SECRET 1723002 DEC 73 STAFF

CITE DIRECTION SECTION 01 OF 02.

TO: TERROR.

FOR AMBASSADOR HELMS FROM MAURY

REP: A. DIR
B. TERROR
C. TERROR (13 Dec - recd from this file)

1. AT SENATE ARMED SERVICES COMMITTEE PARTY 13 DECEMBER,

ASKED TOM KOROLOGOS, DEPUTY ASSISTANT TO PRESIDENT FOR LEGISLATIVE AFFAIRS, IF HE COULD THROW LIGHT ON BAKER PROBLEM. HE SAID IN CONFIDENCE BAKER HAD DISCUSSED AGENCY/WATERGATE MATTER WITH HIM AND MADE CLEAR THAT BAKER'S CENTRAL HANGUP IS THESIS ADVANCED BY COPELAND AND ST. GEORGE THAT AGENCY STAGED WATERGATE IN ORDER TO ENTRAP PLUMBERS. KOROLOGOS INDICATED BAKER MAY HAVE BEEN PARTICULARLY INFLUENCED BY COPELAND ALLEGATIONS.

2. ON 13 DECEMBER, LYLE MILLER, WITH BAKER'S PERMISSION, REVIEWED 190 PAGE TRANSCRIPT OF MARTINEZ TESTIMONY BEFORE BAKER.

IN GENERAL, MARTINEZ' ACCOUNT OF SIGNIFICANT DEVELOPMENTS

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CONSISTENT WITH AGENCY TESTIMONY AND RECORDS AVAILABLE TO BAKER.

Moreover, Martínez said Sturgis denies allegations which St. George attributes to him. However, Martínez did state to Baker that he considered tradecraft of pluckers unbelievably faulty. From this Baker apparently infers that this faulty tradecraft was deliberate on part of at least one of participants who sought thereby to lead other participants into trap. Martínez finally denied St. George allegation that he was "anyone's double agent."

3. Understand another advocate of the "entrapment" theory (not necessarily entrapment by CIA, but merely entrapment by a mysterious "third force"), is Ed Henley, former OGC staffer and more recently senior official with Mobil Oil and known to be on close terms with Baker.

4. Several days ago in response to a query from Tom Braden we sent Braden a copy of memo given Symington on 7 November and quoted in Ref A, Para 4. On 13 December we received from Braden, without covering comment, a copy of "The Tom Braden Report"

(Apparently a newsletter—understand he is no longer associated with Los Angeles Times although they syndicate his material) of 11 December
Entitled "Can He Blame It on CIA?" Full text, which has not yet appeared in any publication we know of, follows:

WASHINGTON--The last turn in the defense of Richard Nixon will be to blame the Watergate on the Central Intelligence Agency. Such is the view of former CIA director Richard Helms, and such is the direction in which Sen. Howard Baker (R, Tenn.) and his minority staff on the Ervin Committee are now proceeding. It is not a very salable theory, but it's about all that's left; and if it could be made salable, it might get Richard Nixon off the hook.

Consider: If CIA accomplished the break-in, the subsequent White House coverup might be excused on the grounds that the president had to protect his secret intelligence service, and if the coverup could be excused on that ground, unrelated crimes such as illegal contributions, forgeries and alleged extortions might be pardoned as mistakes of judgment arising from excessive political zeal.

Thus, "some sinister force," Gen. Alexander Haig put it to Judge John J. Sirica the other day, might eventually be used to explain all.

