CITE DIRECTOR SECTION 01 OF 03.

TO: TEHRAN

TO: AMBASSADOR HELMS

FROM: JOHN M MAURY

REF: TEHRAN

THE FOLLOWING IS FOR AMB HELMS' INFO. PLEASE CONVEY TO HIM WHEN FEASIBLE.

1. TEXT OF REF, MINUS FIRST PARA, WAS forwarded symington and MBZI 5 NOVEMBER WITH IDENTICAL COVERING LETTERS FROM COlBY, TEXT OF WHICH FOLLOWS: QUOTE IN RESPONSE TO YOUR REQUEST OF 2 NOVEMBER 1973, AND RECENT INQUIRIES FROM REPRESENTATIVE LUCIERN MBZI, CHAIRMAN OF THE SPECIAL SUBCOMMITTEE ON INTELLIGENCE, HOUSE ARMED SERVICES COMMITTEE, I HAVE COMMUNICATED WITH FORMER CIA DIRECTOR RICHARD HELMS REGARDING ALLEGATIONS IN THE PRESS AND ELSEWHERE THAT A SKEPTIC OF HIS MEMORANDUM OF 25 JUNE 1972 TO GENERAL VERNON A. WALTERS ON THE WATERGATE AFFAIR APPEARS TO BE IN SHARP CONFLICT WITH HIS TESTIMONY BEFORE CONGRESSIONAL COMMITTEES AND FEDERAL PROSECUTORS OF THIS SUBJET. I AM FORWARDING HERewith THE TEXT OF WHBASSADOR HELMS' PERSONAL RESPONSE TO YOUR INQUIRY. I AM ALSO SENDING THIS

APPROVED FOR RELEASE DATE: MAR 2008
RESPONSE TO REPRESENTATIVE NEDZI. IT IS CLEAR FROM TESTIMONY ON THE RECORD THAT IN EVERY INSTANCE WHEN MR. GRAY WAS IN COMMUNICATION WITH MR. HELMS, MR. HELMS STATED THERE WAS NO CIA INVOLVEMENT IN ANY MATTER THAT HE KNEW WAS UNDER INVESTIGATION BY FBI, INCLUDING MEXICAN ACTIVITIES. THIS TESTIMONY INCLUDES: FROM MR. GRAY'S OPENING STATEMENT BEFORE THE SENATE SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES ON 3 AUGUST; QUOTE ON THURSDAY, JUNE 22, 1972, AFTER BEING BRIEFED BY MR. CHARLES W. BATES, ASSISTANT DIRECTOR, GENERAL INVESTIGATIVE DIVISION, REGARDING THE LATEST DEVELOPMENT IN THE WATERGATE CASE AND UNDOUBTEDLY AS A RESULT OF INFORMATION DEVELOPED AT THE BRIEFING, I TELEPHoned DIRECTOR HELMS OF THE CIA. I TOLD HIM OF OUR THINKING THAT WE MAY BE FOKING 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. END QUOTE. QUOTE I TELEPHoned (ON 27 JUNE 1972) DIRECTOR HELMS OF THE CIA AND ASKED HIM TO TELL ME SPECIFICALLY IF THE CIA HAD ANY INTEREST IN MR. OGARRO THAT WOULD PREVENT US FROM INTERVIEWING HIM. . . DIRECTOR HELMS TOLD ME THAT HE WOULD HAVE TO CHECK TO DETERMINE WHETHER THE CIA HAD ANY INTEREST IN MR. OGARRO AND
WOULD CALL ME LATER... DIRECTOR HEIMS CALLED ME BACK LATER THAT AFTERNOON, TOLD ME THAT CIA HAD NO INTEREST IN MR. OGARRIO... END QUOTE. THE RECORD ALSO INDICATES THAT MR. GRAY TELEPHONED MR. HEIMS ON 26 JUNE 1972 TO CANCEL THE MEETING SCHEDULED FOR THAT DATE. DURING THAT CONVERSATION MR. HEIMS CLOSED OUT A PREVIOUS REQUEST BY THE FBI BY ADVISING THAT ANY INVESTIGATION OF MR. DAHLBERG WOULD NOT INTERFERE WITH AGENCY OPERATIONS. MR. HEIMS ALSO SAID HE WOULD BE OUT OF THE COUNTRY BUT THAT GENERAL WALTERS WOULD BE AVAILABLE FOR ANY MEETING NEXT WEEK. MR. GRAY DID NOT SCHEDULE ANY FURTHER MEETINGS WITH CIA OFFICIALS UNTIL 6 JULY 1972 WHEN HE MET WITH GENERAL WALTERS. IN THIS CONNECTION MR. GRAY TESTIFIED BEFORE THE SENATE SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES QUOTE ON THURSDAY, JULY 6, 1972, I MET WITH GENERAL WALTERS IN MY OFFICE, I REMEMBER THAT HE DELIVERED TO ME THE WRITING THAT I REQUESTED AND I REMEMBER THAT IT INDICATED THE CIA HAD NO INTEREST IN OGARRIO OR DAHLBERG. AFTER READING THE DOCUMENT, I CONCLUDED THAT THERE WAS NO REASON FOR US TO NOT INTERVIEW MESSRS. OGARRIO AND DAHLBERG... END QUOTE. IN LIGHT OF THE RECORD AS DEVELOPED ABOVE, I WOULD LIKE TO SHARE WITH YOU MY PERSONAL INTERPRETATION OF THE MEANING OF THE 26 JUNE 1972 MEMORANDUM BY MR. HEIMS. MR.
PAGE 04 DIRECTOR SECRET

