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CITE DIRECTOR

TO: TERRAN.

1. REQUEST  PASS FOLLOWING AS INDICATED.
2. "TO HELMS FROM WARNER. WITHOUT COMMENT IS THE LAURENCE STERN ARTICLE APPEARING IN THE 'WASHINGTON POST' ON 7 AUGUST.
3. FOLLOWING IS FULL TEXT OF ARTICLE WHICH APPEARED UNDER HEADLINE "CIA GETS WATERGATE VINDICATION".

"THE NEWEST INSTALLMENT OF WHITE HOUSE TRANSCRIPTS STRONGLY VINDICATES THE CENTRAL INTELLIGENCE AGENCY IN ITS LONG STANDING DENIALS OF ANY DIRECT INVOLVEMENT IN THE WATERGATE BREAK-IN.

"THE TRANSCRIPTS OF THE TAPE RECORDINGS REVEAL--IN THE PRESIDENT'S OWN UTTERANCES--THAT THE CIA WAS INJECTED INTO THE WATERGATE CASE BY MR. NIXON AND HIS TOP AIDES. THEIR EFFORTS DELAYED FOR NEARLY TWO WEEKS THE FBI INVESTIGATION OF THE FIRST MAJOR EVIDENTIARY LINK BETWEEN THE WATERGATE BURGLARS AND THE 1972 NIXON CAMPAIGN ORGANIZATION.

"BUT THE STRATEGY ULTIMATELY FAILED WHEN FORMER CIA DIRECTOR, RICHARD M. HELMS PERSISTENTLY REFUSED TO GIVE A WRITTEN DECLARATION TO FORMER ACTING FBI DIRECTOR PATRICK GRAY III THAT THE BUREAU'S INVESTIGATION THREATENED TO EXPOSE COVERT CIA ACTIVITIES IN MEXICO.

"THE PLAN CONCEIVED IN THE WHITE HOUSE BY THE PRESIDENT AND HIS CHIEF OF STAFF, H. R. (BOB) HALDERMAN, WAS TO DIRECT THE CIA TO TELL THE FBI TO "STAY THE HELL OUT OF" (HALDERMAN'S WORDS) THE INVESTIGATION OF NIXON FUNDS WHICH WERE LAUNDERED THROUGH A MEXICO CITY BANK ACCOUNT AND ENDED UP IN THE POCKETS OF THE WATERGATE BURGLARS.

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THE NEW EVIDENCE WHOLLY UNDERMINES THE PRESIDENT'S REPEATED CLAIMS THAT HE WAS MOTIVATED BY NATIONAL SECURITY CONSIDERATIONS IN IMPLICATING THE CIA. MR. NIXON SAID ON MAY 22, 1973, THAT HIS INITIAL SUSPICIONS OF CIA INVOLVEMENT WERE INCORRECT. BUT HE DID NOT CONCEDE UNTIL THE RELEASE OF THE LATEST BOMBHELLS OF EVIDENCE, THAT THE CONCERN WAS TO COVER UP WATERGATE-WHITE HOUSE CONNECTIONS.

"TRUE TO ITS INSTITUTIONAL WAYS, THE CIA HAD NO COMMENT YESTERDAY ON THE LATEST DEVELOPMENTS. BUT THERE IS LITTLE DOUBT THAT THE TAPE DISCLOSURES PROVIDED A CERTAIN JOY IN LANGLEY IN THE AFTERMATH OF THE HAMMERING THE CIA HAS TAKEN THROUGHOUT THE UNFOLDING WATERGATE SCANDAL.

THERE WAS ONE FLEETING AND CRYPTIC PRESIDENTIAL COMMENT IN THE NEW TRANSCRIPTS RELATING TO HELMS ON WHICH NO INFORMED OFFICIALS COULD SHED LIGHT. IT WAS THE PRESIDENT'S REMARK THAT 'WELL, WE PROTECTED HELMS FROM ONE HELL OF A LOT'.

"PREVIOUS TESTIMONY IN THE CIA-WATERGATE AFFAIR HAS REVEALED THAT THE WHITE HOUSE ACTED THROUGH THE CIA'S DEPUTY DIRECTOR, GEN. VERNON WALTERS, A FORMER MILITARY AIDE TO MR. NIXON IN HIS VICE PRESIDENTIAL DAYS, TO CARRY THE MESSAGE TO THE FBI.

