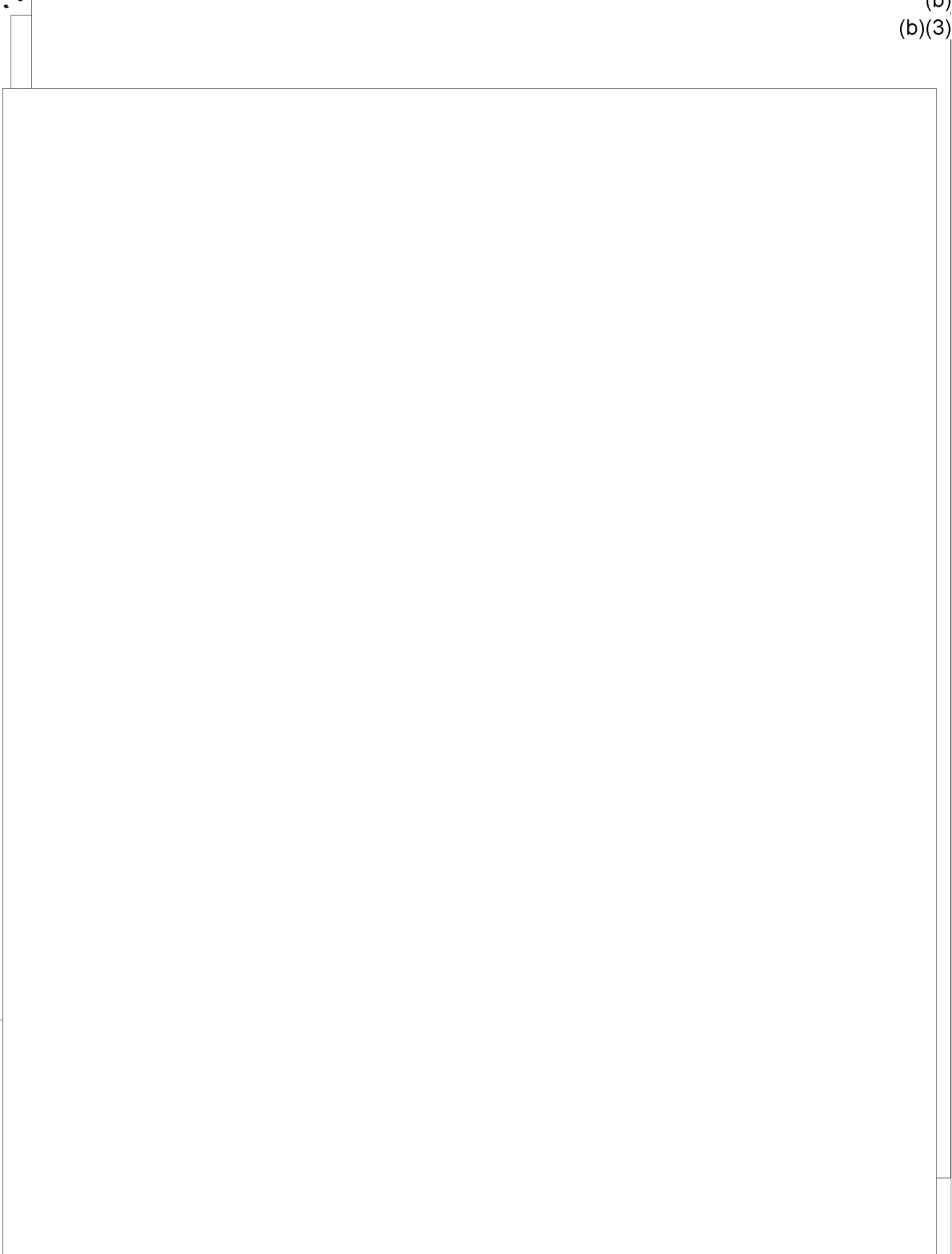
~~CONFIDENTIAL~~
~~EYES ONLY~~

SECRET



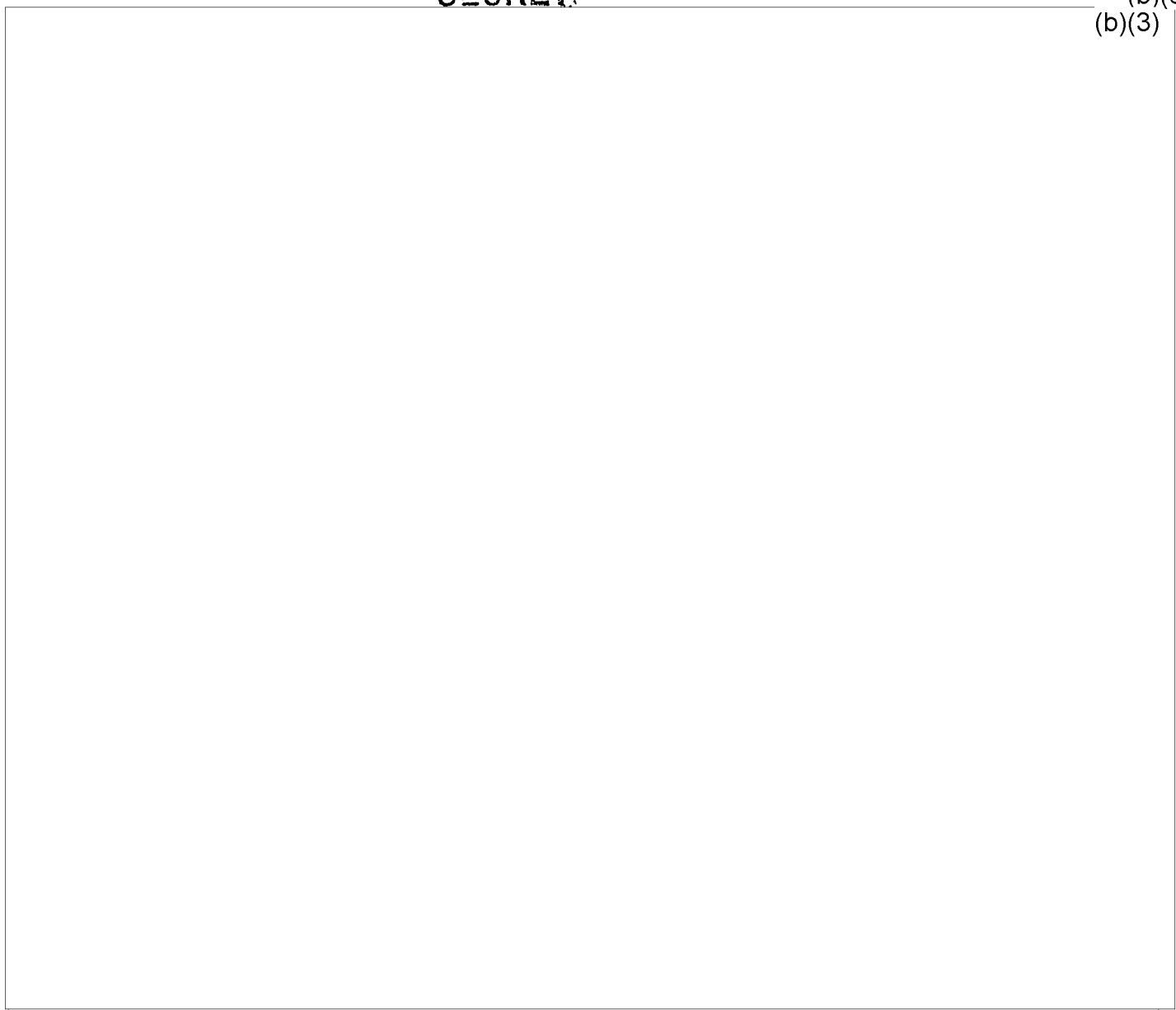
(b)(6)

(b)(3)



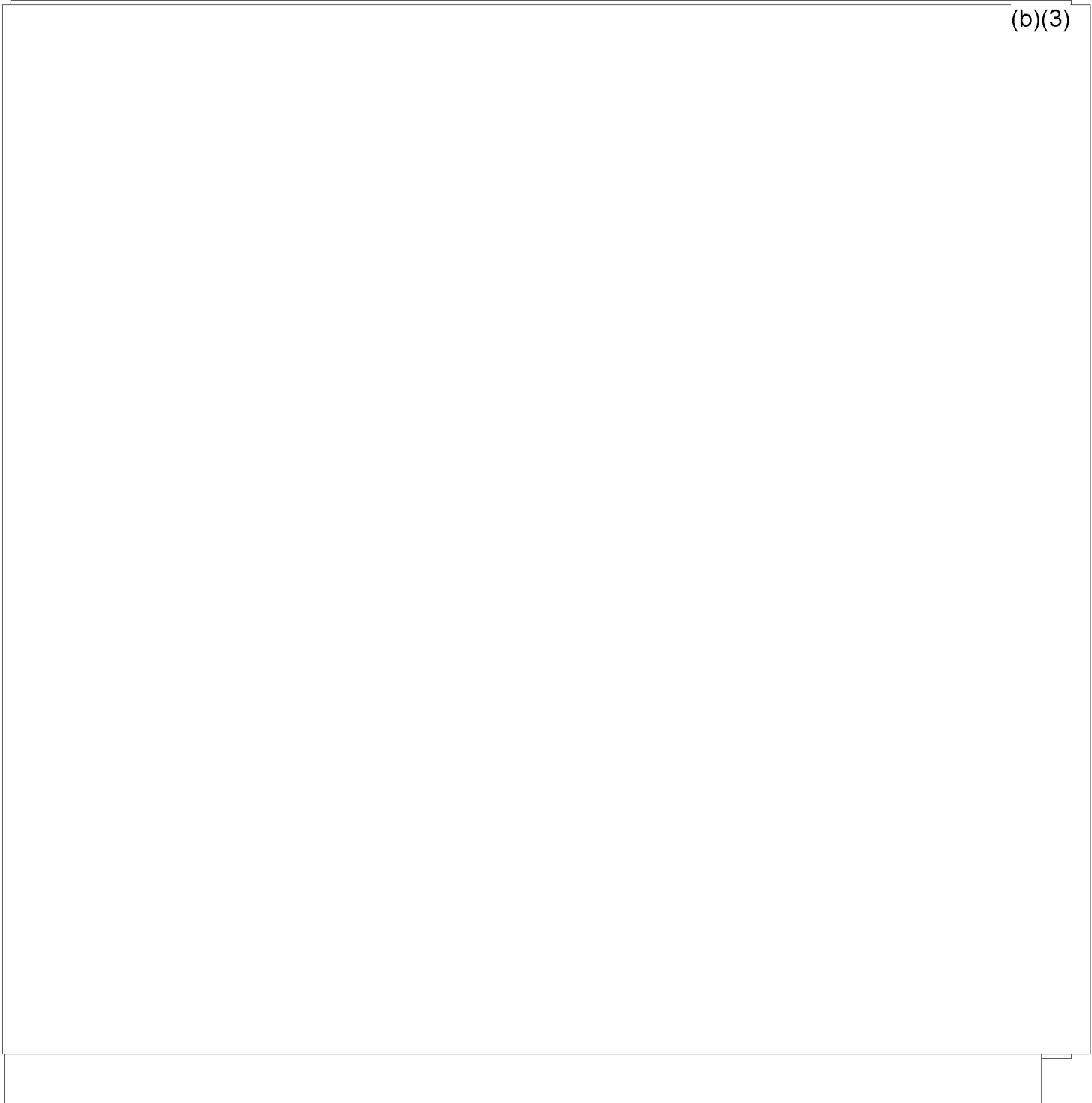
~~SECRET~~

□ (b)(6)
(b)(3)