HEIMS, MINDFUL THAT THE AGENCY WAS NOT INVOLVED IN THE WATERGATE BREAK-IN, WAS SEEKING INSTRUCTIONS FOR INTERNAL AGENCY GUIDANCE DURING HIS ABSENCE ABROAD, THAT THE FBI SHOULD NOT LOOK INTO ANY AND ALL AGENCY OPERATIONS WITHOUT SOME SHOWING OF JUSTIFICATION FOR SUCH AN INVESTIGATION. MR. HEIMS WAS CONCERNED ABOUT LEAKAGE FROM THE FBI COMPROMISING CIA SENSITIVE INFORMATION PROVIDED THE FBI, WHICH ACTUALLY OCCURRED. I FULLY SUPPORT AMBASSADOR HEIMS' POSITION THAT THERE IS CLEAR EVIDENCE ON THE RECORD THAT THE ACTIONS OF MR. HEIMS AND GENERAL WALTERS, BOTH BEFORE AND AFTER 28 JUNE 1972, COMPLETELY REFUTE THE INTERPRETATION THAT THE MEMORANDUM OF THAT DATE CONSTITUTED AN ORDER TO GENERAL WALTERS TO STIFLE THE FBI'S INVESTIGATION OF THE WATERGATE BREAK-IN. IF WE CAN BE OF ANY FURTHER ASSISTANCE, PLEASE LET ME KNOW. END QUOTE.

2. SYMINGTON VACILLATED ON WHAT TO RELEASE AND WAS IRRITATED THAT WE GAVE NEDZI GAME INTO WE GAVE HIM. ON 5 NOVEMBER HE DECIDED NOT TO RELEASE EITHER COBY'S LETTER OR YOUR RESPONSE BUT INSISTED ON RELEASING TEXT OF 28 JUNE 1972 MEMORANDUM WITH NAMES OF SHACKLEF AND STERNFIELD deleted. AT OUR REQUEST, HE CHOSE TO IGNORE FACT THAT FEDERAL PROSECUTORS MIGHT OBJECT TO ITS PUBLICATION. SYMINGTON CLAIMED HE WAS UNDER EXTREME PRESSURE FROM PRESS, ALTHOUGH ALL OTHER
Indications were that subject had moved off front pages and was quieting down.

3. Nedzi was eminently sensible about whole thing and said he had no pressure to publish anything. He has maintained to press that he felt his subcommittee had gone into the matter in more detail than any one else, including federal prosecutors, and sees no basis for Laurence Stern's allegation.

4. At Colby briefing of Senate CIA subcommittee on 6 November on postmortem and current situation in Middle East, Symington (who chaired meeting) said he wanted from Colby a memorandum setting forth reasons why you did not want Wagner and [redacted] interviewed and what was meant by para two of your 28 June 1972 memorandum. Although most of this was in material given Symington on previous day, Colby sent Symington such a memorandum on the morning of 7 November, text as follows: quote recent speculation in the press and elsewhere contends that Mr. Helms' 28 June 1972 memorandum is in conflict with his testimony before congressional committees and federal prosecutors on the Watergate affair. This speculation centers around the second paragraph of that memorandum which states in part: quote we still adhere to the request that they (the FBI)
CONFIDENTIAL

