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Monday, March 26.

The President had me over again at 10:00 this morning for another six-hour session. I talked to Dean on the phone, first, to get a reading on how the reaction of the story is going. He decided last night to hire a lawyer and to have him warn the-- give notice to the papers that he would move for libel action if they went ahead with the story. They did go ahead with it, so now he's faced with the problem of whether to do anything on the libel thing.

Says that this morning he feels that Mitchell has a problem and that Mitchell may not realize it and he, Dean, doesn't really know what Mitchell's problem is. But he thinks he should go to Mitchell and ask if he really feels that everybody should go to jail except him. The point is that if he'd step forward, it would solve a lot of problems. For example, Jeb said that he and Mitchell were afraid Colson was going to take over the intelligence apparatus, so they went ahead, and Dean feels it was probably with Mitchell's okay. The real question is why Mitchell is going to such great lengths to keep it quiet? The only basis for his doing that would be if it goes higher than Mitchell, which Dean feels is not possible.

He says that Moore and others are working on discrediting the Ervin Committee on the basis of the press release of the meeting with Dash. He thinks we should-- he should probably wait a few days to file his libel suit, because the problem is that discovery starts with depositions and all that wouldn't be good. He thinks still that the only problem for us is the after-the-fact bailing-out; that the line of legal fees and personal expenses won't wash. The only apparent defense is blackmail. He thinks I should check with Ehrlichman to see if he feels Hunt is a threat in any way. Talked to Ehrlichman later. He said that Hunt is a real threat and that the weak link here is Colson and that's why Colson's hanging tough. He also says that Shultz is going to have a price freeze and roll back ready Wednesday or Thursday and he'll want the President to announce it then. The Labor management group met over the weekend and they're unanimous on going ahead on this. Stein and Dunlap are now coming aboard also.



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The President started in on a general review again on the whole Watergate thing, covering the same ground. He said that on the Gray thing, we should hold until all this is out of the way. We shouldn't just cave right away on it. Said Shultz should be ready for the 28 for the announcement that the President may have to go that night on his Vietnam War end statement. He'll tie it in on the same telecast. Wants to get a scheme developed regarding the Gray withdrawal, so that we're ready to go on it next week. Thinks the key now is that we've got to change our appearance of cover-up. And the immediate question is Dean. At that point, Ziegler came in, and the President agreed that Ron should get out today that there are very serious allegations made by McCord, and as the President has directed, there will be complete cooperation with the grand jury and Justice and the FBI to get to the bottom of all this. He should be pursued in the judicial process. Feels we may have an opportunity now to discredit the Senate committee.

He's concerned that we've lost sight of the President's statement about-- that he's directed complete cooperation with the grand jury, the courts, and the FBI and all those with responsibility on this. He suggests that this rather shocking action-- he suggests Ziegler say that this rather shocking action of the counsel to the committee making charges based on hearsay and so forth, raises serious doubts as to whether the committee's going to be bipartisan and work in a judicial manner. The charges are being put out, printed, aired on television, and a counsel to the so called nonpartisan committee is aiding and abetting it. But he wants Ziegler to try to get as the lead, the thing that the President orders cooperation.

He had me go out and call Dean and I had a long talk with him, as a result of which, we decided not to offer, the idea of Dean's going to the grand jury this morning, just to reaffirm the President's confidence in Dean, and then Ziegler left.

In my phone call to Dean, I raised the question of whether we should move today on announcing that he's going to the grand jury and what problems he'd have with that. He said he had no problem, but that he just talked with Jeb, and Jeb says that he'd testify differently than what Dean would, in that Dean says there were two meetings and Dean turned off the intelligence operation



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at one of those. However, Jeb testified differently. He said there was one meeting and that it was regarding the new campaign spending law and so forth, rather than intelligence. This would be a difficulty in the fact that the two stories don't completely check out. Dean's idea was maybe that he would say that he's requested to appear and that he's waiving his privilege regarding lawyer/client. He thinks the privilege is a tough call, especially regarding the post-June 17 thing. If there's any political embarrassment, though, certainly the grand jury is the right forum rather than the Hill.