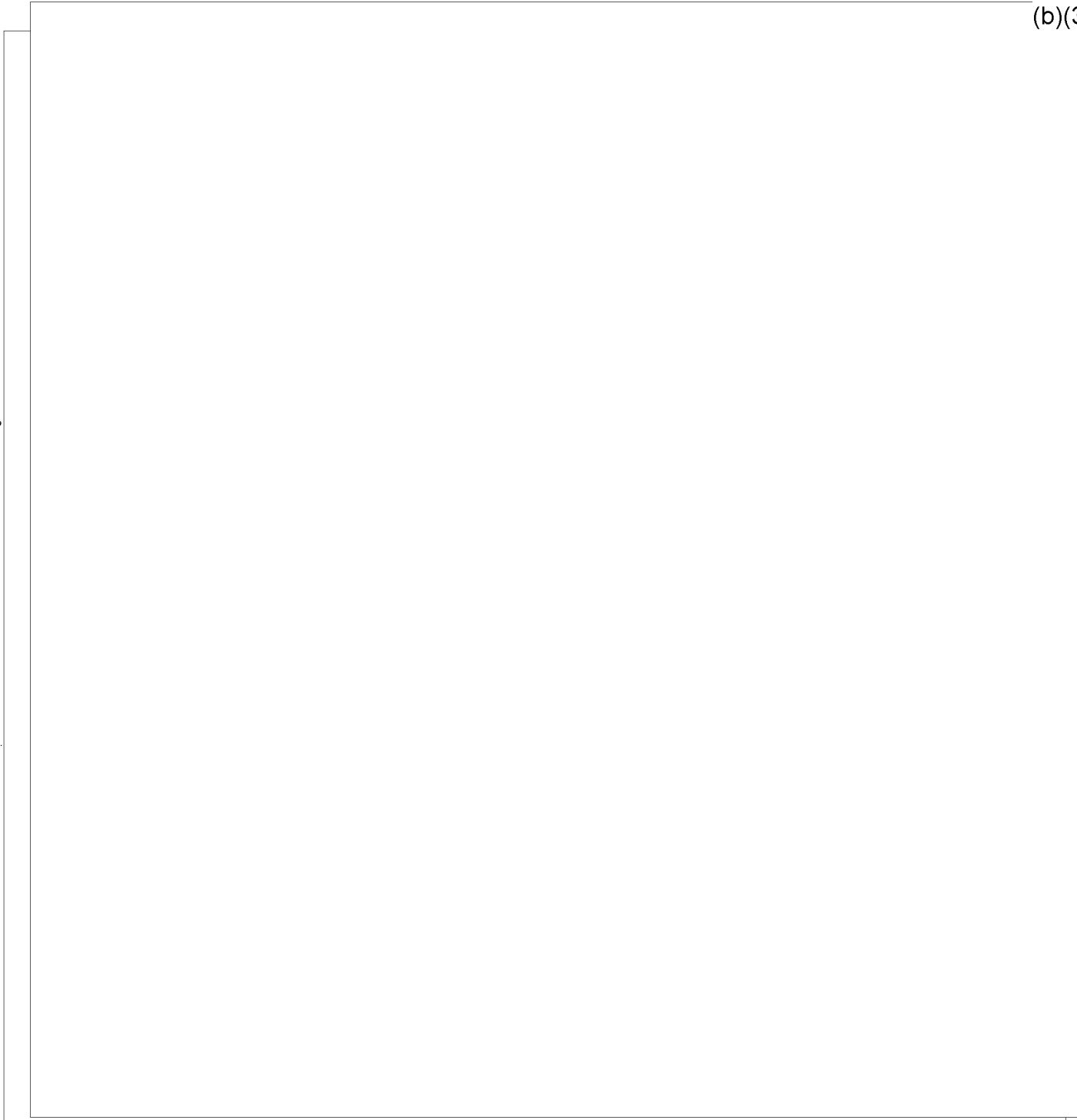


~~SECRET~~

(b)(3)

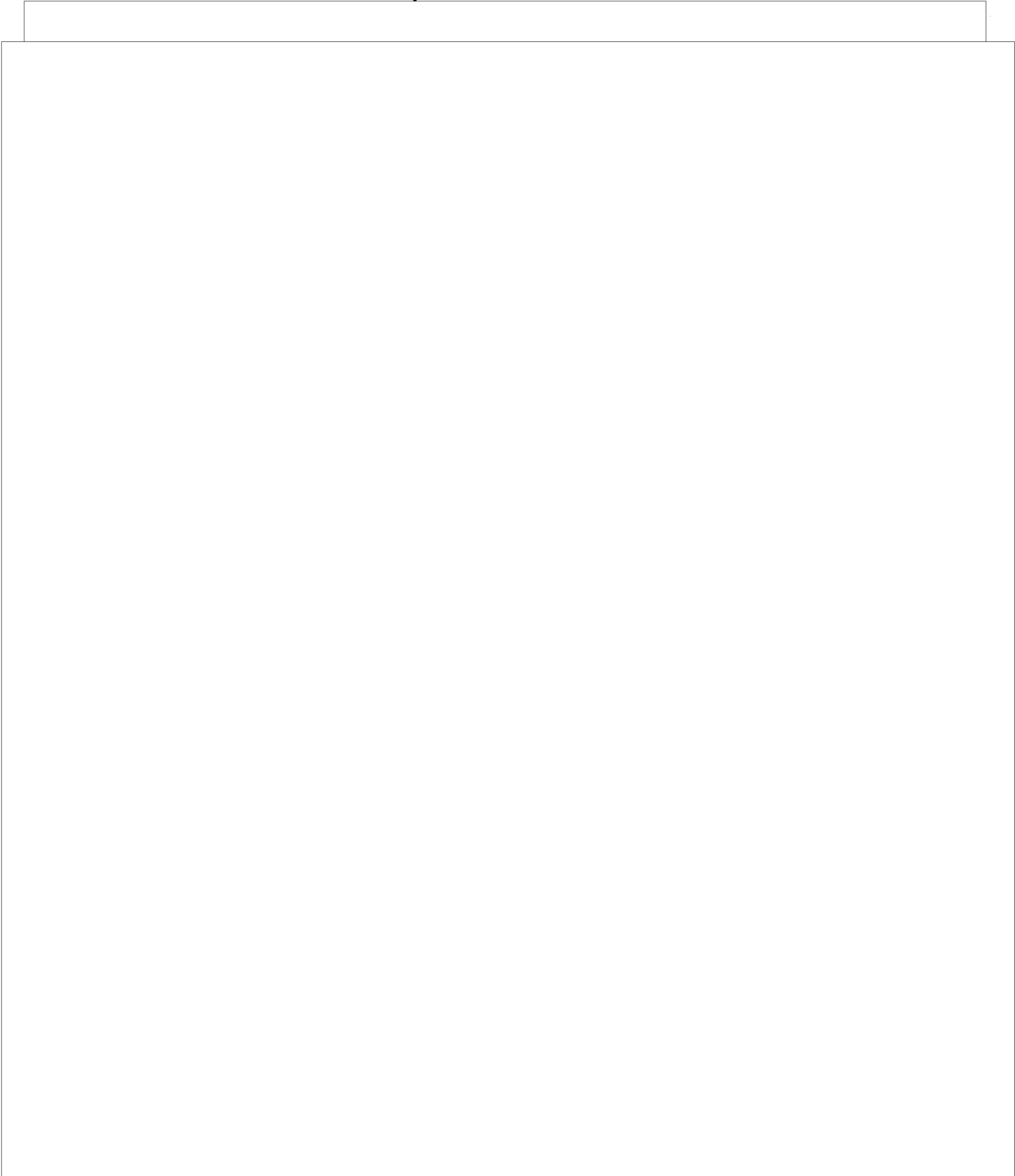


(b)(3)

