

Executive Registry
12-6587

72

28 June 1972

EYES ONLY

MEMORANDUM FOR: Deputy Director
SUBJECT: Watergate Affair

1. Acting Director Gray of the FBI 'phoned me this morning to cancel our meeting scheduled for 2:30 this afternoon. He indicated that he would not be able to get together until next week. I informed him that I would be away but that you would be available with Shackley and Sternfield for any such meeting. I did, however, use the opportunity of this call to make two points to Acting Director Gray: 1) That I would appreciate his calling off interviews with Karl Wagner and John Caswell (this he agreed to do); and 2) that Kenneth Harry Dahlberg was no agent of the CIA and that we had no ties to him. I stated that our last verifiable contact with him was in May 1961. Acting Director Gray confirmed that this is the same Kenneth Dahlberg about whom he was inquiring as soon as I identified the gentleman as the President of Dahlberg Company in Minneapolis.

2. I informed Shackley and Sternfield this morning, in preparation for the scheduled meeting this afternoon, that the Agency is attempting to "distance itself" from this investigation and that I wanted them along as "reference files" to participate in the conversation when requested. I told them that I wanted no free-wheeling exposition of hypotheses or any effort made to conjecture about responsibility or likely objectives of the Watergate intrusion. In short, at such a meeting, it is up to the FBI to lay some cards on the table. Otherwise, we are unable to be of help. In addition, we still adhere to the request that they confine themselves to the personalities already arrested or directly under suspicion and that they desist from expanding this investigation into other areas which may well, eventually, run afoul of our operations.

3. This brings you up-to-date as of 3:00, 28 June.

RM
Richard Helms
Director

(EXECUTIVE REGISTRY FILE W-5)

~~CONFIDENTIAL~~