

New Shocks—and More to Come

As another saddening week in the Watergate scandal unfolded, the events raised new doubts about the Nixon Administration's various vehicles for achieving justice.

The resignation of Acting FBI Director L. Patrick Gray III showed how far the deception had spread among men charged with law enforcement. Gray had failed to win approval from the Senate Judiciary Committee as permanent FBI director largely because of his chummy cooperation with the White House in the Watergate investigation. His eventual resignation thus was certain. But it came suddenly, after he had confided to "friends" that he planned to tell the federal Watergate grand jury in Washington about an astonishing cover-up of potential evidence on his part. This, he said, would implicate two of Nixon's closest aides. At the implied suggestion of John Ehrlichman, Nixon's



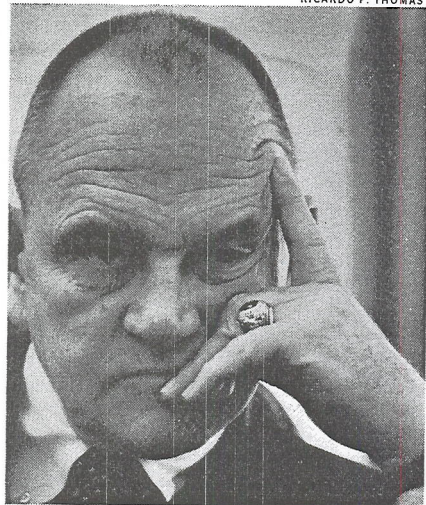
ACTING FBI DIRECTOR RUCKELSHAUS

domestic affairs adviser, and John W. Dean III, Nixon's chief counsel, Gray claimed, he had burned two files containing the papers of one of the convicted wiretappers, E. Howard Hunt Jr., a former White House consultant.

The papers were among many documents taken from Hunt's safe in the Executive Office Building immediately after the wiretappers were arrested June 17. Counsel Dean had ordered the safe opened, and had examined the papers for six days before turning most of them over to the FBI. But he had withheld two file folders that, according to Gray, he considered "political dynamite" and wanted destroyed. First, Gray told friends, Ehrlichman had suggested to Dean: "You drive over the bridge every night. Why don't you throw them over?" (Dean lives across the Potomac in Alexandria, Va.) Instead, at a meeting in Ehrlichman's office on June 28, Dean had handed the folders to Gray with the remark: "These papers should never see the light of day."

Even though his own agents at the

time were searching for Hunt to quiz him about Watergate, Gray obediently took these files home, put them in a closet over the weekend, then carried them to his office and discarded them in a "burn bag" to be destroyed. Although some other FBI officials do not believe him, Gray claimed he did not even look at the papers to see what he was burning. Gray contends that he learned their



FORMER ACTING FBI DIRECTOR GRAY

contents only last month from Henry Petersen, the head of the Justice Department's criminal division. According to Gray, Dean told Petersen that the papers included 1) some of Hunt's reports on Democratic Senator Edward Kennedy's accident at Chappaquiddick Island, and 2) some fake State Department cables contrived by Hunt to implicate President John Kennedy in the 1963 assassination of South Viet Nam's President Ngo Dinh Diem. All of this presumably could have been used against Teddy's candidacy if the Senator had run against Nixon.

Some FBI agents believe that among the burned papers was a memo based on Hunt's reportedly secret interview with ITT's Washington lobbyist Dita Beard, who had linked an ITT offer of contributions to the Republican National Convention with the Justice Department's settlement of antitrust suits against ITT. This memo, agents believe, was highly embarrassing to the Nixon Administration. It was not clear whether there might have been other Hunt documents in the file that were relevant to the FBI investigation.

When he resigned, a few hours after the news reports of his destruction of the Hunt files, Gray did not deny the allegations. But he said that the FBI itself "has been in no way involved in any of those personal acts or judgments

that may now be called into question," and that "the FBI deserves the full trust of the American people." A revolt within the FBI helped force Gray out. After disclosure of the Hunt paper burning, several high FBI officials went to the office of the bureau's No. 2 man, W. Mark Felt, and said: "If you don't tell Gray to get out of the building, we will." Later, several assistant FBI directors confronted Gray, telling him he must quit.

