

# Tempers Flare at ITT Hearing; McLaren Calls Inquiry 'Outrage'

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Tempers flared yesterday on the fifth day of special Senate hearings on the alleged link between a \$1 billion Justice Department antitrust settlement and an offer by the corporation involved to help subsidize the Republican National Convention.

Federal Judge Richard W. McLaren, of Chicago, who negotiated the settlement as head of the Justice Department's Antitrust Division, told the Senate Judiciary Committee that the way it was conducting its hearings was an "absolute outrage."

"You know how the decision was made" to settle pending cases against the International Telephone and Telegraph Corp., McLaren shouted, "and there was no hanky-panky about it either."

Rather than examining the qualifications of Richard G. Kleindienst, President Nixon's nominee for Attorney General, who requested that the hearings be convened last week, "you're attacking my judgment," McLaren said.

The explosive eruption by McLaren came as Sen. John V. Tunney (D-Calif.) pressed him again on whether it was appropriate to call on White House



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Richard McLaren: "There was no hanky-panky . . ."

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### ITT, From A1

aide Peter M. Flanigan to recruit an outside financial analyst to evaluate ITT's claim of "financial hardship."

McLaren denied again that it was improper to rely on Flanigan's "expertise" in finding Richard J. Ramsden, a former White House Fellow, to prepare the ITT report.

Late in the day, aides to Tunney and Sen. Edward M. Kennedy (D-Mass.) said the Democrats on the committee had succeeded in persuading Chairman James O. Eastland (D-Miss.) to "invite" Flanigan to testify, possibly provoking a confrontation with the White House over the doctrine of "executive privilege."

Eastland refused, however, to confirm that a final decision had been taken on Flanigan.

Apparently miffed that other senators had violated what he considers his prerogative to announce witness lists, Eastland said only that syndicated columnist Jack Anderson would be the first one called to testify today. (It was also anticipated that former attorney general John N. Mitchell will be called today.)

He added that he had asked committee members to submit the names and addresses of other witnesses they would like to appear.

Aides to Tunney and Kennedy said that, besides Flanigan, the names would include:

• ITT lobbyist Dita D. Beard, now a heart patient in a Denver osteopathic hospital, whose controversial memo linking the antitrust settlement and the convention gift was published by Anderson.

An osteopath treating Mrs. Beard in Denver said last night that the lobbyist has "passed the danger point." He reiterated, however, that she could probably not return for



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**Solicitor General Erwin Griswold, a late-afternoon surprise witness, after testifying that he thought the Justice Department settlement with ITT was good.**

questioning here before "another week or so."

• William Merriam, head of ITT's Washington office, to whom Mrs. Beard's memo was addressed.

• Harold Geneen, president of the multi-billion-dollar conglomerate, who is understood to have had direct supervision over his lobbyist's activities.

• California Lt. Gov. Ed Reinecke, who told Tunney and several newsmen last week that he discussed the contribution with former Attorney General Mitchell last summer, while settlement negotiations were under way.

• Ed Gillenwaters, a Reinecke aide who supported Reinecke's story before the lieutenant governor backed down and "clarified" his remarks to say he never discussed the contribution with Mitchell until September.

• Ramsden, who has acknowledged that he supervised an investment portfolio including about \$200,000 worth of ITT stock at the time he did the report for Flanigan.

• New York lawyer Lawrence E. Walsh, a prominent Republican who was hired by ITT especially to obtain a delay in the Justice Department's appeal of an antitrust case to the Supreme Court.

• John F. Ryan, a deputy to Merriam in ITT's Washington office, who apparently initiated Kleindienst's private meetings with ITT director Felix G. Rohatyn during a springtime party last year in the McLean, Va., neighborhood where Kleindienst and Ryan live.

After learning that his wife is involved in an investigation of alleged Medicare frauds, some committee members also want to recall Dr. Victor L. Liska, the cardiovascular surgeon from Arlington who testified Monday that Mrs. Beard's heart condition sometimes made her "disturbed and irrational."

When Anderson takes the witness stand today, The Washington Post learned last

• Rep. Bob Wilson (R-Calif.), who has said that he discussed ITT's contribution of up to \$400,000 with Geneen in San Diego last year.



night, he will claim that Dr. Liszka has done referral work for the Hamilton Life Insurance Co., an ITT subsidiary.

