

Gray: I Shall Carry

Following are excerpts of the proposed opening statement made by former Acting FBI Director L. Patrick Gray III to the Senate Watergate committee yesterday:

Mr. Chairmann, I do not welcome this opportunity to appear before this committee. In fact, I regret deeply the circumstances which necessitate my appearance today. At the same time I appear before you voluntarily as an officer of the United States to testify without claim of privilege or immunity.

My prepared statement will cover two areas believed to be of prime interest to the committee—the CIA dimension and the Howard Hunt files . . .

THE CIA DIMENSION

At the time of the Watergate break-in I was on the west coast visiting FBI field offices and meeting a commitment to make a commencement address at Pepperdine University Law School in Santa Ana. I returned to Washington on the evening of June 20 and received a phone call from (then presidential adviser) John Ehrlichman the next morning. Mr. Ehrlichman informed me that (then presidential counsel John Dean would be handling an inquiry into Watergate for the White House, that I should deal directly with John Dean concerning the investigation and that Mr. Dean was expecting a call from me . . .

I . . . indicated to him that we were going to conduct an aggressive and vigorous investigation and would probably be interviewing people at the White House.

I called Mr. Dean upon my return to my own office at 10:00 a.m. and arranged to meet with him at 11:30 a.m. in my office on June 21, 1972. At our meeting he discussed with me the sensitivity of the investigation and the need to avoid leaks in a political year. He also

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informed me that he had the responsibility to handle this inquiry for the White House and would sit in on any interviews of White House staff personnel. Mr. Dean stated that he would be there in his official capacity as counsel to the President.

I know that I specifically asked Mr. Dean on two occasions if . . . he would be reporting directly to the President or through Mr. Halde-man or Mr. Ehrlichman. He informed me that he would be reporting directly to the President.

At this meeting with Mr. Dean there was no discussion of whom we were going to interview or where our leads might take the investigation. We did discuss the scheduling of White House interviews through Mr. Dean and his sitting in on the interviews as counsel to the President.

On Thursday, June 22, 1972, after being briefed by Mr. Charles W. Bates, assistant director, general investigative division, regarding the latest developments in the Watergate case and undoubtedly as a result of information developed at the briefing, I telephoned Director (Richard) Helms of the CIA. I told him of our think-

ing that we may be poking 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.

I met again with Mr. Dean at 6:30 p.m. the same day to again discuss the scheduling and interviews of the White House staff personnel and to arrange the scheduling of these interviews directly through the Washington field office rather than through FBI headquarters. At this meeting I also discussed with him our very early theories of the case; namely that the episode was either a CIA covert operation of some sort simply because some of the people involved had been CIA people in the past, or a CIA money chain, or a political money chain, or a pure political operation, or a Cuban right wing operation, or a combination of any of these. I also told Mr. Dean that we were not zeroing in on any one theory at this time, or excluding any, but that we just could not see any clear reason for this burglary and attempted intercept of com-

munications operation.

I believe that it was at this meeting on June 22 that I told him of our discovery of a bank account in the name of Bernard Barker, who was arrested in the Watergate burglary, and the fact that a \$25,000 check associated with Kenneth Dahlberg and four checks drawn on a Mexican bank payable to Manuel Ogarrio, in the total amount of \$89,000, were deposited in the Barker account.

I do not have a clear memory of telling him about

my telephone call earlier in the day to Director Helms regarding the question of CIA involvement. It is likely that I would have discussed the Helms call with him in connection with our discussion of the theories of the case, since Mr. Helms had informed me that there was no CIA involvement.

On Friday, June 23, 1972, Mr. Bates met with me again to brief me on recent developments. I telephoned Mr. Dean following my meeting with Mr. Bates. I am quite certain that this call again involved the Barker bank account and the Ogarrio and Dahlberg checks. Either in this call or in the meeting of the preceding evening Mr. Dean first raised with me the idea that if we persisted in our efforts to investigate this Mexican money chain we could uncover or become involved in CIA operations.