Appalled. Ehrlichman confirmed that the June meeting took place and that Dean had given Gray some Hunt material at that time. But he denied that he gave Gray any suggestion of what to do with the material or that he personally knew what information the documents contained. He conceded that he did not tell the President about the matter until April 15, when, he said, he first learned of the papers' "disposition"—presumably the burning.

Acting speedily for the first time in the entire Watergate affair, Nixon named a new interim acting FBI director just three hours after Gray's resignation was made public. Nixon's choice was William D. Ruckelshaus, 40, administrator of the Environmental Protection Agency. A tough-minded lawyer, liberal Republican and a former Assistant Attorney General, he is known to be appalled at the continuing revelations of White House involve-

ment in the Watergate cover-up. He does not expect to serve more than two months, said Ruckelshaus, and he does not want to be considered as a permanent replacement for J. Edgar Hoover.

There were increasing demands that Nixon appoint an outside, independent official to take over top authority for directing the case. The nation's most distinguished bar association, that of New York City (of which Nixon is a member), sent a letter to the President, arguing that "possible conflict of interest, as well as problems relating to professional ethics," were involved in keeping the matter under Justice Department direction. Warned the association's president, Orville H. Schell Jr.: "The integrity of the entire process of justice is at stake."

There was a rising clamor within the Justice Department itself for Petersen, at least, to remove himself from the case, as Attorney General Richard Kleindienst had done. A Democrat and former FBI clerk, Petersen shifted to the Justice Department in 1951 and rose steadily, especially under the more recent direction of former Attorney General John Mitchell.

Several career attorneys in the department told TIME that Petersen will be asked to testify as a witness in any trial involving White House aides because he had regular discussions with

them about Watergate in the course of his investigation. Thus it is wrong for him, they argue, to continue to direct the probe and to read the transcripts of the secret grand jury proceedings. In his present position Petersen will have a decisive role in determining who shall be indicted and on what charges. So far, Petersen has rebuffed all suggestions from his subordinates that he withdraw.

Scold. Yet Petersen was compromised in the original investigation, ordering Gray to confine its scope to gathering evidence only on the actual wiretapping. Petersen also restricted the department's prosecutors in the trial of two of the arrested men. That led Federal Judge John J. Sirica to scold them severely for asserting that the men on trial had acted wholly on their own.

Another case raises questions about Petersen's performance. On March 6, at Petersen's direction, the FBI discontinued its wiretaps and electronic bugs, installed with court approval, that uncovered a Mafia scheme to harvest payoffs and kickbacks from the multimillion-dollar welfare funds of the Teamsters Union, which has become Nixon's closest political ally in organized labor. In a decision protested by department officials, Petersen ruled that there was "insufficient" cause to continue the wiretaps. His edict stopped the eavesdropping after FBI agents discovered that Los Angeles gangsters seeking to tap the union welfare fund had met in Palm Springs on February 8 with Teamsters President Frank Fitzsimmons.

There is dissension within the Justice Department over Nixon's declaration that no member of his Administration should be granted immunity from prosecution in the Watergate case. This sounded like a pledge of justice without fear or favor. But some attorneys argue that it could actually pre-

vent the grand jury from getting all the evidence about the possible implication of the aides closest to Nixon. Specifically, they note that Nixon Counsel Dean asked for immunity from the Justice Department. If granted immunity, Dean said, he would testify about the involvement of officials "both above and below" him at the White House. There are only three men above Dean in the chain of command: Ehrlichman, H.R. Haldeman, chief of the White House staff—and Nixon. Others at the department contend that since Dean might turn out to be the main architect of the cover-up, he should not be allowed to evade punishment.

More evidence of the clandestine tactics used by Nixon's re-election committee were revealed last week. The *Washington Post* reported that after Nixon ordered his mining of harbors in North Viet Nam, his own re-election committee sent hundreds of telegrams to the White House applauding the action. This enabled Presidential Press Secretary Ronald Ziegler to announce that public response was running about 5 to 1 in support of the action. When a Washington television station, WTTG, announced a poll seeking public reaction to the mining, the Nixon committee mailed some 2,000 postcards to the station, approving Nixon's move. Members of the committee rushed out, bought some 1,000 Washington newspapers containing the station's ballots, and filled them out in the President's favor. Then, seeing the pile of newspapers as a possible embarrassment, they fed all copies into a paper shredder.