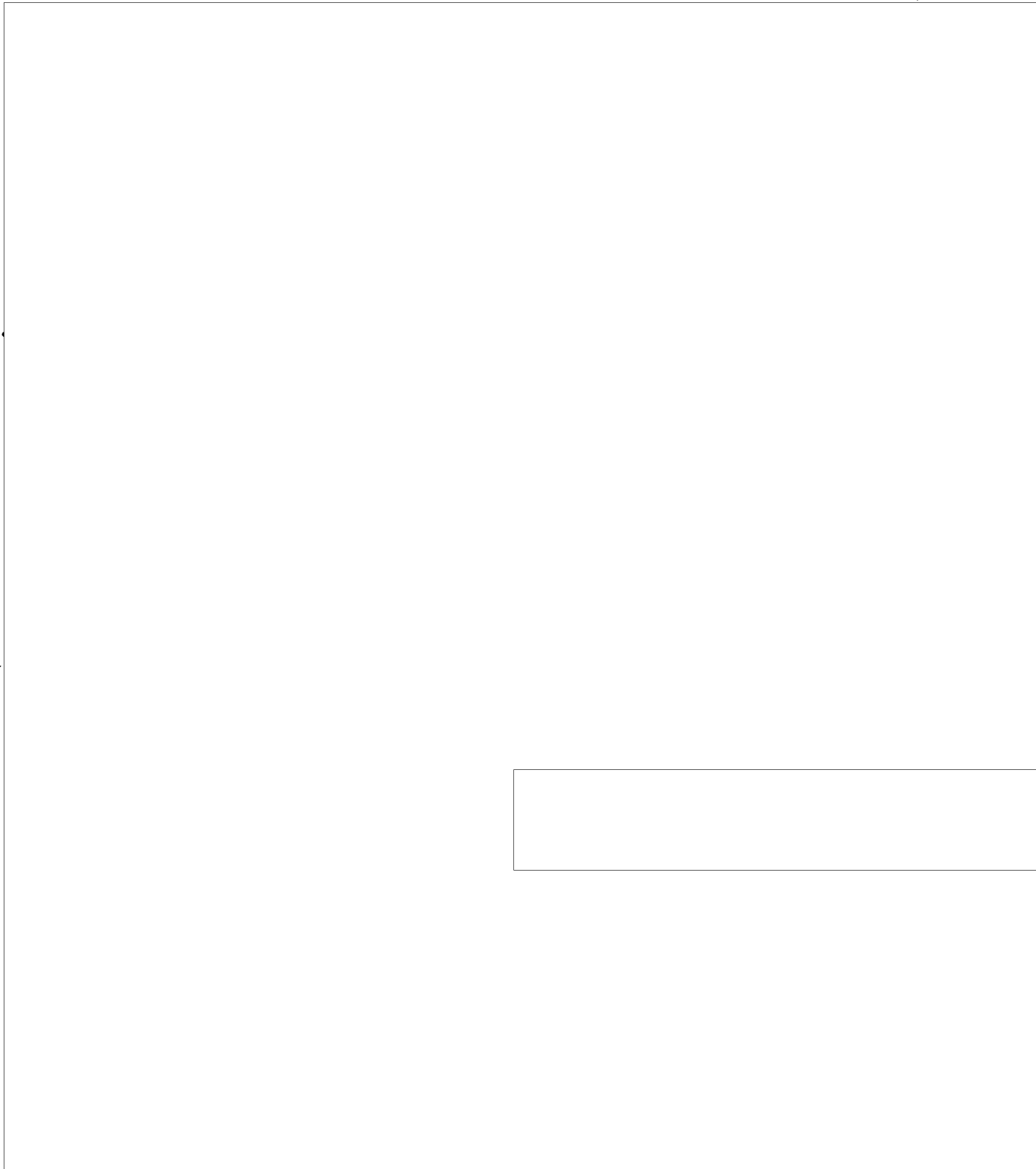




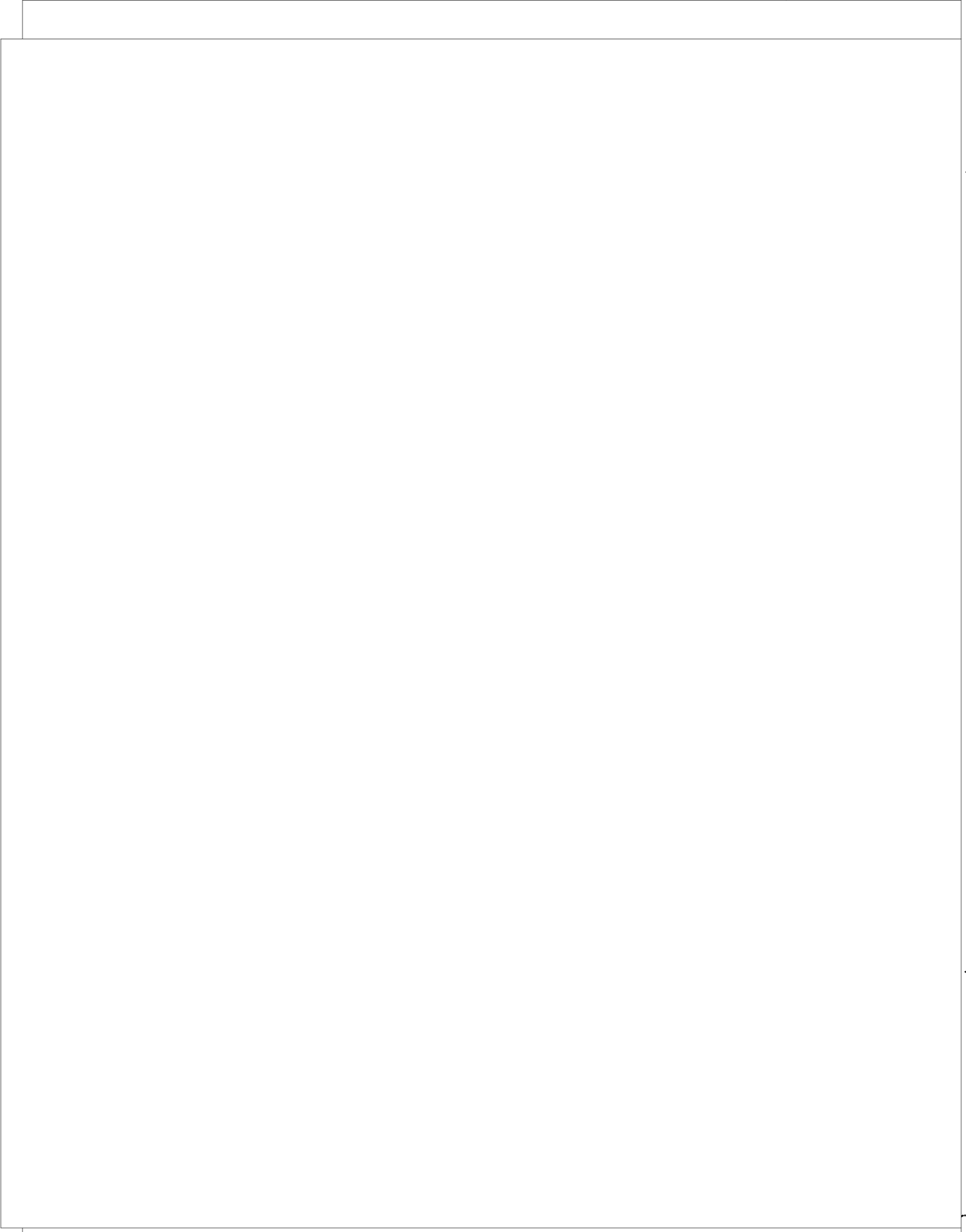
~~CONFIDENTIAL~~



~~CONFIDENTIAL~~



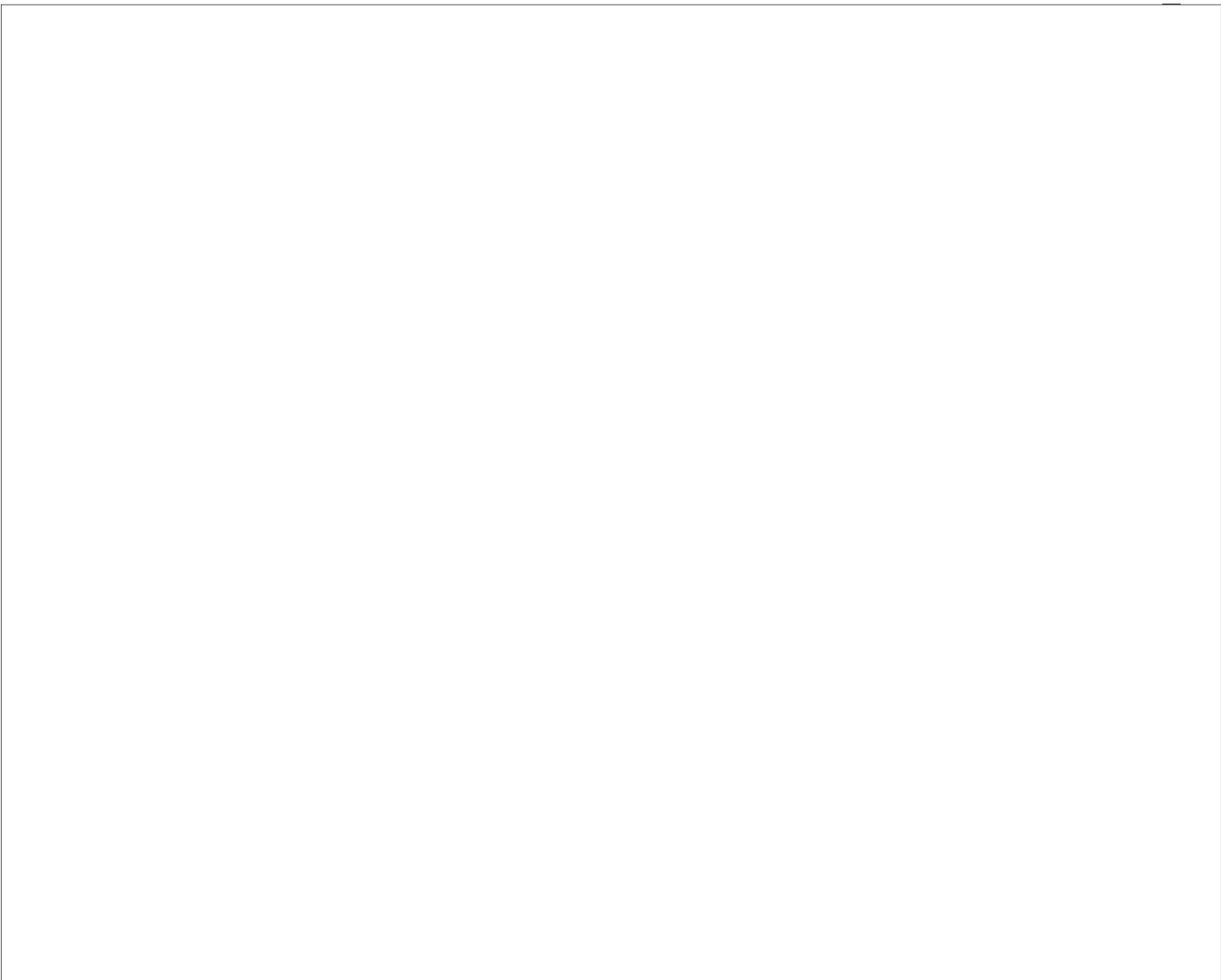
~~CONFIDENTIAL~~



(b)(3)

(b)(6)
(b)(3)





(b)(6)
(b)(3)

E. Howard Hunt Pleads Guilty in Watergate Case



Associated Press

E. Howard Hunt Jr. admitted guilt in Watergate case.

Former White House aide E. Howard Hunt Jr., one of the seven defendants in the Watergate bugging trial, pleaded guilty yesterday to three counts of conspiracy, burglary and illegal wire-tapping.

Chief U.S. District Judge John J. Sirica withheld until today a decision on whether to accept the plea.

Hunt and six other persons are charged in an eight-count indictment with breaking into the Democratic National Committee's Watergate headquarters on June 17 to steal information and conduct illegal wire-tapping and eavesdropping.

The announcement of Hunt's plea, made out of the jury's presence, followed the opening statements of prosecutor Earl J. Silbert who outlined, in addition to the Watergate break-in, a series of six surreptitious activities allegedly conducted or attempted by Hunt, his codefendant G. Gordon Liddy and others.

Silbert told the jury that Liddy, at the time employed by the Committee for the Re-election of the President, had received \$225,000 in cash from his superiors at the committee for various assignments. The prosecution can account for only \$50,000 of this sum, Silbert said.

THE WASHINGTON POST 11 January 1973

The money, according to Silbert, was given to Liddy, then an official of the re-election committee, to carry out assignments from deputy campaign director Jeb Stuart Magruder and Herbert L. Porter, director of campaign scheduling in December, 1971.