He feels that our problem, he said he wanted to review with me some of the things out of his statement in the problem areas. Then he went into a great deal of detail on what he sees as the really serious problems now. The main one is the blackmail situation. He says that he was aware that Mitchell and others were being blackmailed by those involved in the Watergate thing, and he sought to ignore this and, therefore, is vague on some of the specifics. He first learned of it when Mitchell was told that the defendants wanted help regarding money for their bond. This was a phone call or communication from Mrs. Hunt via Bittman to Parkinson, the committee's lawyer, who then went to Mitchell and LaRue and said that they were threatening to cause general havoc if they were not helped. Parkinson said he didn't want to be involved any further in this, so Bittman used Paul O'Brien. He was unhappy in being in it, too, but agreed to go ahead with it. O'Brien reported these threats over a period of time to Mitchell, LaRue and Dean. Dean passed them on to some people in the White House.

After Mitchell had the original threat, he told Dean to tell Ehrlichman and Haldeman, and to raise with them the question of using Kalmbach to raise the money, which Dean did, and Ehrlichman and Haldeman authorized that. Kalmbach raised the money on that authority and delivered it per instructions to LaRue. Dean thinks it was about \$70,000. The next time, the threat was to the Committee. There were no dollars available and Kalmbach was not able or willing to try to raise any more.



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However, Stans, LaRue, Mitchell, and others of the Committee were aware there was \$350,000 in cash that had been moved to the White House during the campaign for polling purposes, and so forth. That the White House had not spent this money and wanted to return it. Only Strachan could spend this money, and with Haldeman's approval. And it was our desire to return that money to the campaign, but there was a problem in that \$22,000 of it had been spent. We don't know for what purpose. The problem was how to return the funds without making a big deal in the press about it, because of all the attention on secret campaign funds. So the funds sat in Strachan's safe while this was to be worked out. Mitchell, at this point, requested Dean to ask Haldeman for some of that money to meet the demand threats and assured him that it could be replenished. Dean told Haldeman, he said there was a crisis. So Haldeman said, have Strachan get the money but clear it up as soon as possible. Get all of the money out of here and get a receipt for it. Turn it all back to the Committee. Strachan did then eventually turn the money all back to the Committee, but got no receipt.

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This is continuing March 26. Dean's summary over the phone to me of his notes regarding his areas of particular problem and concern: He says that Mitchell requested Dean to ask Haldeman for some of the money that we were holding in cash. Haldeman told Strachan to get all the money returned, which he did, but didn't get a receipt. Then Dean said he was not aware of the extent of the threats to the Committee, but he was aware of two specific blackmail threats to the White House. First, Mrs. Hunt called Colson's secretary, made a veiled threat. Colson didn't



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know what it was about, so he referred it to Dean. Dean advised Colson to take no more calls from Mrs. Hunt and then Dean referred the whole matter to O'Brien. The second one was when Dean told O'Brien, no, when O'Brien told Dean that Hunt had insisted on meeting with him and had said at that meeting that he wanted a message delivered to Dean. That he needed \$72,000 for personal expenses and \$50,000 for lawyers' fees, and that if they were not received within a couple of days—and this was just last week—that he would reconsider his options and disclose some of the seamy things that he had done for Ehrlichman and Krogh. This, of course, was the thing we were dealing with last week. Dean's record says that he advised Haldeman and Ehrlichman of this threat. Ehrlichman requested that Dean discuss it with Mitchell and Colson. Dean discussed it with Mitchell, but not with Colson. Later, in the meeting that Mitchell, Dean, Ehrlichman, and I had, Mitchell said that there was no problem on this matter, and that's all we knew about it. Dean feels he's not in a position to fully evaluate the blackmail situation, but it's clear that all concerned felt there were dire threats to the White House, and when you're being blackmailed you imagine the worst.