Under oath Monday, Dr. Liszka denied that he had ever had any contact with ITT and its subsidiaries, except to treat Mrs. Beard for the last nine years and to report to company executives on her health.

Anderson said he will also seek to offer independent information which could serve to corroborate Mrs. Beard's memo, the contents of which have been disavowed by Mitchell, Kleindienst and other government witnesses.

Yesterday's session included several partisan swipes between Republicans and Democrats and the most emotional outbursts in the hearings to date.

Republicans, led by the ranking minority member of the committee, Roman Hruska of Nebraska, sought to portray Kleindienst's and McLaren's behavior as totally acceptable.

Sen. Marlow W. Cook (R-Ky.) accused his Democratic colleagues of "shocking" conduct, especially during their interrogation of Dr. Liszka on Monday.

For his part, Sen. Edward J. Gurney (R-Fla.) said, "I hope we can stop this charade after a while." He complained that some questions had been asked of Kleindienst and McLaren "a score or more" times.

That prompted Kennedy to observe that only through persistent questioning did the committee learn about the roles of Ryan, Ramsden, Flanigan and Walsh in the ITT settlement.

"That's a great contribution to human knowledge, isn't it, senator?" McLaren muttered.

"Yes," replied Kennedy, "and to the American people."

Kleindienst implied yesterday that he was sorry for requesting that the hearings be called after the Judiciary Committee had already endorsed his nomination to be Attorney General.

"I requested these hearings to look into the alleged deal, but also into my own personal integrity," the Cabinet nominee said, adding that he now had "concern and apprehension that no limitation would be placed" if Flanigan were to testify.

He called Mrs. Beard's memo "nothing but a memorandum written by a poor soul, a rather sick person."

Defending his own contacts with the White House during the ITT case and others, Kleindienst asserted that "I'm not a prophylactic sack with regard to the White House. I consider myself an extension of the Nixon administration."

McLaren, who has been on the firing line at least as much as Kleindienst over the past two days, refused to discuss Ramsden's potential conflict of interest in doing the ITT report while holding control over some of the company's stock.

have had an adverse effect on ITT stock if Ramsden's report had favored divestiture, of the biggest ITT acquisition, the Hartford Fire Insurance Co., McLaren merely gritted his teeth and said, "I have no comment."

Sen. Philip A. Hart (D-Mich.), trying to assuage the feelings of Kleindienst and

McLaren, said the extensive, unrelenting questioning was necessary because "there has been a suggestion that influences inimical to the public interest were at work" in the ITT cases.

Solicitor General Erwin N. Griswold also testified yesterday, as a late-afternoon surprise witness, and said that settlement with ITT was a favorable development, since he felt the Justice Department might lose all of its three suits against the conglomerate if appealed to the Supreme Court.

Griswold praised the ITT settlement, which required the

tory of American business, and banned certain new acquisitions by ITT as well as reciprocal buying among its subsidiaries, as "a very substantial victory for the government."

In another development, Richard Herman, a Nebraska Republican who is vice chairman of the arrangements committee for the GOP National Convention, said the party will now accept a maximum of \$25,000 as ITT's contribution.

It could be reduced even further, Herman said in Omaha, if other businesses do not contribute comparable amounts.



## The ITT Case: An Ever More Dismal Swamp

The ITT hearings in the Senate Judiciary Committee have developed a bad habit of veering off into irrelevancies (encouraged, no doubt by those who would like to see them go away entirely) and it might be worth reminding ourselves of the central issues involved in this affair. The immediate question is the fitness of Richard Kleindienst to be attorney general, which is what the Judiciary Committee is supposed to be deciding. Beyond that, there is the broader question of the administration's handling of the ITT antitrust suit, and what, if any, relation there may have been between the out-of-court settlement and a lavish offer by ITT to pay up to \$400,000 in the cost of this summer's Republican Convention. And beyond that, there is the question of what it all says about the integrity of what we have called the Dismal Swamp of American Politics—about a system which can tolerate a large financial contribution to the Republican Party by a giant corporation whose fate and fortune is at same moment squarely in the hands of the anti-trust division of the Justice Department in a Republican administration.