Three recent magazine articles--two published in the National Review by a former CIA employee named Miles Copeland; the other, published in Harpers by Andrew St. George--suggest the president's
LAST STAND. SEN. BAKER HAS CALLED THE ATTENTION OF ALL THREE
ARTICLES TO HIS COLLEAGUES ON THE ERWIN COMMITTEE. COPELAND
ALLEGES THAT THE WATERGATE OPERATION WAS CIA'S RETALIATION AGAINST
THE WHITE HOUSE FOR SETTING UP THE PLUMBERS AS A RIVAL APPARAT.
"ACCORD TOOK Liddy INTO A TRAP," HE WRITES, AND "AFTER ALL, THE
CIA SPECIALISTS IN OPERATIONS OF THE PLUMBERS' KIND HAD A LOT TO
GAIN BY PUTTING THE WHITE HOUSE CLOWNS OUT OF BUSINESS." ST. GEORGE
MAKES A SIMILAR ALLEGATION AND ADDS DETAIL WORTHY OF Q07 AND A FLEMING
NOVEL: "AH, WELL," HE QUOTES HELMS AS TELLING THE YOUNG WATCH
OFFICER WHO TELEPHONED HIM TO REPORT THE BREAK-IN, "THEY FINALLY
DID IT...A PITY; THEY REALLY BLEW IT...IF THE WHITE HOUSE TRIES TO
RING ME,...JUST TELL THEM YOU REPORTED MCCORD'S ARREST ALREADY.
Said I was (ITAL) very (UNITAL) surprised." SEN. BAKER HAS ALSO
ASKED HIS COLLEAGUES TO VIEW A 28-PAGE MEMORANDUM PREPARED BY ONE
OF HIS INVESTIGATORS NAMED GEORGE MURPHY. MURPHY'S FINDINGS, BAKER &
HINTS, IMPLICATE THE CIA. DOES THE THEORY THAT THE CIA IS
AT THE BOTTOM OF THE WATERGATE MAKE SENSE? IS 65 - 43-9, ?)
RICHARD HELMS HAS TESTIFIED AS FOLLOWS:
I AM PREPARED TO SWEAR THAT NO SUCH CONVERSATION (WITH THE CIA WATCH
PAGE 05 DIRECTOR [SECRET]
OFFICER) TOOK PLACE... THE QUOTATIONS ATTRIBUTED TO ME... WERE NEVER
SAID BY ME. OF THIS I AM CERTAIN." FROM THE TIME HE FIRST LEARNED
OF THE WALL STREET BREAK-IN, HELMS HAS BEEN AFRAID THAT IT WOULD BE
ENDED ON... PUT YOURSELF FOR A MOMENT IN HIS SHOES. YOU ARE
A CAREER SERVANT. YOU JOINED THE OFFICE OF STRATEGIC SERVICES (OSS)
DURING THE WAR AND YOU STAYED ON TO HELP A SERIES OF DIRECTORS BUILD
THE FIRST U.S. INTELLIGENCE SERVICE. PRESIDENT LYNDON JOHNSON
HAS MADE YOU ITS DIRECTOR. YOU FEEL THE RESPONSIBILITY KEENLY.
NOW CONSIDER WHAT HAPPENS TO YOU IN THE SUBSEQUENT ADMINISTRATION.
FIRST, AN OLD FRIEND OF THE PRESIDENT, PATRICK GRAY, IS APPOINTED
TO BE CHIEF OF YOUR MAJOR RIVAL AGENCY. ONE MONTH LATER, YOU ARE
TOLD BY H.R. HALDEMAN THAT THE PRESIDENT HAS APPOINTED ANOTHER OLD
FRIEND, GEN. VERNON WALTERS, TO BE YOUR DEPUTY. ANOTHER MONTH
LATER, AND JUST AFTER THE BREAK-IN, YOU AND YOUR NEW DEPUTY ARE
SUMMONED TO THE WHITE HOUSE. YOU LISTEN WHILE HALDEMAN TELLS
YOUR DEPUTY THAT "IT HAS BEEN DECIDED" THAT HE SHOULD GO TO GRAY
AND ASK HIM NOT TO INVESTIGATE THE MONEY FOUND ON THE BURGLARS
BECAUSE IT MIGHT EXPOSE YOUR OPERATIONS. FOR THE NEXT FEW DAYS,
THE WHITE HOUSE CALLS TO DISCUSS THE BREAK-IN AND TO SUGGEST THAT
YOU PAY MONEY TO THE FAMILIES OF THOSE ARRESTED. ELEVEN DAYS
10

6. DIRECTOR S. C. R. B. T

After the break-in and on the eve of your departure for a long-scheduled trip, Clay calls to cancel an appointment you had made with him. With this sequence of events in mind, what would you suppose? That people at the White House might be trying to blame the Watergate on you? That's what Heinz supposed and supposed still.

5. On 14 December Baker met with Robert Bennett, of Mullen Company, his father Senator Wallace Bennett and George Murphy to review agency memos covering our relations with Mullen Company. After meeting, which lasted two hours, Baker emerged and told Lyle Miller that everything Bennett said was consistent with what we had told Baker and it was becoming clearer that agency not involved Watergate but Baker reserves option to pursue matter further since he doesn't want to go to his grave without having gotten to the bottom of it. Indicating he still receiving info apparently implicating agency, he asked Fred Thompson, minority counsel of Ervin Committee, if he should tell Miller "about the money." Thompson advised him not to, remarking he was not sure of his source. We have no idea what this refers to.

6. Many thanks for ref, C which has been discussed with Colby who is commenting thereon to you directly.
7. HARVEST REGARDS AND SEASONS GREETINGS. F2 IMPDET.

S E C A R T