Regarding clemency, he says that O'Brien told Dean that Bittman was asked by Hunt to meet with Colson. Ehrlichman said that Colson should meet with Bittman, and he did. Colson came back from that saying it's essential that Hunt be given assurances regarding clemency, and Ehrlichman agreed. So Colson told Bittman that he could make no commitment, but as a friend he would assist Hunt. And he referred to Christmas time as when clemency actions are usually taken. Hunt was satisfied with this report back from Bittman.

Another problem is that McCord wrote Caulfield requesting that Caulfield turn off the line of defense they were developing that the CIA was involved in the case. Caulfield gave this letter to Dean, Dean told Mitchell about it, Mitchell told Dean to have Caulfield see McCord and take his pulse. This was done. Developed out of this, apparently, that there seemed to be a view that there was a one year clemency commitment floating around, and that Dean assumes that Caulfield assured McCord that he would fight for him as a friend in the same way that Colson had agreed to fight for Hunt.

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Dean feels that if he testifies before the grand jury, he would volunteer all of the information that he has prior to June 17 and lay out the details. He feels sure that they would raise the questions on the post-June 17, and we have to be prepared to answer them. He says he also has a problem on the question of why there was a delay in his turning the evidence over to the FBI, in terms of the material that he got out of Hunt's files. The story on that is that Hunt called Colson right after the Watergate incident that weekend and said to be sure to take care of his files. On Monday morning, Colson stirred around and told Ehrlichman and Dean that they had to get the files. Dean was told to open the files. He had Kehrli, the GSA guy, do it with Fielding also present. They found the electronic equipment and some very sensitive political documents.

Dean didn't look at the documents, but Fielding did. There were some things there, like a wire regarding the Vietnam War, some evidence that Colson had put Hunt into the Plumbers operation to spy on Krogh, and so on. Dean was told to deep six this material, but he felt he couldn't do it, because it was destroying evidence, so he decided to give it all to Gray. Gray was called to Ehrlichman's office and given two sealed envelopes, told that they contained material from Hunt's files that did not relate to Watergate, but were highly sensitive. He doesn't know what Gray did with it, but he believes that Gray took it to Connecticut, read the material, satisfied himself that it didn't involve the Watergate, and he's not sure what Gray's done with it since then, but he feels this revelation of this would create a major problem for Gray.

Liddy-- another problem is that Liddy called Krogh before Krogh's confirmation hearings and wanted some assurances and advice. He was given a brush-off and was very mad at Krogh. Krogh asked Dean to call Liddy and reassure him, tell him not to worry, which Dean did. So much for the Dean phone call.

The President had me call Rogers and fill him in on all those problems of Dean's and then get Rogers' evaluation as to what we ought to do. Rogers raised the question of determining clearly from Dean whether he knew anything about intelligence operations between the time in December when he told the group in Mitchell's office to turn off what they were doing, and June,



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when the Watergate was revealed. Rogers feels we need to consider the full significance of Dean's testimony. The important question is how the Watergate was launched. That's the key thing. The post-Watergate things were to cover-up for the Watergate itself, and the fact that they were done makes it look like the White House had to cover-up for the Watergate. Dean's story, therefore, seems incredible, because why did we get into the cover-up if we don't know what the real story was to begin with at the Watergate? It just isn't believable. The attempts to cover-up make the basic alibi of noninvolvement of the White House inconceivable.

He feels that whatever the consequences, whoever is affected, they have to be taken. That we can't continue not to get to the bottom of this. He thinks it's hard to judge Dean's position that he probably comes out looking like he's trying to do the best he could. Clean but naive. Then that he had an impossible situation, because he's the lawyer for these people and if something is wrong, he becomes an accessory after the fact. The most painful question is what happens to the President himself? It's not too bad if Mitchell's not in it, but if he is, it would really be tough. McCord's statement looks, to Rogers, as if he was pointing at Mitchell. On balance, he feels that Dean has to offer to testify to the grand jury. There's no other way out. He has no problem regarding the refusal to discuss his conversations with the President, but as soon as Dean opens up, they'll question the whole range of things, and he has to handle confidentiality on the individual questions. He can't just take executive privilege overall, or lawyer/client privilege. He should not count on telling part of the story. As far as the President's interest is concerned, the best thing is to go ahead, get it out in the open, and let whoever has to, take the lumps.