We have seen and heard enough to have a sensation of sinking into an ever more dismal swamp, and to be certain that there is a lot more to be learned. But none of what we need to know has much to do with whether Mrs. Dita Beard, a Washington lobbyist for ITT, was in a "stupor" at a party before the Kentucky Derby, or was raising the wrong questions at the wrong time with the Attorney General, or whether he cut her off in rough terms, which you would expect him to do under the circumstances, whatever hand he might have played in the ITT affair. Former Kentucky Governor Louie B. Nunn told the committee that Mrs. Beard was "usually" drinking—"sometimes more . . . sometimes less"—whenever he saw her and while this may say something about the level of chivalry in Kentucky it is of little value in establishing the validity of the reliability of the celebrated memorandum written by Mrs. Beard and made public by Jack Anderson, which first linked the convention gift to the ITT settlement.

Much the same may be said for the lurid testimony by Dr. Victor L. Liszka, the Arlington heart surgeon, which tells us a good deal more about his sense of the confidentiality of the doctor-patient relationship than it does about the facts of this affair. He told the committee that Mrs. Beard's "thought processes have not been well coordinated" from time to time over the past years, that she "drinks excessively" when under stress and she is occasionally "disturbed and irrational" as a result of a heart condition, all of which was sharply challenged by another doctor in the case, who now claims Mrs. Beard as his patient and does not question her mental health. Apart from this, Dr. Liszka has given the committee a great deal of hearsay, to the effect that Mrs. Beard "didn't mean the things

she seemed to imply" in her memorandum, without saying what these things were that she didn't mean to imply. (In fact, the memorandum doesn't do much implying; it firmly asserts a relationship between ITT's convention financing and the anti-trust agreement.)

In brief, Dr. Liszka's testimony seemed to be almost entirely directed toward discrediting Mrs. Beard and her memorandum and we impute a

motive to him only because he has admitted to having one; in his explanation for paying a call on Mr. Kleindienst's office both before and after flying to visit Mrs. Beard's hospital bedside, he told this newspaper "I asked to come and see them. I wanted



to clear up this matter of the so-called deal." Apart from his possible competence to testify about Mrs. Beard's state of health, what business, may we ask, was this of his to "clear up" a question involving ITT and the federal government?

That is what we mean by our reference to irrelevancies: the central question here is not whether Mrs. Beard is reliable, but whether there is any truth to her memorandum; nobody has yet denied that she wrote it, or that ITT did in fact offer to finance up to \$400,000 of the cost of the convention—the city of San Diego confirmed that yesterday; and nobody can deny that the ITT antitrust suit was settled out of court and in a manner which required a change of heart on the part of Judge Richard M. McLaren, then head of the antitrust division, who had clearly indicated from the start that he wished to obtain a Supreme Court ruling on the case. What has been denied, by Mr. Kleindienst and Mr. Mitchell and ITT, is that there was any connection between the turn taken by the antitrust case and the offer of financial backing for the Republican Convention, and that may well be the case. But the official denials of some link between the two would be more persuasive if they had not already been seriously challenged in important aspects by compelling evidence. Mr. Kleindienst, for example, began with a public letter last November entirely disassociating himself from any role in the ITT case, which he said was "handled and negotiated exclusively" by the antitrust division and Mr. McLaren, and that categorical assertion has already been shredded by testimony that:

- An ITT director met at least five times with Mr. Kleindienst who then took him around to Mr. McLaren for further meetings.
- Mr. Kleindienst interceded with Solicitor General Erwin Griswold to arrange to delay the filing of a government brief to the Supreme Court on a case associated with the ITT action.
- Mr. McLaren asked White House aide Peter Flanagan to recruit an outside financial adviser to help him decide the ITT case and received the adviser's report, which played a significant role in the settlement, through the same circuitous conduit, thus involving the political arm of the White House, of which Mr. Flanagan is a prominent member, as an important party to the ITT case.
- Mr. Kleindienst received a long letter from New York lawyer — and ITT special counsel — Lawrence E. Walsh last April, which indicated, among other things, that Mr. Kleindienst had already been consulted in the ITT litigation.

In short, it is the administration's handling of the ITT case, in general, and Mr. Kleindienst's role in particular, rather than the fun time Mrs. Beard had on Derby Day, which is at the center of the ITT affair. This is not, after all, an argument over an autobiography of Howard Hughes. It is a matter having to do with the integrity and rectitude of the highest officials of the government and the officers of a great corporation and for the sake of what is left of public confidence in our political system it deserves to be treated in that light.