I remember telling Mr. Dean in one of these early telephone calls or meetings that the FBI was going to pursue all leads aggressively unless we were told by the CIA that there was a CIA interest or involvement in this case.

At 1:35 p.m. on Friday, June 23, 1972, Mr. Dean telephoned me and said that Gen. (Vernon) Walters, deputy director, CIA, would be calling for an appointment that afternoon and I should see him. Mr. Dean said, "He has something to tell you."

At 1:56 p.m. on Friday, June 23, 1972, the secretary to Gen. Walters called my secretary and asked for an appointment. He was scheduled to see me at 2:30 p.m. that afternoon . . .

I met with Gen. Walters

at 2:34 p.m. on Friday, June 23, 1972. He informed me that we were likely to uncover some CIA assets or sources if we continued our investigation into the Mexican money chain. I understood his statement to mean that if the FBI persisted we would uncover CIA covert operations and that the CIA had an interest in Messrs. Ogarrio and Dahlberg and in the \$114,000 involved.

He also discussed with me the agency agreement under which the FBI and CIA have agreed not to uncover and expose each other's sources. I had not read this agreement and still have not, but it was logical to me at the time and I did not question Gen. Walters.

I undoubtedly said to Gen. Walters that we will handle this in a manner that would not hamper the CIA, and that I would have to make a determination as to how the FBI would proceed with our investigation in this area.

I knew from Mr. Dean's earlier telephone conversation with me on this day that Gen. Walters would be coming to see me, but I have no recollection or memory whatsoever of Gen. Walters informing me at this meeting that he was coming to me after talking to the White House, or that he had talked to the White House at all. I understood him to be stating a CIA position, not White House message.

At this point I would like to comment on Gen. Walters' memorandum of this meeting, which I understand to be in evidence before this committee. With respect to Gen. Walters' statement in paragraph 2 of this memorandum that "his (Gray's) problem was now to low key this matter now that it was launched", I may have said words to this effect to let him know that we would handle the CIA aspects of this matter with kid gloves. I can state categorically, however, that any sentiment of that kind expressed by me was an effort by me to abide by the CIA-FBI agreement and related solely to the possibility of exposing CIA covert activities in the pursuit of our investigation

into Mexico. This sentiment, if expressed, could in no way have related to any effort by me or the FBI to "low key" the Watergate investigation generally . . .

With respect to Gen. Walters' comment in paragraph 3 of this memorandum that I said "that this was a most awkward matter to come up during an election year", it is certainly possible that in the course of my conversation with Gen. Walters I may have expressed the thought that the Watergate case was a "hot potato" for a new acting director and the FBI in an election year, and for the President too.

I know that I expressed this thought to many people at various times. "Watergate is just what I needed" was a refrain I know I struck with friends on numerous occasions.

Gen. Walters' references to "he (Gray) would see what he could do", and "he . . . (Gray) would have to study the matter and see how it could best be done", could only relate to my admitted desire to pursue this

investigation without compromising CIA assets and resources. In no way, shape or form did I say or seek to imply to General Walters, or to anyone else for that matter, that the FBI investigation would be other than aggressive and thorough. The only conceivable, limited exception was the alleged national security considerations being presented to me by Gen. Walters and Mr. Dean which, as the record will show, brought about a delay in the interview of several persons for a period of 10 days to two weeks . . .

At 3:15 p.m. I telephoned Assistant Director Bates to tell him of my visit from Gen. Walters and to tell him that CIA had an interest in this matter and that we may have uncovered a CIA money chain. In this telephone conversation, I undoubtedly ordered Mr. Bates to temporarily hold up an interview with Mr. Ogarrio but to continue to conduct appropriate investigation at Banco Internazionale at Mexico City regarding the four Ogarrio checks, to continue to follow Mr. Dahlberg's movements and to

continue to obtain toll call records of his long distance phone calls as we sought to interview him.