The committee also secretly placed an ad in the *New York Times*, protesting a *Times* editorial assailing the Nixon mining of Haiphong. The ad claimed to express the opinion of ten independent citizens representing "the people."

Phillip Joanou, an official who handled the Nixon committee's advertising, said the ad actually was written in the White House by Charles W. Colson, who was then Nixon's special counsel. The General Accounting Office charged the Nixon committee with violating campaign-fund laws by not reporting the use of its money for these purposes.

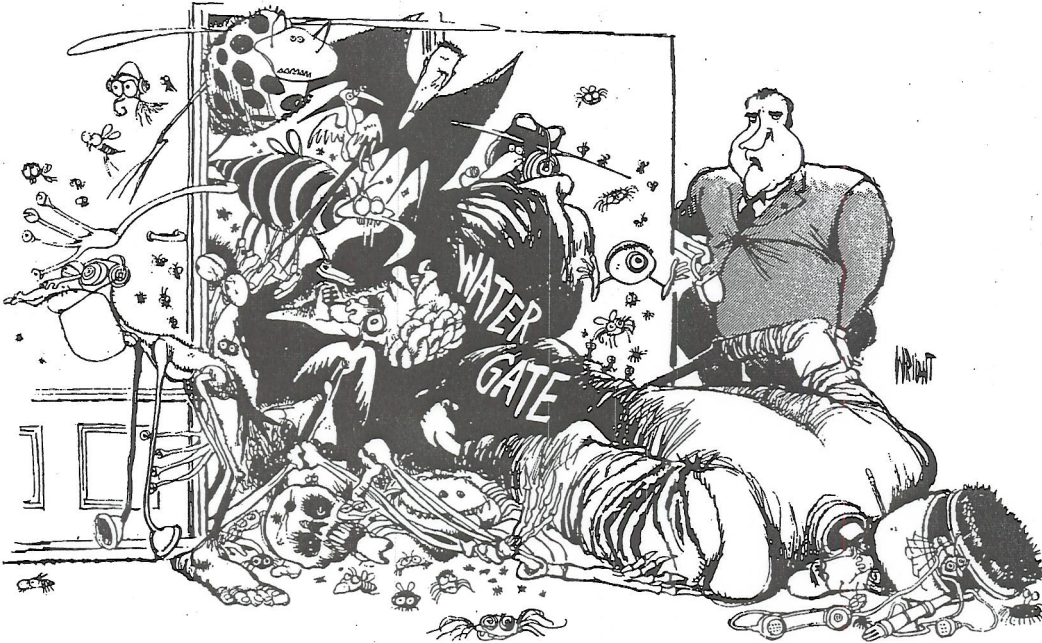
TIME has learned of other such devious tactics during the campaign. Charles Colson, who once said that he would "walk over my own grandmother" to help Nixon, recruited young men to pose as Gay Liberationists and wear large George McGovern buttons at rallies for the Democratic candidate, thus linking McGovern with that cause.

In the mutual mudslinging as the Nixon men sought to implicate each other, few top White House aides at the time of the wiretapping remained untouched. TIME has learned, for example, that Jeb Stuart Magruder, the former deputy chief of the Nixon committee, has said that Colson knew about the Watergate bugging plans before they were carried out, and wanted the plans executed. Magruder has told federal prosecutors that Colson called him in February of 1972 and asked: "When the hell are we going to get this bugging plan approved?"

At that time, Wiretapper Hunt, who had been hired by Colson, was working as a consultant at the White House. Colson was listed on White House personnel records as Hunt's supervisor. Hunt's pay vouchers were initialed by Colson's secretary. Colson has continually denied any advance knowledge of the Watergate bugging. Last week he protested to TIME: "Good God, these rumors are typical of the sickness in this town. The stories are untrue."

There is indeed a sickness there. But its chief symptom is not so much the prevalence of rumors as the fact that so many of them have turned out to be true. Declared one White House staffer last week: "Don't let your incredibility factor get too high—there's more to come."

MIAMI NEWS



"We may have stumbled onto something."