WALTERS INITIALLY COMPLIED WITH THE WHITE HOUSE DIRECTIVE THAT HE TELL ONLY THE FBI INVESTIGATION IN MEXICO ENLIGHTENED COVER CIA OPERATIONS. BUT HE REVERSED HIMSELF IN THE FACE OF THE INSISTENCE OF HIS BOSS, HELMS, THAT THERE WAS NO MESS FOR SUCH A STAND BY THE AGENCY. HELMS, WHO HAS A REPUTATION AS AN ABRUPT MANIPULATOR IN WASHINGTON'S DIPLOMATIC CIRCLES, WAS PURSUING A STRATEGY OF 'DISTANCING' THE AGENCY FROM THE SCANDAL.

"DESPITE THE CONFIRMATORY REVELATIONS OF THE NEW TAPES, THE CIA DOES NOT EMERGE FROM THE EPISODE WITH ITS SKIRTS IN SPOTLESS CONDITION.

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"ITEM. THE AGENCY DID, IN 1971, AGREE TO PROVIDE--AT HIGH-LEVEL WHITE HOUSE DIRECTION--SPY PARAPHERNALIA TO WHITE HOUSE 'PLUMBERS' E. HOWARD HUNT AND G. GORDON LIDDY WHICH WAS USED IN THE DANIEL ELLSBERG BREAK-IN. THE CIA'S DEFENSE WAS THAT IT DID NOT KNOW WHAT THE EQUIPMENT WOULD BE USED FOR.

"ITEM. IN TESTIMONY TO THE INITIAL ASSISTANCE TO HUNT IN AUGUST, 1971, WHEN IT BECAME SUSPICIOUS OF HIS ACTIVITIES, IT ONCE AGAIN RESUMED DEALINGS WITH HIM IN CONNECTION WITH THE WHITE HOUSE-REQUESTED PSYCHIATRIC PROFILE OF PENTAGON PAPERS DEFENDANT ELLSBERG.

ITEM. AFTER TURNING OFF SENATE FOREIGN RELATIONS COMMITTEE EARLY IN 1973 HELMS TESTIFIED THAT THE CIA HAD NO DEALINGS WITH HUNT OR ANY OF THE OTHER WATERGATE BREAK-IN FIGURES SUBSEQUENT TO THEIR RETIREMENT FROM THE AGENCY. IT WAS HELMS' SUCCESSOR, JAMES G. SCHLESINGER, WHO BROKE THE STORY OF THE 1971 ASSISTANCE TO HUNT TO INVESTIGATING CONGRESSIONAL COMMITTEES.

"ITEM. HELMS ALSO DENIED IN TESTIMONY TO THE SENATE FOREIGN RELATIONS COMMITTEE THAT THE CIA WAS INVOLVED IN AN INTERNALIST WHITE HOUSE DOMESTIC INTELLIGENCE PROGRAM LAUNCHED IN 1970. SUBSEQUENT PUBLICATION OF THE SO-CALLED 'SMITH PLAN' (DRAFTED BY FORMER WHITE HOUSE AIDE TOM CHARLES SMITH) CONTAINED THAT HELMS PERSONALLY PARTICIPATED IN THE WHITE HOUSE PROGRAM. THE CIA IS PROHIBITED BY ITS CONGRESSIONAL CHARTER FROM BECOMING INVOLVED IN INTERNAL SECURITY AND DOMESTIC MATTERS.

"ONE OF THE CRUCIAL QUESTIONS OF CIA INVOLVEMENT IN WATERGATE, THE SENATE SELECT COMMITTEE REPORT TO SUSPEND THE CIA'S INVESTIGATION OF THE RE-ELECTION COMMITTEE CASE, IS THE FACT THAT AGAINST WHAT MUST THEN HAVE SEEMED AWESOME PRESIDENTIAL PRESSURE.

"THE NEW TAPES GAVE SOME MEASURE OF HOW POWERFUL THOSE PRESSURES MUST HAVE BEEN." R2, INFDET...

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