Silbert, who interrogated both Magruder and Porter before the grand jury, said in his two-hour opening statement, "We don't have any records, the government doesn't have any records as to what happened to the rest of that money given to Mr. Liddy, but as you will listen to my opening statement you will listen also to the evidence received in court, the testimony of witnesses, we will be able to account to you for approximately \$50,000 of that money. We cannot account for the rest."

According to federal sources interviewed by Washington Post reporters during recent months, the Watergate bugging stemmed from a campaign of political undercover activities conceived in the White House as basic re-election strategy and was directed by presidential aides at the Committee for the Re-election of the President.

That campaign, according to the sources, was financed from the money mentioned by Silbert and other cash withdrawn from the same fund.

In his presentation to the jury, Silbert did not suggest at any time that any officials—aside from the defendants—

of either the Nixon administration or the President's campaign committee acted illegally.

Silbert said Liddy was to gather information about planned demonstrations directed at "surrogate candidates" who would be campaigning in 10 primary states for President Nixon.

Silbert said that Porter was concerned that the stand-in candidates "would not have the protection of the Secret Service that the President would have if he were making an appearance."

Concerned about demonstrations against the stand-ins by "extremist groups on either the left or the right," Porter and Magruder turned to Liddy, a former FBI agent and prosecutor, to gather intelligence, Silbert said.

"The idea at the time," Silbert said, "was that he (Liddy) might have to investigate, develop intelligence at . . . 10 different locations, using 10 different people for 10 months, January through the election, at \$1,000 a month, and that is how you get \$100,000 . . ."

A second assignment Magruder gave Liddy concerned "anticipated mass demonstrations" at the Republican convention then scheduled for San Diego, Silbert said. Liddy was to look into the size, the groups that might demonstrate and their plans for demonstrations in San Diego, Silbert said.

In addition, Silbert said, Liddy received "from time to time other intelligence assignments." Among these was an assignment to check out a person, supposedly a "big polluter," who was supporting an unnamed Democratic candidate who had taken a firm stand against pollution, according to Silbert.

For this, Silbert said, Liddy was to receive \$150,000. In all, Liddy actually received \$235,000 until last June, according to Silbert.

"What did Mr. Porter and Mr. Magruder receive in exchange or in return for that expenditure of funds?" Silbert asked. "Mr. Porter received some information about an anticipated demonstration in Manchester, N.H., from the left-wing group. He received a second piece of information about an anticipated demonstration in Miami, Fla. from a right-wing extremist group," Silbert said.

"Mr. Magruder," Silbert continued, "received some information from Mr. Liddy that instead of the 100,000 demonstrators they might expect at San Diego, they could expect about 250,000 . . . That is the information they received," Silbert said.

Silbert said the prosecution would call witnesses who would describe the alleged efforts of Hunt and Liddy to gather information surreptitiously about the Democratic Party generally and about specific candidates and leaders, including Sen. George McGovern (D-S.D.), later the unsuccessful Democratic candidate for President, Sen. Edmund S. Muskie (D-Maine), the early front-runner for the Democratic nomination, and Lawrence F. O'Brien, then Democratic Party chairman.

Among these witnesses, according to Silbert, are:

• Jack Stewart, described as an ex-CIA agent with a background in electronics, whom Hunt knew. Silbert said Stewart met last February in Miami with Bernard Barker, also a defendant in the case, and was told by Barker that a "communications center" was planned to be located on a houseboat in Biscayne Bay during the Democratic convention.

Barker, according to Silbert, said he would "have access" to Democratic Party leaders, especially O'Brien, and that there would be "plenty of money."

Barker also showed Stewart records already obtained from the Democrats, Silbert said. Stewart, however, turned down the job, Silbert said.

• Thomas James Gregory, described by Silbert as a student at Brigham Young Uni-

iversity whom Hunt met through a business associate. Hunt recruited Gregory, at a salary of \$175 a week, to work as a volunteer first for Muskie, to find out Muskie's campaign schedule, the contents of speeches he would give, whether there was any dissension in the Muskie camp and who was filling important policy positions. Gregory gave Hunt weekly written reports, checking with Hunt on a daily basis by telephone, Silbert said.

In mid-April, when Muskie's campaign faltered, Hunt told Gregory he "could be more useful elsewhere," Silbert said, and Gregory went to work for McGovern.

Silbert said that Gregory was introduced to the "boss of the operation"—Liddy—and met with Liddy, Hunt, Barker and the four other defendants—James W. McCord Jr., Frank S. Jurgis, Eugenio Martinez and Virgilio Gonzales—about May 22 or 23 to discuss breaking into McGovern's headquarters.

Gregory "decided he had had enough," Silbert said, and quit on June 15.

The third principal witness mentioned by Silbert is Alfred C. Baldwin III, an ex-FBI agent who has said publicly he was hired by McCord and ultimately ordered to monitor phone conversations in the Democratic Party's Watergate headquarters from the Howard Johnson Motor Hotel across the street.

In all, Silbert said, Baldwin monitored about 200 telephone conversations from the phone of R. Spencer Oliver, an aide who was a liaison between the national Democratic Party and state chairmen. The calls concerned the "personal lives . . . the domestic lives . . . the political lives" of the persons talking, Silbert said.

"Some of those conversations, as you might expect, were of a sensitive nature," Silbert told the jury. "McCord made it perfectly clear to Mr. Baldwin that he was inter-

ested in conversation either personal or political that were of a sensitive nature."

Because one monitor was working improperly, Silbert said, McCord, who was security director for the Nixon re-election committee, sent Baldwin to the Democratic headquarters under a disguise to examine the layout. Baldwin, posing as the nephew of former Democratic Party Chairman John Bailey, got a "royal tour, red carpet treatment," Silbert said.

"Ironically enough," Silbert told the jury, the person conducting the tour was Oliver's secretary, Ida M. Wells, one of the persons whose calls Baldwin had monitored.

Silbert said Baldwin met Hunt and Liddy at least twice before the June 17 break-in at Democratic Party headquarters—once on May 23 while surveying McGovern headquarters and again on June 13 when they came to Baldwin's room in the Howard Johnson Motor Hotel, across the street from the Watergate.

At the June 13 meeting, Silbert said, Baldwin saw Liddy count out 16 \$100 bills for McCord. Throughout Silbert's presentation, references were made to \$100 bills. Gregory and Baldwin were paid with \$100 bills, Silbert said. Barker, Sturgis, Martinez and Gonzales were arrested inside the Watergate each with from \$200 to \$1,300 in \$100 bills, airline tickets were paid for with \$100 bills and McCord made three \$10,000 deposits in his bank accounts, each in \$100 bills, 10 to a packet, Silbert said.

At the same time, Silbert said, Liddy was given expense money for his assignments by Hugh W. Sloan Jr., then the campaign treasurer, in \$100 bills, 10 to a packet.

On the evening of June 16, Silbert said, McCord visited Baldwin at the Howard Johnson's, gave him a walkie-talkie and told him to watch the Democratic offices in the Watergate.

Silbert recounted that Bald-

win radioed an alert when he saw three men in casual clothes—metropolitan police officers—on the Watergate balcony outside the Democratic offices. The police had been called by Frank Wills, a suspicious security guard, Silbert said.

Baldwin later saw five defendants—McCord, Barker, Sturgis, Martinez and Gonzales—being taken by police from the Watergate Office Building, Silbert said. Baldwin also saw Hunt and Liddy, carrying suitcases, leaving the adjoining Watergate Hotel, he said. Liddy was wearing "a conservative suit, as he always does, as he is today," he added.

Moments later, Hunt appeared, agitated, in Baldwin's hotel room, used the bathroom and then said, according to Silbert, "I've got to call a lawyer. I've got to call a lawyer." Hunt placed a call, spoke, and then told Baldwin to return the bugging equipment to McCord's home and "get out of town," Silbert said.

Silbert said Liddy went to the re-election committee headquarters the morning of June 17 and began shredding papers. Silbert said Sloan saw Liddy and Liddy said, "The boys got caught last night. We made a mistake. I'll probably lose my job." Silbert said Sloan "didn't know what he (Liddy) was talking about."

Hunt, in the meantime, had gone to the Washington home of M. Douglas Caddy, also expected to be a witness, and called Barker's home in Miami about 3:30 a.m., Silbert said. Caddy started calling lawyers, finally getting Joseph A. Rafferty. Silbert said Hunt gave Caddy \$8,500, including one \$500 bill and the balance in \$100 bills.

At the second district police headquarters, where the five arrested defendants had been taken, they were advised of their rights and offered, but declined, the customary phone call. "Yet, lo and behold," Silbert said, "at 10:30 Saturday

...ing in walked two law-
ers—Michael Douglas Caddy
and Joseph Rafferty. How in
a world did they get there?"

Although Liddy originally
orked for the reelection com-
ittee, Silbert pointed out
at "at the time of the con-
spiracy," Liddy was working
or the Finance Committee to
e-elect the President. "Why?
What had happened?" Silbert
sked, then explaining, "The
act of the matter, ladies and
gentlemen, as you will hear
from testimony of Mr. Mag-
ruder, (is) that Mr. Magru-
der and Mr. Liddy did not get
along.

"Mr. Magruder was younger
and in charge and Mr. Liddy
did not like taking orders from
him. Mr. Magruder never
knew where Mr. Liddy was
didn't like the kind of reports
he made either. They had a
blow-up." Silbert said, and
Liddy moved to the Finance
Committee.

Only two defense attorneys,
Gerald Alch and Henry Roth-
blatt, made opening state-
ments. Alch, representing Mc-
Cord, conceded that McCord
was inside the Watergate June
17.

"The question is why was he
there?" Alch said. McCord's
"intent" is important, Alch
said, asserting that McCord
had "no criminal intent . . .
He had no evil-meaning mind.
He had no evil-doing hands."

Rothblatt, representing
Barker, Sturgis, Martinez and
Gonzales, asserted that the
"character" of his clients
would preclude their breaking
the law. Judge Sirica, acting
as the prosecution moved to
object, interrupted Rothblatt
several times to direct the
lawyer to restrict his state-
ment to evidence and not
make an argument to the jury.
"Keep an even keel," Sirica
told the emotional Rothblatt,
"and don't let your blood pres-
sure get up."

Sirica prodded Rothblatt to
explain why his clients were
inside the Watergate, a fact
conceded by Rothblatt. "Who
paid them?" Sirica asked, as



Sketch by Betty Wells

William O. Bittman, defense attorney, stands as he says his client, E. Howard Hunt Jr., (seated) could be sentenced to as much as a 25-year jail sentence.

he has before. "Did they get
any money to go in there?
Was it purely for political
espionage?"
Rothblatt said that the
"evidence will show that" his
clients, who knew each other
since the abortive anti-Castro
Bay of Pigs operation in 1961
"were following instructions
that they had been trained to
follow, with no evil motive."