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. END QUOTE. THE CIRCUMSTANCES SURROUNDING THE MEMORANDUM AND THE ACTIONS OF MR. HEIMS, BOTH BEFORE AND AFTER IT WAS WRITTEN, ESTABLISH A CONSISTENT RECORD OF COOPERATION WITH FBI INVESTIGATIONS. IN THIS CONNECTION IT WILL BE RECALLED THAT: A. ON 22 JUNE 1972 IN RESPONSE TO MR. GRAY'S CONCERN THAT HE MAY BE FOKING INTO A CIA OPERATION, MR. HEIMS TOLD MR. GRAY THAT THERE WAS NO CIA INVOLVEMENT IN WATERGATE; B. ON 27 JUNE 1972 IN RESPONSE TO THE FBI'S EARLIER REQUEST, MR. HEIMS ADVISED MR. GRAY THAT THE FBI'S INVESTIGATION OF MR. OGARRIO WOULD NOT COMPROMISE ANY AGENCY ACTIVITIES; C. ON 28 JUNE 1972 MR. HEIMS INFORMED MR. GRAY THAT THE AGENCY HAD NO INTEREST IN MR. DAHLBERG. THE FBI WAS THEREFORE UNDER NO CONSTRAINT AGAINST INVESTIGATING HIM; D. ON 6 JULY 1972 IN A MEETING WITH MR. GRAY, GENERAL WALTERS SAID THAT HE HAD NO BASIS TO TELL HIM TO CEASE FURTHER INVESTIGATIONS ON THE GROUNDS THAT IT WOULD COMPROMISE THE SECURITY INTERESTS OF THE UNITED STATES; E. THROUGHOUT THE COURSE OF THE FBI'S INVESTIGATION OF THE WATERGATE INCIDENT, THE AGENCY RESPONDED TO NUMEROUS REQUESTS FOR INFORMATION FROM THE FBI.
(COPIES OF THE DOCUMENTATION PROVIDED TO THE FBI ARE ON FILE WITH CIA'S FOUR CONGRESSIONAL OVERSIGHT SUBCOMMITTEES, THE SENATE SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES, AND THE OFFICE OF THE SPECIAL PROSECUTOR.) NONE OF THE INFORMATION PROVIDED TO THE FBI BY THE AGENCY INDICATED CIA INVOLVEMENT IN THE WATERGATE INCIDENT NOR DID IT INDICATE THAT INVESTIGATION BY THE FBI WOULD COMPROMISE CIA ACTIVITIES. ON 28 JUNE 1972, MR. GRAY CANCELLED A MEETING HE HAD SCHEDULED WITH MR. HEIMS FOR THAT DAY. MR. HEIMS, WHO WAS ABOUT TO DEPART ON A TRIP OVERSEAS, THOUGHT IT LIKELY THAT THIS MEETING MIGHT BE RESCHEDULED DURING HIS ABSENCE WITH HIS NEW DEPUTY, GENERAL WALTERS. ON THE SAME DAY HE WROTE A MEMORANDUM TO GENERAL WALTERS GIVING GUIDANCE FOR SUCH A MEETING. HE WANTED GENERAL WALTERS TO COOPERATE WITH THE FBI SO THAT ITS INVESTIGATION OF THE WATERGATE BREAK-IN COULD GO FORWARD, BUT HE WANTED TO DISCOURAGE A FISHING EXPEDITION INTO CIA OPERATIONS. MR. HEIMS WAS CONCERNED ABOUT LEAKAGE IN THE FBI WHICH COULD COMPROMISE SENSITIVE AGENCY OPERATIONS. IN THIS CONNECTION, IT WILL BE RECALLED THAT: A, THERE HAD BEEN QUERIES FROM THE FBI ABOUT MESSRS. CARRIO AND DAHLBERG WITHOUT ANY EXPLANATION FROM THE FBI AS TO WHAT THESE INDIVIDUALS REPRESENTED; B, DESPITE MR. HEIMS' REPEATED DENIALS, MR. GRAY PERSISTED IN
