SFChronicle Magruder Resigns -- Gray Said to "ave Burned Files

Ehrlichman And Dean Had Papers

Il on Post Service

Washington

Acting FBI director L. Patrick Gray III destroyed documents belonging to Watergate conspirator E. Howard Hunt Jr. after being told by presidential aides John Ehrlichman and John W. Dean III that the documents should "never see the light of day," FBI and other sources said last night.

The documents, in two folders, each an eighth of an inch thick, included phony State Department cables fabricated by Hunt to implicate the late President John F. Kennedy in the 1963 political assassination of South Vietnameese President Ngo Dinh Diem, the sources reported.

Gray also destroyed a dossier that Hunt had gathered on Senator Edward M. Kennedy (Dem.-Mass.) and his automobile accident at Chappiquiddick in 1969, the sources said. It has previously been reported that Hunt was assembling such a dossier during the period when Senator Kennedywas considered a contender for the Democratic presidential nomination.

MEETING

The doucments, taken from Hunt's Executive Office Building safe, were given to Gray during a White House meeting with Ehrlichman and Dean on June 28, 1972, the source said.

On July 3, Gray destroyed them by tearing them up and throwing torn remnants in a "burn bag" in his office, according to the sources. "Burn bags" are

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destroyed routinely at the FBI by security personnel.

The sources reported that Gray is anxious to appear under oath before the Watergate grand jury and will testify that he was not specifically told to destroy the documents but understood that it was "absolutely clear" that Ehrlichman and Dean wanted him to destroy them.

'DYNAMITE'

The sources said Gray was told by Ehrlichman and Dean that the documents were "political dynamite" capable of "doing more damage than the Watergate bugging itself," in the words of one.

In a statement issued through a White House spokesman last night, Ehrlichman confirmed that documents had been turned over to Gray at a meeting in June.

"I was present," Ehrlichman said in the statement, "but neither then, nor at any other time, did I give Mr. Gray any request, suggestion of instruction regarding what should be done with the contents. I do not know the nature of the contents. Up until April 15, I assumed the FBI director still had the contents."

DEAN

An associate of Dean said last night: "John Dean was present at such a meeting, but it was John Ehrlichman who ordered Gray to destroy the documents."

Another source familiar with the situation said that Ehrlichman had told Dean earlier in the day of the June 28 meeting, "You go across the river every day. Why don't you drop the things in the river?"

Dean lives in Alexandria, Va., across the Potomac River from the White House. CONTENTS

Gray was told by Ehrlichman and Dean that the documents were related to "national security matters," the sources asid, but not that they included bogus State Department cables W fabricated byunt.

The acting FEI director said he never examined the papers and learned only this

month what the documents actually were — when he was questioned about the matter by Assistant Attorney General Henry E. Petersen on April 16.

Petersen learned of the documents from Dean, who ten days earlier had gone to the Justice Department and reportedly began telling all he knows about the Watergate case.

An associate of Gray's said that Gray now feels that he was "set up" by Dean and Ehrlichman. Gray disposed of the folders "because of the strong arguments by Mr. Dean and Mr. Ehrlichman that there were overriding national security reasons to suppress the documents," the associate said.

According to testimony during the Watergate trial, on June 19, 1972, two days after the Watergate arrests. Dean instructed White House staff secretary Bruce Kehrli to enter Hunt's former office in the Executive Office Building and to retrieve whatever documents were there.

Lacking the combination to a safe in Hunt's office, Kehrli asked the General Services Administration to move the safe to a storage area and drill it open. The contents, including what appeared to be classified materials, were taken to Kehrli's office and kept there for the night, according to Kehrli's testimony.

The contents were taken to Dean's office on June 20, according to Kehrli. Other testimony in the trial showed that Dean did not turn over the contents of the safe to the FBI until June 27. Besides an attache case containing electronic equipment useful in bugging, the FBI was given two cartons of materials, including some classified materials.

As associate of Gray's said Gray recounted the details of the June 28 meeting to Assistant Attorney General Petersen earlier this week. Petersen is heading the new Watrgat probe.

"Mr. GRay is anxious to go to the grand jury," the associate said. 'He is just sick about all this and thought Mr. Dean and Mr. Ehrlichman were his superiors and that he had to follow orders and could not believe anyone in the White House would act dishonestly.'

GAPR