Addressing himself to the
motivation for the alleged con-
spiracy, Silbert said, "We can
only look at the facts and you
draw the inference you choose
to draw . . ."
One motive "obviously" was
political, Silbert said. "The
interests of the persons, the
defendants in this case may
vary," Silbert said. "The moti-
vation of defendant Hunt and

defendant Liddy may have
been different from the moti-
vations of the four defendants
from Miami (Barker, Sturgis,
Martinez and Gonzales), and
they in turn may have had a
different motivation than de-
fendant McCord."
The facts, according to Sil-
bert, are that McCord, Barker,
Martinez and Gonzales all
needed money.

Nixon Men on Watergate Witness List

The lengthy process of selecting a jury for the Watergate break-in and bugging trial resumes today following the prosecution's disclosure that members of President Nixon's White House staff may be called to testify as government witnesses.

The names of Fred Fielding, associate counsel to the President, and Bruce Kehrli, an aide to White House chief of staff H. R. Haldeman, appeared on a list of 60 persons Asst. U.S. Atty. Earl J. Silbert said yesterday may be summoned during the government's case against the seven defendants.

Five former White House staff members, four of whom were officials in the President's re-election campaign last year, also are among the potential witnesses. Three of the re-election officials allegedly had control over a special campaign "slush" fund from which money flowed to at least one of the defendants.

Democrats charged during the presidential election that the June 17 break-in and alleged 6-week bugging of their national headquarters at the Watergate was part of a Republican campaign of espionage and sabotage.

Conspiracy Dismissed

Government prosecutors have privately dismissed reports that the Watergate incident was one phase of a larger conspiracy, contending that it was limited to the seven who were indicted Sept. 15.

Initial questioning of 254 prospective jurors by Chief U.S. District Court Judge John J. Sirica yesterday eliminated more than 150. The selection process is expected to last several more days, with the questioning focusing on the political aspects of the case.

The list of potential prosecution witnesses did not include any of Nixon's top White House or campaign officials, such as John N. Mitchell, former attorney general and Nixon campaign manager; Maurice H. Stans, chief fund raiser for the Nixon campaign and Charles W. Colson, former special counsel to the President.

It was not known what information Fielding and Kehrli would provide as the government's case unfolds.

Fielding joined the White House staff in Oct. 1970 and is assigned to the staff of White House Counsel John W. Dean. Dean headed the White House's own investigation of the Watergate incident which cleared all present White House staff members and officials of any involvement in the break-in or bugging.

Involvement Denied

Kehrli, who came to the White House in Nov. 1970, has been a staff secretary in Haldeman's office and is responsible for coordinating inter-office communications.

According to the New York Times, Fielding and Kehrli were involved in the search of a safe in the Old Executive Office Building that had been used by E. Howard Hunt Jr., one of the seven defendants and a former White House consultant. An unloaded pistol

and electronic equipment was removed from the safe.

Haldeman, Mitchell, Colson and Stans have been linked in the press to the alleged plot against the Democrats. The White House and Mitchell and Stans themselves, have denied that any of the four were involved.

The four former White House staff members who were on the re-election committee and may be summoned to testify are Robert Odle, Herbert L. Porter, Jeb Stuart Magruder and Hugh W. Sloan Jr., Silbert disclosed yesterday.

The only other potential prosecution witness known to have worked for the White House is Kathleen Chenow, a former secretary who now lives in Milwaukee. The Washington Post reported last month that Miss Chenow told them a special private telephone in the Executive Office Building was used almost exclusively for conversations between two of the defendants in the trial.

List Incomplete

The prosecution said privately that the 60 names read by Silbert did not comprise the complete list of prospective witnesses however, government sources suggested that the "several" names Silbert did not read are being kept in reserve as possible rebuttal witnesses, and that their addition would not significantly change the complexion of the government's case.

These sources also denied speculation that the persons whose names were withheld

had anything to do with two sums of money that allegedly made their way through the Committee for the Re-election of the President to the bank account of Barker Associates, the Miami real estate firm of defendant Bernard L. Barker.

The first of these is a \$25,000 check that reportedly went from a Minneapolis contributor to a Midwest Nixon fund raiser, to Stans, to defendant G. Gordon Liddy and on to Barker.

The second was \$89,000 that reportedly went from Texas donors to Mexico, where it was "laundered" to hid its source, then to the CRP and again to Barker.

The dull proceedings were lightened somewhat by the antics of Liddy, who as a prosecutor in upstate New York once fired off a gun in a courtroom, according to published news reports.

For example, as the day began with Slobert introducing each defendant, prosecutire and defense attorney in turn, Liddy stood and waved broadly to the prospective jurors as if he had just been introduced at a political rally.

The long, rectangular defense table set in the center of the 6th floor ceremonial courtroom resembled a meeting of a corporation board of directors, with the seven defendants, eight attorneys, one legal assistant and a translator for defendant Virgilio R. Gonzalez crowded around.

Gonzalez, like Barker and defendant Eugenio Martinez, was born in Cuba and all three, along with defendant Frank A. Sturgis, are said to be active in anti-Castro circles in Miami.

The final two defendants,

Hunt and James W. McCord Jr., both former CIA agents are reliably reported to have worked with the four Miami-ans on the unsuccessful Bay of Pigs invasion in 1961.

Half Eliminated

Almost half of the prospective jurors were quickly eliminated by the judge's first query — whether being kept at the court house or in hotels throughout the trial would cause them or their families serious inconvenience. They individually gave the judge their reasons in private.

At least three more were excused by the judge when they admitted that they already had formed an opinion about the guilt or innocence of one or all of the defendants.

The jurors also were quizzed about whether they or relatives or friends worked for the CIA, the Secret Service, FBI or any other law enforcement agency. One man acknowledged that he was employed by the CIA, but did not say in what capacity.

Many of the potential prosecution witnesses yesterday listed had already surfaced in the Watergate case, but three new names drew attention:

o Jack Stewart, of North St., Petersburg, Fla., who told a newsman: "I'm one of the out-of-the-woodwork types," but he refused to give his occupation.

o Morton B. Jackson, an attorney in Los Angeles' plush Century City area near Beverly Hills. Jackson said he could not discuss his role in the case because of Judge Siraca's or-

der against pretrial comment.

Asked about a published report that Hunt had stayed with him when the former White House consultant vanished at headquarters inside the Watergate headquarters, Jackson said: "I can't comment on it. Obviously if it involves Mr. Hunt, it involves the whole case."

Others named as prospective witnesses included:

o Esther Kirby, a former receptionist for Jackson's law office.

o Mary Denburg, a former receptionist for Jackson.

o Michael Richardson, a Miami photo shop employe, who has said Barker and Sturgis brought in film of Democratic records to be developed a week before the Watergate arrests.

o Hector Reynaldo, the Miami banker who handled Barker's deposit of \$89,000 in Mexican bank drafts and the \$25,000 check.

o Leonard Glasser, who has said Barker asked for blue-

prints of facilities to be used at the Democratic convention in Miami Beach.

o Thomas Murphy of Peabody, Mass., who said he worked for a communications firm but wouldn't say whether this meant electronics.

o Robert F. Bennett, who was Hunt's employer at a public

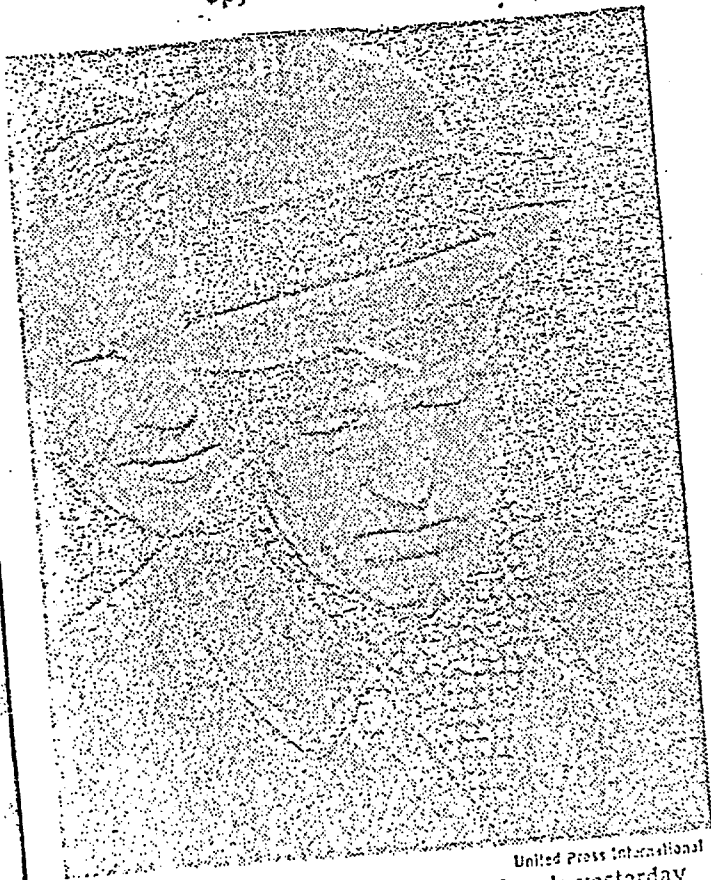
relations firm across the street from the Nixon campaign headquarters. Bennett has testified in another court case that he set up the dummy Nixon committees used to collect \$32,500 in donations from dairy funds after the government support was raised in 1971.

DEFENDANT SEEKS TO PLEAD GUILTY IN BUGGING TRIAL

Judge Weighs Hunt Offer
to Enter Plea on 3 of 6
Watergate Charges

PROSECUTOR GIVES CASE

Government Gives Details
of Republican Effort to
Spy on Democrats



E. Howard Hunt Jr. during court break yesterday

United Press International

WASHINGTON, Jan. 10—E. Howard Hunt Jr., a onetime White House consultant who became a central figure in the Watergate affair, offered today to plead guilty to charges that he conspired to spy on the Democrats last year.

Chief Judge John J. Sirica of the United States District Court here reserved a decision on whether to accept Mr. Hunt's plea until tomorrow morning. He could order Mr. Hunt to stand trial, and he warned the defendant that he was accustomed to putting those who plead guilty in jail at once.

Mr. Hunt's attorneys said that he would plead guilty to conspiracy, to one count of second-degree burglary and to one count of wiretapping at the offices of the Democratic National Committee in the Watergate apartment-office complex here.

The prosecutor implied, and Government sources subsequently confirmed, that three other counts also charging burglary and eavesdropping would be withdrawn by the Government. Mr. Hunt would thus not appear at the trial.

Narrower Scope Unlikely

Lawyers for all six other defendants said that Mr. Hunt's move would have no effect on their clients' positions. Since all were charged under the conspiracy and related counts of the indictment, it appeared that the scope of the trial would not be reduced by Mr. Hunt's action.

The Government, outlining its case in detail for the first time, earlier told a jury that President Nixon's campaign organization had paid one of Mr. Hunt's co-defendants \$235,000 in cash for an "intelligence operation" last year.