On the afternoon of Friday, June 23, 1972, I again telephoned Mr. Dean on two occasions, once at 3:24 p.m. and once at 3:47 p.m. . . . He requested that we not conduct any interviews that would expose CIA sources in connection with our investigation into the source of the \$114,000 in checks that were deposited in Mr. Barker's bank account. Again I told Mr. Dean that we would hold off temporarily with interviews with Ogarrio and work around this problem to determine what we were encountering.

On Tuesday morning, June 27, 1972, I met with Mr. Bates and Mr. Mark Felt, acting associate director, to receive a briefing on the latest developments. While they were in the office, Mr. Dean called. The call involved establishing the chain of custody for the contents of Howard Hunt's safe and his providing us with photographs of certain White House staff members to aid us in identifying an individual who had been with Mr. Hunt at the Miami Playboy Club in December, 1971. In this conversation I also told Mr. Dean that if Mr. Dahlberg continued to evade us he would be called before the grand jury. Although I cannot pinpoint the exact telephone conversation I believe that by this date Mr. Dean had requested that Mr. Dahlberg not be interviewed because of alleged CIA interest in him . . .

Following the briefing by Mr. Felt and Mr. Bates and as an outgrowth of it, I telephoned Director Helms of the CIA and asked him to tell me specifically if the CIA had any interest in Mr.

Ogarrio 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. Ogarrio and would call me later . . . Director Helms called me back later that afternoon, told me the CIA had no interest in Mr. Ogarrio and confirmed our meeting for the next day . . .

At 10:55 a.m. (the next day) Mr. Ehrlichman called me. I was not available, but I returned his call at 11:17 a.m. His first words, issued abruptly, were "cancel your meeting with Helms and Walters today; it is not necessary." I asked him for his reasons and he simply said that such a meeting is not necessary. I then asked him point-blank who was going to make the decisions as to who is to be interviewed. He responded, "You do."

I then telephoned Director Helms to tell him that I was cancelling our meeting. I also advised Messrs. Felt and Bates of the cancellation, but stated that the three of us would meet . . .

I met with Mr. Felt and Mr. Bates in my office at 2:30 p.m. on this Wednesday afternoon, June 28, to review the CIA situation . . .

Mr. Bates pointed out that under no circumstances should we back off any investigation at the request of CIA without forcing them to reveal completely their interest in this matter. We all agreed that the FBI's reputation was at stake and I assured them that I would not hold back the FBI in this investigation at anyone's request, including the President of the United States, in the absence of overriding and valid considerations. I told them that if I were ordered to do so without valid reasons, I would resign . . .

On Monday, July 3, 1972, I scheduled a meeting . . . to review the investigation to date and to consider all ramifications of a possible CIA involvement.

In this meeting with FBI officials I stated that I was not going to hold off any longer on this phase of our investigation at the request of anyone unless I received from CIA a written request not to interview Mr. Ogarrio and Mr. Dahlberg . . .

On Wednesday, July 5 at 5:54 p.m. I telephoned Gen. Walters. My contemporaneous notes of this call read as follows:

"7-5-72 Wed.
5:55 P.

"TCT General Walters (Dick Walters)

"1. "I will need a request in writing rather than the verbal request to refrain

from interviewing Ogarrio and Dahlberg because of CIA interest.

"2. Position of developing investigation indicates there is CIA involvement in that some of these men have been used by CIA in part & there is indication some are currently being used; there is the dollar chain either CIA or political; I do not

want to uncover and surface a CIA national security operation in pursuing these leads, but I must for the record have in writing from CIA a request to refrain on the basis of national security matters or I must proceed.

"3. He stated that he would respond not later than 10 a.m. tomorrow.

"4. I said that I would order the interviews if I did not have the writings by 10 a.m.

"Gave above info. to JWD,
6:00 P.
WMF to
CWB 6:10 P."

. . . On Thursday, July 6, 1972 I met with Gen. 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. When Gen. Walters departed my office at about 10:25 a.m. or 10:30 a.m., I ordered the interviews of Ogarrio and Dahlberg immediately . . .