The President then had me call Mitchell to get his view on having Dean go to the grand jury. He says if we do, it gives credence to the charge, but it's much better to be at the grand jury than at the Congressional hearings. Mitchell says there would be a problem in Dean's testimony on the number of meetings, because Mitchell wasn't specific on number of meetings, but he did get into the thing of they were for the purpose of election laws. He didn't mention that there was any discussion of intelligence.



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He points out that McCord's new lawyer, Fensterwald, has a mediocre law practice rich, white, super-lib type. He used to be on Senator Long of Missouri's staff. He's in the "cause" business, generally, and he's the guy who put up McCord's bond, which makes the thing a little bit fishy. He feels that Baker should be doing something on this weekend stuff and that we should be getting some action on it.

The President also had me call Colson. Colson feels we have no options regarding the grand jury for any of us, unless they get into the national security areas. But that, while we should go up, we should not grandstand it, and we definitely should not waive executive privilege. We should cooperate in providing all the information we can to be helpful. He feels that Dean has an obligation to the President. He cannot reveal confidences from his relationship with the President, either as the President's lawyer or as the President's staff man. Also, Dean has acted as the lawyer to staff members and he clearly has done so, so he has to treat some of his communication with White House aides as executive privilege-- or as lawyer/client privilege. We should say that he has the desire and willingness to give the grand jury anything he can, the President's instructed him to cooperate fully with the authorities, but we should stop it right there. Not go beyond that. He should maintain the position of cooperating fully.

Colson then raised the question of the Magruder phone call, which I had raised with him the other day on the phone. He was worried about that. He also feels that our problem is that we need someone who can handle our side publicly, and he urges again the special counsel to the President idea, which Rogers shot down the other day. He reports that his contacts in the Democratic hierarchy say the Democrats want this whole thing to go away, because they're worried about the "glass houses" thing. He feels strongly that someone has to take on Dash and deal with Baker and our people to try and get them to stand up on some of this stuff.

The President then got to talking about it. He thinks Mitchell ought to call Kleindienst, get him to step up and get off his ass. The President can't keep calling him. He wonders if the Campaign Committee should hire a special counsel to use as a spokesman, along the line Colson was



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talking about. He wants to know whether Dean can go to the grand jury, comfortably, if he doesn't have immunity. He wonders whether Kleindienst should name a special prosecutor. He says that Kleindienst reported back to him yesterday and said Weicker didn't have any names, but Kleindienst won't hit Weicker publicly on this or follow-up, which he should do. Also, Kleindienst should be fighting Dash, instead of Ziegler having to fight him. Ziegler was in and we agreed not to do anything on the Dean to the grand jury deal today. We'll hold up until tomorrow on that.

The President says on his TV thing Thursday he wants to set up a boom mic so he can talk standing up. He'll walk into the room and stand behind the chair. This will be Thursday night now because of Vietnam not being able to be done before that. He wanted me to talk to Rogers again on the question of how we handle the special prosecutor idea. What do we do about the Segretti statement? What about the publicizing of the Dean report? And overall, how do we appear publicly to be taking the offensive? He wants Moore's judgment regarding the Segretti statement. We should recognize that all of this is being fought in public and worry about it on that basis, not just the legalities.

Wants me to call Kleindienst in tomorrow and make the point that we all stood by him and he damn well better get going on this thing himself. I called Mitchell and made a pitch on this, and Mitchell obviously wasn't willing to take on the Kleindienst matter. Wants me to talk to Dean, Rogers and Kleindienst about the special prosecutor. Question of what will it buy us? Question of who will talk to Silbert now that Dean is into the case as a principal? Thinks we should get Ehrlichman into this privately. Wants Ehrlichman to make a good check on Dean's FBI guy and be ready to go on that next week. We can't leave a vacuum there. All that session took another six hours, during all of which the sun had come out. It's a beautiful day at Key Biscayne, which I spent inside, locked in the President's villa. We'll leave late tonight to go back to Washington.

End of March 26.