Offer Ordered Delayed

The prosecution's opening statement was studded with references to paid spies in Democratic campaigns, to secret meetings in a Washington drugstore, to exchanges of many \$100 bills and to other details of its case.

William O. Bittman, an attorney for Mr. Hunt, announced afterward that his client would offer to plead guilty to three of the six charges against him and that the Government had required him to delay the offer until after the prosecution's statement.

Earl J. Silbert, the principal assistant United States attorney here, said that the timing had allowed him to explain his case "so that all would know the facts uncovered by the investigation."

Mr. Silbert said a second "condition" demanded by the Government was that there be no agreement on the length of

THE NEW YORK TIMES 11 January 1973

since the prosecution would commend to Judge Sirica. Under the six counts of the indictment against Mr. Hunt, he could have been sentenced to a maximum of 35 years in prison. Mr. Silbert said that Mr. Hunt would be subject to a 5-year maximum sentence on each of the charges to which he would plead guilty.

Future Questioning Possible

The prosecutor also told Judge Sirica that in agreeing to Mr. Hunt's plea he had warned that the Government would seek to call the defendant before a grand jury and question him extensively about the Watergate case.

Investigators said that by the time of a grand jury inquiry, Mr. Hunt presumably would be in prison and hence would be under some pressure to cooperate. If necessary, they added, he could be granted immunity from further prosecution and forced to testify.

While the offer to plead guilty followed immediately upon Mr. Silbert's two-hour statement to the jury, there had been rumors before the trial that Mr. Hunt would seek to do so. The plan was arranged about a week ago, Mr. Bittman said.

Mr. Bittman argued at some length that the judge could allow Mr. Hunt to remain free on a \$10,000 bond pending sentencing, which probably would not take place for several weeks or months.

Mr. Hunt has appeared white-faced and grim during the three days of the proceedings. Mr. Bittman pointed out that the defendant's wife had been killed in a Chicago plane crash last month and that he

had lost 14 pounds since then.

In addition, it was widely understood that Mr. Hunt, an agent of the Central Intelligence Agency for 20 years, had found the public interest in him to be extremely disagreeable.

A Puzzling Figure

In an earlier appearance in connection with a legal proceeding, the 54-year-old Mr. Hunt fled from reporters. He wore dark glasses and a hat low on his forehead on that occasion.

For those reasons, he remained by far the most enigmatic of the defendants. And as the author of more than 40 novels and as a supposed participant in many feats of derring-do, he perhaps remained the most fascinating of the seven.

Mr. Silbert, the 36-year-old prosecution, who wears his hair long at the back and peers at his notes through horn-rimmed glasses, stood at a lectern and began his description of the case at 11:01 A.M.

He began immediately to refer to the political aspects of the Watergate affair, but while he mentioned several officials of the Committee for the Re-election of the President, he attributed lawbreaking only to the defendants.

He said that G. Gordon Liddy, a former White House and Treasury Department official who became counsel to the campaign committee in December, 1971, had at first simply given legal advice to other officials. But toward the end of that month, Mr. Silbert said, Mr. Liddy met with Jeb S. Magruder, deputy director of the committee, and Herbert L. Porter, the scheduling chief, and from them received "two additional assignments."

The first, he said, was based on Mr. Porter's fear that "extremists" might try to disrupt campaign appearances by Cabinet officials and other prominent Republicans who were serving as surrogates, or stand-ins, for the President.

"Mr. Magruder and Mr. Porter turned to Mr. Liddy," the prosecutor said. "They gave him an assignment. He was to try to develop an intelligence operation by which he could find out in advance [any plans for demonstrations]."

\$100,000 Advanced

For that chore, Mr. Silbert continued, the Nixon advisers allotted Mr. Liddy \$100,000 on the assumption that he might have to pay 10 people in 10 states \$1,000 a month for 10 months.

A number of Republican leaders were also concerned with the possibility of protest demonstrations during their national convention, then scheduled for San Diego. Mr. Silbert said that Mr. Liddy was to "look into the problem" and discover any plans for hostile action.

In addition, the Government lawyer said, Mr. Liddy received certain other "special intelligence assignments" from the Nixon forces.

Mr. Silbert gave as an example a Republican request that Mr. Liddy "find out" about contributions made by a major polluter to a Democratic Presidential contender who was a prominent foe of pollution. Neither party was identified, but the candidate was thought to be Senator Edmund S. Muskie of Maine.

For his second set of assignments, Mr. Silbert said, Mr. Liddy was allotted \$150,000. He in fact finally received \$235,

000, the prosecutor said, all of it in cash, mostly \$100 bills.

The Republicans kept few, if any, records as to how the money was spent, Mr. Silbert asserted, and he told the jurors that the Government would be able to account for only about \$50,000 of it.

Friends Recruited

Mr. Liddy and Mr. Hunt were said to have embarked on a "recruiting campaign" to carry out the intelligence drive, and in doing so they turned "first to former friends." Many of these appear to have had C.I.A. connections.

The first was Jack M. Bauman, an ex-employee of the intelligence agency who received a letter from Mr. Hunt inquiring if he was available for "some work" and enclosing the "resumes" of an unnamed third party.

Mr. Bauman, who is retired and living in Winterhaven, Fla., was asked to "check out" the third party, a former C.I.A. agent said to specialize in locks, keys and photographic devices.

Mr. Hunt and Mr. Bauman met first on Dec. 28, 1971, and again at a later date in Washington. The Florida man, who was given four \$100 bills for his expenses, said he understood that the work "would involve establishing a security capability for the Republican party."

Mr. Silbert said that Mr. Bauman turned down the job.

Mr. Hunt then approached a "Mr. Stewart," otherwise unidentified by Mr. Silbert, and on Feb. 1 spent much of the day in Miami with Bernard L. Barker, a real estate agent who is one of the defendants.

Mr. Barker was said to have been interested in operations

against the Democratic party and convention [and] certain of the party leaders." Mr. Silbert said he was particularly interested in Lawrence F. O'Brien, then the Chairman of the Democratic National Committee, the prosecutor said.

Luxurious Travel Cited

During the Democratic convention in Miami Beach, Mr. Silbert said, there would be a "communications center" on a houseboat in nearby Biscayne Bay and Mr. Stewart would work there.

Returning to his real estate office, Mr. Barker was alleged to have shown his visitor Democratic party records, unspecified by Mr. Silbert, that had already been "obtained."

Mr. Stewart also turned down Mr. Hunt.

Mr. Hunt and Mr. Liddy were doing a substantial amount of traveling, and Mr. Silbert made a point of the luxury of it all. He asserted that they stayed in the best hotels, renting a \$100-a-day suite at the Beverly Wilshire Hotel in Beverly Hills, Calif., on one occasion.

Mr. Hunt was finally successful in his recruiting drive, Mr. Silbert related, upon reaching Thomas James Gregory, now a 26-year-old history student at Brigham Young University in Provo, Utah.

Mr. Gregory, who is under a Government subpoena in the trial, was quoted by Mr. Silbert today as saying that he met with Mr. Hunt and agreed to work as a student volunteer for Senator Muskie in February.

Senator Muskie was then considered the front-running candidate for the Democratic Presidential nomination, Mr. Silbert noted.

Mr. Gregory, the prosecutor noted, went back to Provo and

arranged to receive academic credit for "off-campus study." Then returned to Washington and began to spy for Mr. Hunt.

Meetings Arranged

Mr. Gregory, who was said to have received \$175 a week for his services, would arrange to meet with Mr. Hunt once a week, usually on Friday and usually at a drugstore at the corner of 17th and K Streets, N.W.

At these encounters, Mr. Gregory would pass over an envelope containing information on Senator Muskie's schedule, the contents of proposed speeches, and the details of any dissension among the Senator's advisers.

In April, when Mr. Muskie had been replaced as the front-runner by Senator George McGovern, Mr. Hunt told Mr. Gregory that he would be more useful working for the South Dakotan, the prosecutor said.

Mr. Hunt wanted the same information on the second candidate, Mr. Silbert continued, and he also sought data from the eventual Democratic nominee's mailing list and financial records.

"The November Group"

[Redacted]

[Redacted]

(b)(3)

'November Group' Suffers Discontent

By Jules Witcover

Washington Post Staff Writer

A year ago, some of the hottest talents along Madison Avenue were deeply committed to the slickest, most professional political advertising campaign ever conceived and implemented.

Under the name "The November Group," they were involved in what they considered to be an elevated undertaking that would bring luster to their already glowing reputations in the world of advertising.

They were going to help re-elect the President of the United States, and do it in a way that would revolutionize the art of political advertising. Instead of an established agency contracting for the job, this was an unprecedented all-star team put together for this one very special assignment.

Today, the members of the November Group, older and wiser, are out of the political whirl, most of them back in the familiar surroundings of their own world of inanimate products, and image-making.

They succeeded in their mission, and by the judgment of most of them succeeded spectacularly. But they look back at the experience with mixed emotions at best; some say they would not do it again.

The reason, of course, is Watergate—that catch-all word to describe corruption and wrongdoing in the election of a President that in the minds of some has thrown a blanket of guilt indiscriminately over all who played important roles in the 1972 campaign of Richard M. Nixon.

In at least one instance,

the zeal of a White House political operative; former special counsel Charles W. Colson, led to the placing of an apparently illegal ad in which members of the November Group were implicated.

They helped write copy for, and helped round up sponsors for, the ad in The New York Times on May 17, 1972 purporting to reflect independent public support for the President's decision to mine Haiphong harbor earlier that month. They say now they were duped, and that except for this instance,

ran a legal and highly efficient and effective ad campaign for Mr. Nixon.

But because of that incident, and the general disrepute into which the whole Nixon campaign fell as a result of Watergate, the innovations they brought to political advertising in 1972 have been obscured, and the image of their business tarnished—for the second time in two Nixon campaigns.

In 1968 as well, Madison Avenue jumped into Nixon presidential politics and came out with a black eye, thanks largely to author Joe

McGinniss and his inside account, "The Selling of the President, 1968."

McGinniss, functioning as an insider in the Nixon advertising team—posing, the Nixonites would say—caught the flavor and substance of candidate-making and candidate-shaping, and had the Madison Avenue boys gnashing their teeth. No industrial spy ever had come up with a more devastating dossier.

Partly as a result of the McGinniss experience, partly because of the general paranoia about security

that gripped the entire Nixon campaign, the November Group functioned throughout 1972 as a semi-mysterious enclave under the Committee for the Re-election of the President (CRP).

There have been veiled references to the November Group in the Senate Watergate hearings, but except for the Colson-inspired ad backing the President's mining of Haiphong harbor, no evidence has been uncovered that the group was in the

See NOVEMBER, E4, Col. 3

political dirty-tricks business.

In another political climate, the November Group might have been heralded as a major breakthrough in how politics and advertising can be wedded for maximum result.

Sometime in mid-1971, Jeb S. Magruder, then the standing director for CRP until Attorney General John N. Mitchell was to take over, undertook a study of the kind of advertising campaign the President should have.