We stood up together as he prepared to leave. I cannot recall which one of us suggested that we ought to call the President to tell him of this confusion and uncertainty that had been encountered in determining CIA interest or no CIA interest. I believe it was Gen. Walters who suggested it first, because I can firmly recall saying to him, "Dick, you should call the President, you know him better than I." I believe he said, "No, I think you should because these are persons the FBI wishes to interview." We did not settle on who, if anyone, would make such a call and Gen. Walters left.

On Thursday, July 6, 1972,

the President called me. He expressed his congratulations to the FBI and asked that I express his congratulations to the agents in San Francisco who successfully terminated a hijacking there the previous day. I thanked the President and then said to him, and to the very best of my recollection these are the words:

"Mr. President, there is something I want to speak to you about.

"Dick Walters and I feel that people on your staff are trying to mortally wound you by using the CIA and FBI and by confusing the question of CIA interest in, or not in, people the FBI wishes to interview.

"I have just talked to (campaign director) Clark MacGregor and asked him to speak to you about this."

There was a slight pause and the President said, "Pat, you just continue to conduct your aggressive and thorough investigation."

Following this conversation I experienced no further concerns of this kind. I believed that if there was anything to the concerns I expressed to the President

or to Mr. MacGregor that I would hear further in the matter. I did not. Frankly, I came to the conclusion that Gen. Walters and I had been alarmists, a belief I held for many months . . .

THE HUNT FILES

Prior to a meeting I had with Mr. Dean and Mr. Ehrlichman in Mr. Ehrlichman's office on the evening of June 28, 1972. I had no knowledge from any source whatever of the existence of these particular files or of the information and instructions I was to receive that evening.

After the usual greetings were exchanged, Mr. Ehrlichman said something very close to, "John has something that he wants to turn over to you." I then noticed that Mr. Dean had in his hands two white manila legal size file folders. It is my recollection that these folders were not in envelopes at this time.

Mr. Dean then told me that these files contained copies of sensitive and classified papers of a political



Associated Press

VIEW FROM TOP—This is how the Water gate hearings appear from top. Lt. Gen. Vernon Walters is testifying at morning session, bottom, at table by self.

nature that Howard Hunt had been working on. He said that they have national security implications or overtones, have absolutely nothing to do with Watergate and have no bearing on the Watergate investigation whatsoever. Either Mr. Dean or Mr. Ehrlichman said that these files should not be allowed to confuse or muddy the issues in the Watergate case.

I asked whether these files should become a part of our FBI Watergate file. Mr. Dean said these should not become a part of our FBI Watergate file but that he wanted to be able to say if called upon later, that he had turned all of Howard Hunt's files over to the FBI.

I distinctly recall Mr. Dean saying that these files were "political dynamite", and "clearly should not see the light of day."

It is true that neither Mr. Ehrlichman nor Mr. Dean expressly instructed me to destroy the files. But there was, and is, not doubt in my mind that destruction was intended. Neither Mr. Dean nor Mr. Ehrlichman said or implied that I was being given the documents personally merely to safeguard against leaks. . . The clear implication of the substance and tone of their remarks was that these two files were to be destroyed and I interpreted this to be an order from the counsel to the President of the United States issued in the presence of one of the two top assistants to the President of the United States.

It is my recollection that I asked for large brown envelopes in which to place the files. I believe that Mr. Dean stepped briefly into the outer office to obtain the envelopes and placed each file in a separate brown envelope in Mr. Ehrlichman's inner office and handed them to me. . .

To the best of my recollection I removed the files to my home in Stonington, Conn., in late September or early October, 1972, and placed them in a chest of drawers in the area just outside my bedroom. I intended to burn them but I did not get around to doing so until after my illness, hospitaliza-

tion and convalescence in the latter half of November and December.

I distinctly recall that I burned them during Christmas week with the Christmas and household paper trash that had accumulated immediately following Christmas. To this point I had not read or examined the files. But immediately before putting them in the fire I opened one of the files. It contained what appeared to be copies of "top secret" State Department cablegrams.