QUERYING THE AGENCY ABOUT POSSIBLE CIA INVOLVEMENT IN THE WATERGATE INCIDENT; C. ON 22 JUNE 1972, IN CHECKING WITH THE FBI ON THE PROGRESS OF ITS INVESTIGATION OF MR. MCCORD, THE AGENCY WAS ADVISED THAT WORD HAD COME DOWN FROM MR. GRAY THAT THERE WAS NOT TO BE ANY DISSEMINATION OF ANY INFORMATION ABOUT THE CASE IN ORAL OR WRITTEN FORM. IN LIGHT OF THESE DEVELOPMENTS, AND PARTICULARLY BECAUSE OF THE ADDITIONAL FACT THAT THERE HAD BEEN RECENT LEAKS OF SENSITIVE INFORMATION PROVIDED BY CIA TO THE FBI, MR. HEINS FELT IT NECESSARY TO GIVE SPECIFIC GUIDANCE FOR AGENCY OFFICIALS ACTING DURING HIS FORTHCOMING ABSENCE TO DISCOURAGE FBI INVESTIGATION INTO AGENCY OPERATIONS UNLESS SPECIFIC REASON OR JUSTIFICATION THEREFOR WAS OFFERED. ON 28 JUNE ACTING DIRECTOR GRAY AGREED TO CALL OFF INTERVIEWS WITH AGENCY OFFICERS KARL WAGNER AND [REDACTED] THE FBI'S INTEREST IN TALKING TO THESE OFFICERS AROSE FROM THE FACT THAT THEIR NAMES HAD BEEN FOUND IN A NOTEBOOK BELONGING TO HOWARD HUNT. THE INTERVIEWS HAD BEEN SCHEDULED BY THE FIELD OFFICE OF THE FBI WHICH HAD BEEN CONDUCTING THE INITIAL INTERVIEWS RELATING TO THE WATERGATE INCIDENT. IT HAD BEEN ACHIEVED OFFICE THAT THE ABOVE-MENTIONED LEAKS HAD APPARENTLY ORIGINATED. FOR THIS REASON, THE AGENCY DID NOT WANT MESSRS. WAGNER AND [REDACTED] INTERVIEWED BY
THIS OFFICE, BUT IT WAS ALWAYS UNDERSTOOD THAT ANYONE FROM MR. GRAY'S OWN OFFICE WOULD HAVE ACCESS TO THEM IF THEIR TESTIMONY WAS NEEDED. MR. WAGNER HAD BEEN EXECUTIVE ASSISTANT TO GENERAL CUSHMAN AND LATER GENERAL WALTERS, AND IN THAT CAPACITY HAS SUBMITTED AN AFFIDAVIT WHICH WAS GIVEN TO THE AGENCY'S FOUR OVERSIGHT COMMITTEES, THE AALECT COMMITTEE AND THE SPECIAL PROSECUTOR, DETAILING HIS CONTACTS WITH HOWARD HUNT. MR. HUNT'S CONTACT WITH AROSE FROM HUNT'S INTEREST IN AN INCIDENT REGARDING FRANCE WITH WHICH HAPPENED TO BE FAMILIAR. AS EVENTS TRANSPRED, HOWEVER, THE INSTRUCTION FROM MR. GRAY TO CANCEL THE INTERVIEWS WAS NOT RECEIVED BY THE FIELD OFFICE UNTIL AFTER HAD BEEN INTERVIEWED. THE ESSENTIAL FACTS SET FORTH ABOVE HAVE BEEN PUBLICLY AND THOROUGHLY SUBSTANTIATED IN TESTIMONY AND MERCANDA BEFORE CONGRESSIONAL COMMITTEES INVESTIGATING THE WATERGATE INCIDENT. FINALLY, AS YOU MAY RECALL MOST OF THE ESSENTIALS OF THE ABOVE WERE COVERED IN MY CONFIRMATION HEARINGS, THE RECORD OF WHICH HAS SINCE BEEN MADE PUBLIC. END QUOTE.