Himself a graduate of the advertising business with the J. Walter Thompson agency in Los Angeles, Magruder worked in consultation with H. R. Haldeman, his old ad agency boss who then was Mr. Nixon's chief White House aide. Magruder conferred with six major advertising agencies and with Haldeman produced the idea of a separate in-house agency.

The approach had several advantages: it would create an agency completely under White House control, with hand-picked aides all of whom believed in the Nixon re-election; security could

be more easily imposed; individual stars of the ad business could be hired for each key job; the regular 15 per cent agency commission would be saved.

A 41-year-old Los Angeles advertising man who never had worked in a presidential campaign, Peter Dailey, was hired in November, 1971, by Mitchell (who still was Attorney General). By Feb. 1, 1972, Dailey had assembled a staff of 60 advertising specialists in New York and 10 in Washington.

Dailey became president of the November Group (named that because it would work toward the Nov. 7 election) and Phillip Joanou of Doyle Dane Bernbach Inc. in Los Angeles was named executive vice president. These two worked most directly with the White House and with CRP, clearing advertising ideas with Haldeman, and others in the November Group say—fending off Colson's ideas, which they often found excessively harsh or in bad taste.

From Young and Rubicam Inc. in New York, Paul J. Muller, a man of 22 years' experience in the money side of advertising, was recruited to head the finance

department, on a par with Dailey and Joanou. Through him went all agency fees from CRP to the November Group and disbursements by check for all services, including time bought on hundreds of radio and TV outlets around the country.

About 60 individuals worked in New York, the center of the advertising business, under a senior vice president, Michael Lesser, on leave from Marschalk and Co.

In the New York office, at 909 Third Ave., the two essentials of any advertising agency were also housed—a creative department under Bill Taylor, on leave from Ogilvy and Mather Inc. of New York, and a media department under George Karalekas of the Canada Dry Corp. Taylor's department actually thought up, wrote and produced the ads; Karalekas' group placed them through a New York firm, SFM Media Service Corp. In Washington, a smaller office of about 10 was run by Bill Novelli, a marketing expert from the Wells, Rich Greene agency of New York.

The whole concept, says an alumnus who is now in his own advertising business

and interested in any mor approved for Release: 2017/01/18 C01482046ey, McGov! Do you still believe in amnesty for all the draft-dodgers? I don't. I fought for my country." The November Group pros were similarly turned off by this proposal, which they felt demeaned McGovern and was not in keeping with the lofty theme of the Nixon campaign—the characterizing of the candidate as a working President, above the political battle. "We put it (the Colson poster) behind Joanou's door for eight weeks," one of his associates says, "and everytime they (the White House) asked about it we said we didn't know where it was." The November Group produced two kinds of ads—the positive, institutional ones that showed Mr. Nixon as President at home and abroad, and the negative, attack ads criticizing McGovern, which in every case were run under the sponsorship of Democrats for Nixon, headed by former Secretary of Treasury John B. Connally. Through 1972, the November Group spent \$7,272,498, according to a financial statement prepared after an audit by Price Waterhouse and Co. This amount included \$4,379,395 to buy media time and space (far below the \$14.4 million ceiling imposed by federal law), \$1,086,958 for operating expenses and \$1,552,090 for production expenses. Payments, except for the \$4,400 Joanou paid in cash for the Haiphong harbor mining ad, were made by November Group check, Muller says. And for all the riches of the Nixon campaign, others in the group say, the in-house agency constantly was hard-pressed for funds. "We always had to fight like cats and dogs for money," one of them says. "Sometimes we felt like whores who had to go down to Stans' office (Maurice H. Stans, chairman of the campaign finance committee) to plead for money to do this or that radio or television spot."

To a man, those interviewed who were part of the November Group are proud of the professional job they did for Mr. Nixon. And to a man, they have one main gripe—interference from "the politicians."

Some will not be more specific, but those who are agree that the interference came from Colson, not only in the celebrated Haiphong harbor mining ad, but in other instances when November Group officials held him off or ignored him.

According to Taylor, the ad was first drafted by Colson and submitted to him. As finally run, it was titled "The People vs. The New York Times," and it quoted from four polls saying the public backed the President. November Group executives, one of them says, were told "to drop everything and call our friends, suggesting See NOVEMBER, E6, Col. 1

NOVEMBER, From E4 if they supported the President to send telegrams."

When the ad arrived from the White House, Taylor says, "We immediately opposed it as stupid" and sent it back. But according to another member of the group, Magruder urged that it be accepted in modified form to keep peace with Colson on what Magruder said was a minor matter. CRP official Herbert L. (Bart) Porter told the Senate Watergate committee last week he gave Joanou \$4,400 in cash presumably to pay for this one ad.

On another occasion, a November Group executive says, Colson submitted a

poster showing a red-hat McGov! Do you still believe in amnesty for all the draft-dodgers? I don't. I fought for my country."

The November Group pros were similarly turned off by this proposal, which they felt demeaned McGovern and was not in keeping with the lofty theme of the Nixon campaign—the characterizing of the candidate as a working President, above the political battle.

"We put it (the Colson poster) behind Joanou's door for eight weeks," one of his associates says, "and everytime they (the White House) asked about it we

NOVEMBER, From E6 said we didn't know where it was."

The November Group produced two kinds of ads—the positive, institutional ones that showed Mr. Nixon as President at home and

abroad, and the negative, attack ads criticizing McGovern, which in every case were run under the sponsorship of Democrats for Nixon, headed by former Secretary of Treasury John B. Connally.

Through 1972, the November Group spent \$7,272,498, according to a financial statement prepared after an audit by Price Waterhouse and Co. This amount included \$4,379,395 to buy media time and space (far below the \$14.4 million ceiling imposed by federal law), \$1,086,958 for operating expenses and \$1,552,090 for production expenses.

Payments, except for the \$4,400 Joanou paid in cash for the Haiphong harbor mining ad, were made by November Group check, Muller says. And for all the riches of the Nixon campaign, others in the group say, the in-house agency constantly was hard-pressed for funds.

"We always had to fight like cats and dogs for money," one of them says. "Sometimes we felt like whores who had to go down to Stans' office (Maurice H. Stans, chairman of the campaign finance committee) to plead for money to do this or that radio or television spot."

As a private corporation incorporated in New York, the

November Group was not required to file reports on income and spending with the General Accounting Office, as the campaign committees were under the 1972 election reporting law.

But Muller says the agency provided the re-election committee with spending data. Also, radio and television outlets must report how much time they have sold to candidates, and at what cost. In its own reports to the GAO, CRP lists a series of flat agency advances to the November Group, with no itemization of the spending.

Although the election is history, the November Group remains incorporated in New York, with Dailey as president. Some of the veterans, like Muller, say they would do it all again if Dailey asked them, and if the candidate was somebody to their liking. Muller is the only top executive of the November Group to land a government job out of it. He is now treasurer of the Overseas Private Investment Corp., a federal agency.

But others say they have had enough. Most of her November Group executives are back in the ad business, having worked for the President's re-election on an "anchor-and-loan" arrangement. Their own agencies kept them on their books, with all fringe benefit rights intact, and the November Group paid the agencies for the salaries of those on loan.

Some of the larger advertising agencies have barred political advertising work. The prohibition precedes Watergate. Two of the best-known agencies—Batten Barton Durstine and Osborn, and Doyle Dane Bernbach—have nixed political advertising for several years, and a third—Young and Rubicam—outlawed it outspokenly two years ago. Edward Ney, Y&R's president, went on television and said his firm was quitting because it was not appropriate to use advertising skills to sell candidates.

Mark Strook, vice president for public relations at Y&R, says advertising clearly has been hurt by the Watergate—not by anything

done by the November Group, but by the fact some of the leading figures in the case, like Haldeman, come from advertising backgrounds.

Of the whole experience, one ex-November Group executive now says:

"These people (the Nixon politicians) were very efficient in their own way and weren't used to leaving a stone unturned. But they were used to having a lot of yes-man around, and we said no."

Colson particularly won a special place for himself in the hearts of the advertising pros who joined the Nixon campaign. One of them sums up his feelings about Colson and his White House political associates this way:

"We didn't hold these people in high regard. We knew we were better than they were."

But the advertising pros were, as they say in their business, part of the package. And in politics as in merchandising, truth-in-packaging can be elusive.



United Press International

Bill Taylor: "We immediately opposed it as stupid."

1 March 1974

SUBJECT: Tape Labeled "McCord Incident, 18-19 June 1972"

1. In its continuing review of the CIA Office of Security "Watergate" files the Inspector General's Office came across a 5 inch reel of tape labeled "McCord Incident - 18-19 June 1972." Further search disclosed transcripts of two conversations. One was between Mr. Howard J. Osborn, CIA Director of Security and an official of the Federal Bureau of Investigation. The other was a [redacted] and an official of the Washington Metropolitan Police Department.

(b)(3)

2. The transcripts contain information believed to have already been made available or in the public domain. The tape from which the transcripts were made is available but the two transcriptions contain the only information that is pertinent to "Watergate". They are attached hereto for your information.

TRANSCRIPT - FIRST CALL - FBI

I'm going to give you this just the way we gave it to -----
we've got a title and you'll have to put up with our administrative stuff
on this. But it's Bernard B-E-R-N-A-R-D L. Barker B-A-R-K-E-R,
also known as Frank Carter C-A-R-T-E-R; then Virgillo
V-I-R-G-I-L-L-O; R. Gonzales, also known as Rau-- I think he's
misspelled this -- that's normally spelled Raul R-A-U-L Goody
G-O-O-D-Y. James Walter McCord. He's ex-FBI and ex- --

Mr. O: Ex-Agency--

Other: Ex-CIA too. He's also known as Edward Martin.

I think that's the name they used when they registered.

Mr. O: Right.

Other: Eugenio E-U-G-E-N-I-O Rolando (?) Martinez
M-A-R-T-I-N-E-Z; Y. Crega C-R-E-G-A and he's aka: Eugenio
R. Martinez; Gene Valdes V-A-L-D-E-S; Frank Anthony Fironi
F-I-R-O-N-I, also known as Fred Frank Fironi; Attila A-T-T-I-L-A
Frank Sturges. Then we go on -- that's the Democratic National
Headquarters, Watergate Apartments, Burglary. For information,
this will give the background of other officers that were in on this.

Early A. M. today above-named subjects arrested by Metropolitan Police Department in Office of Democratic National Headquarters, Watergate Apartments, for Burglary. Confiscated from subjects were three electronic bugs, two of which have been examined by the FBI laboratory and found to be operable with a transmitting range of approximately 150 yards. The third device was apparently damaged by MPD when they recovered it from the same room where the subjects were arrested. Also recovered from the subjects was a Bell and Howell Transceiver. Another transceiver was located on the person of Barker. A small AM-FM radio was also recovered and when set on VHF frequency 135, it was possible to monitor the conversation being had on the two Bell and Howell receivers. After arrests were made, subjects were transported to MPD, that's Metropolitan Police Department, Second District Headquarters, where efforts were made to interview them with negative results. The five subjects had \$2400, most of which was brand new 100 dollar bills, most in sequence.