I read the first cable. I do not recall the exact language but the text of the cable implicated officials of the Kennedy administration in the assassination of President (Ngo Dinh) Diem of South Vietnam. I had no reason then to doubt the authenticity of the "cable" and was shaken at what I read. I thumbed through the other "cables" in this file. They appeared to be duplicates of the first "cable." I merely thumbed through the second of the two files and noted that it contained onionskin copies of correspondence. I did not absorb the subject matter of the correspondence and do not today, of my own knowledge, know what it was. . .

I believe that Mr. Dean called me at my home in Connecticut in late October or early November. As I recall it, he asked me on that occasion if I still had the two files he gave to me. I said I did and that they were in a safe place in my home at Stonington. I believe Mr. Dean asked if I had read the 1 and I told

him, truthfully, that I had not.

The sequence of the next discussions I had about these files is somewhat hazy in my mind. My best recollection now is that over a span of several days during my confirmation hearings in early March of this year I had discussions on the subject with Assistant Attorney General (Henry E.) Petersen, John Dean and John Ehrlichman in that order.

I believe that Mr. Petersen called me and told me that Dean had . . . (informed) Mr. Petersen that he had turned two files from Hunt's

safe, having nothing to do with Watergate, over to me. Mr. Petersen told me that he informed Dean to take it up with me and asked me if Dean had done so. I told Mr. Petersen, truthfully, that Dean had not. I certainly did not acknowledge to Mr. Petersen that Mr. Dean had turned over any such files to me but I do not recall Mr. Petersen asking me that question on this occasion.

I must acknowledge the possibility, however, that Mr. Petersen may have asked me if Dean had turned over such files to me. If he did ask, I am certain that I would have denied receipt of such files because of the instructions I received from Messrs. Ehrlichman and Dean on June 28, the information I had been given. . . "should never see the light of day."

I recall calling John Dean shortly thereafter and asking him whether he had told Henry Petersen about the two files. He told me that he had. I then asked him, in effect, if he told Mr. Petersen the whole story, namely that the files were given to me in John Ehrlichman's presence with the assurance that they had nothing to do with Watergate, were sensitive and classified with national security overtones, should not be part of the FBI files, were political dynamite and clearly should not see the light of day. He said he had not told Mr. Petersen all of this.

I told Mr. Dean that, if, as I had been assured, these files were of the character he described and had nothing to do with Watergate he ought not be discussing them at all but that, if he did, he should at least tell Mr. Petersen the full story of their significance and the instructions to me.

Within a few days after this call, perhaps the next day, I called John Ehrlichman. This is the conversation which, unknown to me, John Ehrlichman tape-recorded. I believe this committee has a transcript of that tape. . .

The transcript of this conversation with Mr. Ehrlichman . . . reveals that I stated to Mr. Ehrlichman that "I am being pushed awfully hard in certain areas and I

am not giving an men and you know those areas." The assumption appears to have been made by Mr. Ehrlichman and by various members of this committee in their questioning of Mr. Ehrlichman that the "certain areas" in which I was being pushed was the receipt by the FBI of the contents of Hunt's safe. In fact the subject of the contents of Hunt's safe did not arise in my confirmation hearings until the next day, March 7.

I was being "pushed," however, with respect to my turning over FBI reports to Mr. Dean and it was clear to me that my relationship with Mr. Dean was coming under increasing criticism by members of the Judiciary Committee . . .

I would not and did not make any false statements under oath but I acknowledge that I purposely did not volunteer this information to the committee. I justified my reticence not only because I then believed in the rectitude of the administration whose nominee I was and in the integrity of the men who gave me the files and instruction, but because my brief look at the files of State Department "cables" had confirmed for me what I thought were overwhelming considerations of national security. I had no way of knowing then, of course, that the "cables" were fabricated nor, I might add, did I know then what I have since learned—that I was being left, in Mr. Ehrlichman's elegant phrase, to "hang there" and "twist slowly in the wind."