5. WASHINGTON POST, 6 NOVEMBER, CARRIES ON PAGE TEN STERN'S STORY HEADLINED, QUOTE FBI LEAKS FEARED BY HELMS END QUOTE. FULL TEXT FOLLOWS: QUOTE FEARS THAT SENSITIVE CIA OPERATIONS MIGHT BE
AGE 10 DIRECTOR SECRET

COMPROMISED BY QUOTE LEAKAGE IN THE FBI END QUOTE LED RICHARD M. HELMS, THE AGENCY'S FORMER DIRECTOR, TO PROPOSE SHARPLY DEFINED LIMITS ON THE WATERGATE INVESTIGATION IN MEXICO. HELMS WAS ALSO CONCERNED ABOUT AN FBI QUOTE FISHING EXPEDITION INTO CIA OPERATIONS END QUOTE WHEN HE LAID DOWN GUIDELINES 11 DAYS AFTER THE WATERGATE BREAK-IN DESIGNED TO CONFINE THE FBI'S INQUIRIES TO QUOTE PERSONALITIES ALREADY ARRESTED OR DIRECTLY UNDER SUSPICION END QUOTE.

THIS WAS THE GIST OF FOUR PAGE MEMORANDUM SUBMITTED YESTERDAY BY CIA DIRECTOR WILLIAM E. COLBY TO SENATOR STUART SYMINGTON (D., MO.), ACTING CHAIRMAN OF THE SENATE ARMED SERVICES COMMITTEE. COLBY'S MEMO WAS INTENDED TO CLEAR UP WHAT HE DESCRIBED AS QUOTE RECENT SPECULATION IN THE PRESS AND ELSEWHERE END QUOTE OVER AN APPARENT CONFLICT BETWEEN A JUNE 28, 1972, MEMO FROM HELMS TO HIS DEPUTY, GENERAL VERNON WALTERS, AND TESTIMONY BY HELMS TO FIVE CONGRESSIONAL COMMITTEES AND FEDERAL WATERGATE PROSECUTORS. THIS CONFLICT WAS FIRST MENTIONED—ALTHOUGH WITHOUT ANY SPECIFIC REFERENCE TO HELMS—BY FORMER WATERGATE SPECIAL PROSECUTOR ARCHIBALD COX IN AN APPEARANCE LAST WEEK BEFORE THE SENATE JUDICIARY COMMITTEE. COX SAID HE HAD EVIDENCE THAT A MAJOR WITNESS IN THE WATERGATE INQUIRY HAD SHARPLY CONTRADICTED HIS TESTIMONY IN A MEMORANDUM THAT HAD COME TO THE
SENSITIVE INFORMATION PROVIDED BY CIA TO THE FBI, MR. HEIMS FELT IT NECESSARY TO GIVE SPECIFIC GUIDANCE FOR AGENCY OFFICIALS ACTING DURING HIS FORTHCOMING ABSENCE TO DISCOURAGE FBI INVESTIGATION INTO AGENCY OPERATIONS UNLESS SPECIFIC REASON OR JUSTIFICATION THEREFOR WAS OFFERED, END QUOTE, SAID COLEY. HOWEVER, THE FBI INVESTIGATION THAT WHITE HOUSE OFFICIALS SOUGHT TO SHUT OFF WAS NOT DIRECTED AT THE CIA BUT AT THE ESTABLISHMENT OF A LINK BETWEEN WATERGATE FUNDS AND THE NIXON RE-ELECTION COMMITTEE. WHITE HOUSE OFFICIALS, ACTING ON INSTRUCTIONS FROM THE PRESIDENT, FIRST RAISED THE PROSPECT THAT THE FBI PURSUIT OF THE WATERGATE FUNDS THROUGH A MEXICO CITY BANK ACCOUNT COULD JEOPARDIZE COVERT CIA OPERATIONS IN TIKTIE. HEIMS AND WALTERS HAD TESTIFIED THAT THEY REPEATEDLY ASSURED WHITE HOUSE OFFICIALS THAT NO AGENCY OPERATIONS WOULD BE SO IMPERILED. THE HEIMS MEMO TO WALTERS, HOWEVER, TENDED TO GIVE LEGITIMACY TO THE CONCERN ORIGINALLY EXPRESSED BY THE WHITE HOUSE AND WHICH PRESIDENT NIXON, IN HIS AUGUST 22 STATEMENT, SAID PROVED TO BE UNFOUNDED. COLEY'S MEMO YESTERDAY TO SYMINGTON FAILED TO CLEAR UP WHAT IS STILL A CENTRAL CONTRADICTION IN THE RECORD OF THE CIA'S INVOLVEMENT IN THE WATERGATE COVER-UP. END QUOTE

6. HOPEFULLY, STERN HAS NOW
SQUEEZED ALL THE MILEAGE POSSIBLE OUT OF THE STORY. BELIEVE
SYMINGTON MIGHT BE PREPARED LET MATTER DROP NOW THAT HE SEEMS TO "
HAVE GOTTEN HIMSELF OUT OF THE MIDDLE."
HOWEVER, PATRICK SIOYAN OF
HEARST NEWS SERVICE CONTINUED TO BADGER THUERMER ON 7 NOVEMBER IN
EFFORT TO FIND PWFEW EXPLOITABLE ANGLE AND CAN NOT PREDICT WHAT, IF
ANYTHING, HE WILL COME UP WITH. WARNER PLANS TO REVIEW THIS
ENTIRE MATTER WITH THE NEW SPECIAL PROSECUTOR, JAWORSKI, NEXT WEEK
WITH THE HOPE THAT THE AGENCY EXPLANATION USED BY SYMINGTON WILL
SATISFY JAWORSKI'S NEEDS FOR AN INTERVIEW WITH YOU.

7. WILL ADVISE FUTURE DEVELOPMENTS RE PRESS PLAY AND
WARNER/JAWORSKI MEETING. E2 IMPDET.