Late this afternoon, MPD and FBI executed search warrants on two apartments rented by subjects at the Watergate Hotel. Numerous

pieces of identification including wallets, belonging to Martinez and Barker, found in apartment. In one apartment \$3500 in 100 dollar bills all again brand new, bearing same series and original serial numbers as 100 dollar bills found on subjects earlier. Investigation being conducted with Bureau of Engraving in effort to locate identity of Federal Reserve Bank these bills may have originated from. During execution of search warrant in apartment occupied by subjects, a sealed envelope was located -- and this is the thing I mentioned -- with a stamp on it, inside the envelope was the following -- a check embossed with the name E. Howard Hunt, signed E. Howard Hunt, check drawn on National Bank of Washington, Account Number 080174-7. Check in the amount of \$6.39. Check is Number 415. Also inside envelope was a bill from Lakewood Country Club, Rockville, Maryland, to E. Howard Hunt, care of Weibrecht, W-E-I-B-R-E-I-G-H-T N. Talley T-A-L-L-E-Y, 750 Third Avenue, New York, New York. Then, I don't know whether you want to get all this down -- we showed -- we found that McCord had worked with CIA and that we had done an investigation for the White House on Hunt.

Mr. O: At one time he was a security consultant for him or something like that.

Other: That's right. Yes. Apparently as nearly as I can get -- in talking to one of our agents talking to Alex Butterworth -- over at the White House -- he was used on a one time -- one assignment, so it's not a continuous appointment apparently.

Mr. O: Right. Well --

Other: Now then -- we went out to see Hunt as I told you -- and he said he wanted to talk to an attorney -- I'm trying to give you anything that's substance and not get you involved in administrative.

Mr. O: Right.

Other: I mentioned that he had listed this man Caddy as a reference and Caddy appears (to be) an attorney.

Mr. O: Right. That's good, John; that's about what we need I think -- we're responding to a --

Other: Now, I can grab another teleclip around here, but apparently in checking with -- with the -- our office in Miami, and, of course, they're active in the Cuban thing -- some of the other names mentioned had worked for CIA -- reportedly worked for CIA

and this is what I wanted to get -- I think an officer recognized McCord.

Mr. O: Right.

Other: Here we are. Let me read this to you. MPD Intelligence Division advises when one officer approached subjects in Superior Court prior to arraignment, he observed McCord and knew him to be Chief of Security for Committee to Elect Nixon.

Mr. O: Right.

Other: Officer reported back immediately to Headquarters MPD; after notifying his superiors contacted WFO. Same officer advised that he interviewed McCord. Now they had previously declined to be interviewed. And McCord states as follows:

All subjects are retired CIA agents including himself. All have families in Miami, Florida, area. No one put them up to the job and refused to say what they intended doing with the electronic equipment.

McCord further denied anyone put him up to the job and that all participants decided on doing the job themselves. And that's about -- that's about what we get out of it.

Mr. O: Yeah. Well what we're going to do is we're going to talk to Arnie Parham, who is our liaison man over here with Jack's

shop and we're going to give him what we have on McCord and Hunt. We have one indication on Barker that a long time ago he was used. But we have no current affiliation -- we have no record on any of the three, but we are now going down to Miami ourselves to make -- see -- make sure what they have, you know.

Other: We're trying to get material together over here in this shop so that we can -- get something together to give to Mr. Gray tomorrow morning. We've got sort of a 9:00 deadline to give him as much as we have, although we've alerted Butterfield in the White House generally about this to help him get a more formal thing through the Department of Justice because of the interest there.

Mr. O: Fine. Well what I'll do is a -- we'll respond to Arnie and get it to him as we get it. I think Jack wanted it that way. He told me to (give) get it to you.

Other: The first concern. We got a call from Henry Peterson -- he's Assistant Attorney General -- Criminal Division and we -- he had gotten into the case because we went to Titus -- the United States Attorney here -- in connection with the search

warrant, and Titus, in turn, alerted Peterson and Peterson was anxious for us to find out by tomorrow morning whether or not there was any current connection with CIA.

Mr. O: As far as we're concerned there is none, but I want to reserve judgment on three of them because we have to check a little more thoroughly down there. You know, we -- our records are not too precise. Mr. Helms, my Director, called Acting Director Gray in California, and Director Gray filled him in on what he knew and they're hand in hand on this.

Other: I'm sure there's no problem on this -- on that -- at all and we ought to work together and have no problem so -- if there's anything I'm missing, it wasn't intentional. I've tried to fill you in on what I think is most important thing and no burden --

Mr. O: I can't tell you how much I appreciate it John, and listen, if you don't get it from Arnie in time to use it and you want to get it from us directly, I'll tell the boys to give it to you here.

Other: Very good. Thank you very much.

Mr. O: All right.

Other: What number shall I call you at if I have a problem.

Mr. O: If you want to get me, you can always reach me at home at my unlisted number, which is

Other: Right.

Mr. O: If you can't find me there, you can always reach me (I have a radio in the car) through my 24-hour duty office here which is 351-6161.

Other: Very good.

Mr. O: Thanks again. I appreciate it.

Other: Nice to do business with you.

Mr. O: You betcha.

Other: Thank you.

SECOND CALL

MPO

Can you listen to me?

SDO:

Yeah. I'm listening.

Is the tape recorder on?

SDO:

Yeah.

OK.

The arrest occurred 17 June 1972 at 2:10

A.M. at Watergate 2600 Virginia Avenue, N.W. Results of the investigation are as follows: Watergate Security guard was making his rounds and in the process he noticed the door in the garage which leads into the stairwell taped open. He removed the tape and continued on his rounds. When he came back past that same door on his second tour-- next tour rather-- the door was taped again. He then called the Metropolitan Police Department. The Metropolitan Police Department responded, searched the building and on the eighth floor, part of which

is occupied by the Democratic National Committee, the double doors leading into that space were taped open. The Police entered that space and confronted five men in the conference room of that space. The five men were identified as follows. Gene G-E-N-E J. Valdez V-A-L-D-E alias Eugenio R. Martinez M-A-R-T-I-N-E-Z, cuban born 7-8-22, listed as an address 4044 N. Maridian ~~St.~~, Miami, Fla. Second man-- Franc(?) Angelo / A-N-G-E-L-O alias Martin Hamilton. Later discussion he said his true name is Angelo Franc Fiorini F-I-O-R-I-N-I. Date of birth 12-9-24, listed as an address 2415 NW 122 nd St., Miami, Florida. Third person-- Frank Carter C-A-R-T-E-R alias Bernard B-E-R-N-A-R-D- L. Barker B-A-R-K-E-R, DOB 3-14-1917 listed as an address 5229 NW 4th St., Miami, Florida. Fourth person-- was Raoul R-A-O-U-L Gedyon G-O-D-Y-O-N as in Nancy , alias Virgilo V-I-R-G-I-L-O Roman Gonzalez G-O-N-Z-A-L-E-Z, DOB: 5-18-1926, listed as an address 930 23rd St., Miami, Fla.

Fifth person Edward Martin. This is the name given to the police.

DOB: 10-9-1918, listed as an address 2600 Virginia Ave., N_W,

Washington, D. C. Indicated as place of employment Chief of Security

of the Committee to re-elect the President. These five were arraigned

in court today on a charge of burglary 2. Burglary 2 is burglary committed

against a premises which is not occupied. All but Martin are held on

\$50,000 bond. Martin is being held on \$35,000 bond. At the time of

the confrontation the Metropolitan Police recovered several bugging

devices -- two portable Bell and Howell transceivers -- both model

247 VX. One of the transceivers had a transmitting frequency of

161.9725 and a receiving frequency of 161.9175. Serial number 4900.

Second transceiver had a transmitting frequency of 156.260 and receiving

frequency of 156.260 Simplex S-I-M-P-L-E-X, 917. Serial/4971. ^{number}

Also recovered were the following. One Jetstream Mini Radio Receiver

with a frequency set at 135. Each of the men arrested were armed with a

canister of Mace. Each was wearing a pair of surgical gloves.

They had 85 rolls of high speed film. Two Minolta, M-I-N-O-L-T-A camera, - Two Minolta cameras -- rigged to photograph documents.

There were six batteries wired in series to produce nine volts. Each² of the batteries was one and a half volts. There were three miniature radio transmitters. of the type which fits into a phone. One amplifier circuit board and microphone. Also recovered was a wrist watch which was reportedly rigged to activate the transmitters. At the time of the ~~xxxx~~ Arrest those arrested had already removed four ceiling tiles, one cover from a telephone junction box, and one air conditioning cover. Shortly after the five were brought to the second District Headquarters located at 22nd and L Sts., NW, an attorney by the name of Michael M-I-C-H-A-E-L Douglas D-O-U-G-L-A-S Caddy C-A-D-D-Y-, a white male approximately 35 years of age, arrived and said he was representing those arrested. This was an unusual incident in that none of the five had at that point made any telephone calls. When asked how he knew of the arrest of the five, Caddy wouldn't comment but said that he would

be back in a few days with more information. After the arrest and subsequent investigations three warrants were issued. The first warrant was issued for Room 214 of the Watergate Hotel portion. One for Room 314 and one for a 1972 Chrysler which was rented from the National Washington Airport. Rooms 214 and 314 were registered in the names of some of the subjects. Recovered from the people and the rooms was a total of \$24,000/cash. Room 14 -- in room 14, \$3200 in 100 dollar bills was recovered. -- Was believed to have been recovered. Metropolitan Police Department has checked with the Bell and Howell representative in the area and has found that the radios previously mentioned were purchased by the Committee to Re-elect the President. The reservations for the Hotel rooms mentioned Room 214 and Room 314 in the Watergate Hotel portion, were made from Florida on the 9th of June, and were for the period from 16 - 19 June 1972. Police also recovered from Room 214 a check signed by E. Howard H-O-W-A-R-D Hunt H-U-N-T.

In the course of the investigation apparently the MPD, the Metropolitan Police Department, were told that Hunt is an assistant to a Mr.

Carlson who in turn is an assistant to the President. According to the Police interviewed by me -- in this case Captain Seward(?)

he said that somewhere along the line someone of the five people arrested made a reference to former employment with the Agency. Captain

Seward(?) indicated that the U.S. Attorney who handled the warrants,

was Chuck Work W-O-R-K. Another attorney involved with this case

but his involvement is unknown is a attorney by the name of Lafferty

L-A-F-F-E-R-T-Y. Lafferty is not a government attorney but is a

private attorney whose connection with the case is unknown at this time.

That's all. You got that Bill.

SDO: I've got it.