It was in this context, and knowing that Mr. Dean had already told Mr. Petersen about the files, that I had my conversation with Mr. Ehrlichman on March 6. There is no doubt that the message I intended to give to Mr. Ehrlichman was that he should tell Mr. Dean that he should not disclose the delivery to me of those two files.

At about 10:30 p.m. on the evening of April 15, 1973, I received a call from Mr. Ehrlichman. His remarks were very short, terse and to the point. He simply told

me that Dean had been talking to the prosecutors for some time and "we" think you ought to know about it . . .

At shortly after 11:00 p.m. Ehrlichman called me again. This time his remarks were just as short, terse and to the point. He said, "Dean has been talking about the files he gave to you and you better check your hole card." I said, "John, those papers were destroyed long ago."

I know that Mr. Ehrlichman has testified that in these conversations I told him I would deny receiving the files and asked him to support me in that denial. I have absolutely no recollection of such an exchange and believe that both conversations were substantially as I have described them. I realize that the conversations may have been recorded without my knowledge.

On Monday, April 16, 1973 at 10:54 a.m., Assistant Attorney General Petersen came to see me. He said that Mr. Dean told the prosecutors he had turned over two of Hunt's files to me. I denied that I had received them. Mr. Petersen went on to say that Mr. Dean had said these two files had nothing to do with Watergate. He also said that Mr. Dean told the prosecutors that Mr. Ehrlichman had said to him, "Dean, you drive across the bridge each day, throw them in the river."

I was extremely troubled at my denial to Mr. Petersen. I slept little, if any, that night.

On Tuesday, April 17, 1973, at approximately 9:00 a.m., I placed a call to Mr. Petersen on my private line. He was not in and I left word. He called me back and, at my request, we met in my office later in the morning. I started our meeting by admitting that Dean had given me two white manila files in Ehrlichman's office. He asked if I had them and I told him I had burned them. He asked if I knew what was in them. I told him I had not read the files. He said the assistant United States attorneys will want you before the federal grand jury. I told him I would go willingly and "tell

it to them straight".

On Wednesday, April 25, 1973, I telephoned Sen. (Lowell) Weicker (R-Conn.) asking to meet with him. For a week I had thought about this matter and of Sen. Weicker's staunch and valiant support of me and his warm friendship. I had a duty to tell him of these two files, yet my shame was so deep that it was hard to pick up the phone and call.

Sen. Weicker and I met twice that day in my office and again the next day. I told him the manner in which I had received the files, that I had not read them, and that I had torn them in half and thrown them in my burn wastebaskets under my desk in my office on July 3, 1972, after returning from a visit to the San Diego and Phoenix field divisions. We discussed this subject at great length and he questioned me intensively on the entire matter. I persisted in my assertions to him that I had not read them and that I had thrown them in my burn wastebaskets in my office on July 3, 1972.

I really cannot explain why I failed to tell Sen. Weicker all the facts at this time and made the misstatements to him concerning the date I destroyed the files and my knowledge of what one of them contained. A sense of shame is all I can remember. I suppose I felt, in some irrational way, that I would look better in his eyes if I had destroyed them promptly and never looked at them. I have subsequently revealed all the facts of the matter to Sen. Weicker, the staff of this committee, the prosecutors and the grand jury.

At the time I accepted the two files from Dean and Ehrlichman, at the time I destroyed them, and on the several occasions, prior to my denial to Henry Petersen on April 16, in which I resisted disclosure of the fact that I had received and destroyed the documents, I believed that I was acting faithfully, loyally, properly and legally pursuant to instructions given me by top assistants to the President of the United States.

I have come to believe, however, what I should have realized then, that my ac-

ceptance of the documents in the first place, and my keeping them out of the normal FBI files, was a grievous misjudgment. My destroying them and resistance of disclosure only compounded the error.

That the documents were not in fact Watergate evidence, while legally significant, does not lessen my present belief that I permitted myself to be used to perform a mere political chore. I shall carry the burden of that act with me always.