

White House Firm On ITT Testimony

4/15/72

By Sanford J. Ungar
Washington Post Staff Writer

The White House has told Senate Republican leaders that it will not compromise on the issue of "executive privilege" in order to save the nomination of Richard G. Kleindienst as Attorney General.

As the Nixon administration remained adamant that presidential advisers Peter M. Flanigan and William Timmons will not testify before the Senate Judiciary Committee, Sen. Sam J. Ervin Jr. (D-N.C.) increased the stakes further, demanding that John Ehrlichman, the President's chief domestic policy adviser, also appear to discuss the controversy involving the International Telephone and Telegraph Corp.

In the meantime, ITT Vice President Edward J. Gerrity brought two more White House names into issue yesterday, when he told the committee that he had discussed antitrust and balance-of-payments problems with Herbert G. Klein and Charles Colson in recent years.

Sources close to the Senate Republican leadership said that the administration would apparently rather "take their lumps" on the Kleindienst nomination than set a precedent that could lead to frequent requests for Capitol Hill testimony from presidential aides.

Ervin and other Democrats



SEN. SAM J. ERVIN
...increases stakes

on the committee have declared that they will oppose Kleindienst — or even prevent his nomination from coming to a Senate vote — unless the White House permits Flanigan and others to discuss an ITT antitrust settlement and the company's pledge of at least \$200,000 to help bring the Republican National Convention to San Diego this year.

Yesterday, Ervin rejected out of hand a suggestion by Sen. Charles McC. Mathias (R-Md.) that a compromise way might be found for the committee to talk with Flanigan in some situation other than a public hearing.

See ITT, A11, Col. 1

ITT, From A1

"I think the public business should be conducted in public," Ervin declared. "I don't think he (Flanigan) should come up here and whisper in our ears."

As part of his ammunition, Ervin produced a speech given by Mr. Nixon on the House floor on April 22, 1948, in which the then congressman from California complained of President Truman's refusal to make information available to Congress.

In that speech, Mr. Nixon complained that the White House position "cannot stand from a constitutional standpoint."

Ervin suggested that the Nixon administration was trying to "conceal the truth" by invoking executive privilege, and asserted that Flanigan's testimony was increasingly necessary "to reestablish the good reputation of the White House with regard to these transactions."

Flanigan's name has come

up repeatedly in the extended hearings on the Kleindienst nomination, because he recruited a New York investment banker, Richard J. Ramsden, to do a report that contributed to the Justice Department's decision to settle its antitrust cases against ITT.

ITT President Harold S. Geneen testified that he met with both Colson and Ehrlichman during the course of his efforts to persuade the administration that the antitrust laws should not be applied to mergers by conglomerates such as his corporation.

Timmons' name has been mentioned in connection with phone calls to and from the ITT Washington office to establish the exact nature and amount of ITT's pledge to the GOP convention.

A memorandum published by columnist Jack Anderson, allegedly written by ITT lobbyist Dita D. Beard, implied that there was a direct link between the antitrust settlement and the convention contribution.

Gerrity, testifying yesterday on the 17th day of the reopened Kleindienst hearings, said, "As we sit here today, I am still confused" about the Beard memorandum and its contents.

He said that during the days just before and after Anderson disclosed the controversial memo, Mrs. Beard "never categorically denied writing it" in her talks with ITT officials in Washington and New York.

"She would say, 'Well, it appears to be my memo . . . but I couldn't have written this memo,'" Gerrity testified. "She told me there was no truth to the memo."

At one point, Sen. Edward M. Kennedy (D-Mass.) demanded of Gerrity, "How can you be so sure there wasn't a fix" involving settlement of the antitrust litigation in exchange for a generous subsidy to the GOP convention.

Gerrity, obviously taken aback, replied: "All I can say, senator, is that I've been with

this company for a long time, and I have never known it to act in a dishonest way . . . I don't believe that you could buy a settlement with anybody."

The ITT senior vice president in charge of public relations could not explain, however, why he was not advised until "two or three weeks later" of discussions in San Diego last May 12 concerning the offer of ITT's Sheraton Hotel subsidiary to aid the convention.

That produced an incredulous reaction from Mathias, who wondered aloud "why you wouldn't know about something you are in charge of—promotion of a new hotel."

ITT has claimed that its only motive in offering the convention pledge was what Mrs. Beard called "unbuyable publicity" for a new hotel under construction in San Diego. Geneen claims that President Nixon planned to use the new Sheraton as his convention headquarters, but the White House denies that any such plan ever existed.

Chile Blasts U.S. for ITT Acts

By Jesse W. Lewis

Washington Post Staff Writer

Chile yesterday accused the International Telephone and Telegraph Corp. and the U.S. government of working against Chile's interests and of violating the principle of non-intervention.

In a wide-ranging attack on U.S. policy in Latin America, Anibal Palma, Chile's minister of state for foreign affairs, told the Organization of American States General Assembly:

"The pretended equality of Latin American nations with the United States and the assumption of a community of interests and purposes of all nations that make up the so-called Inter-American system are not reality but fiction."

Palma accused ITT of "maneuvers aimed at rupturing the constitutional process in our country" which had "at least the tacit consent" of the U.S. government.

"Chile denounces these acts and brings its protests to the international community and in doing so reaffirms the determination of its people and government to proceed with their revolutionary task of liberation," he said.

Since Nov. 3, 1970, when the Marxist government of President Salvador Allende came to power, U.S.-Chilean relations have deteriorated. Allende has nationalized U.S.-owned copper mines and established ties with Cuba.

Recently, relations between Washington and Santiago have taken another nose dive since columnist Jack Anderson disclosed ITT documents indicating that the corporation tried to prevent Allende from taking power. The ITT memorandum said that there were contacts between its representatives and U.S. officials.

Despite the harsh tone of Palma's speech, many delegates to the conference were expecting a lot more in the way of fireworks. Several times during his address, Palma jabbed the air with his right index finger and looked toward Assistant Secretary of State for Inter-American Affairs Charles A. Meyer, two seats away.

Palma's speech was followed with 30 seconds of applause, one of the longest responses to a conference speech. No one in the U.S. delegation applauded.

Later, however, a U.S. gov-

ernment source said Palma's speech was "Not that brutal."

The American delegation asked for an opportunity to reply to Chile's speech. The reply is expected today.

Palma said the United States is guilty of a "grave and direct" violation of the principle of non-intervention by exercising political and economic pressure to assure compensation for the copper mines nationalized last year.

On Cuba, he said, "we value and we are ready to aid all initiatives by other American nations that favor reestablish-

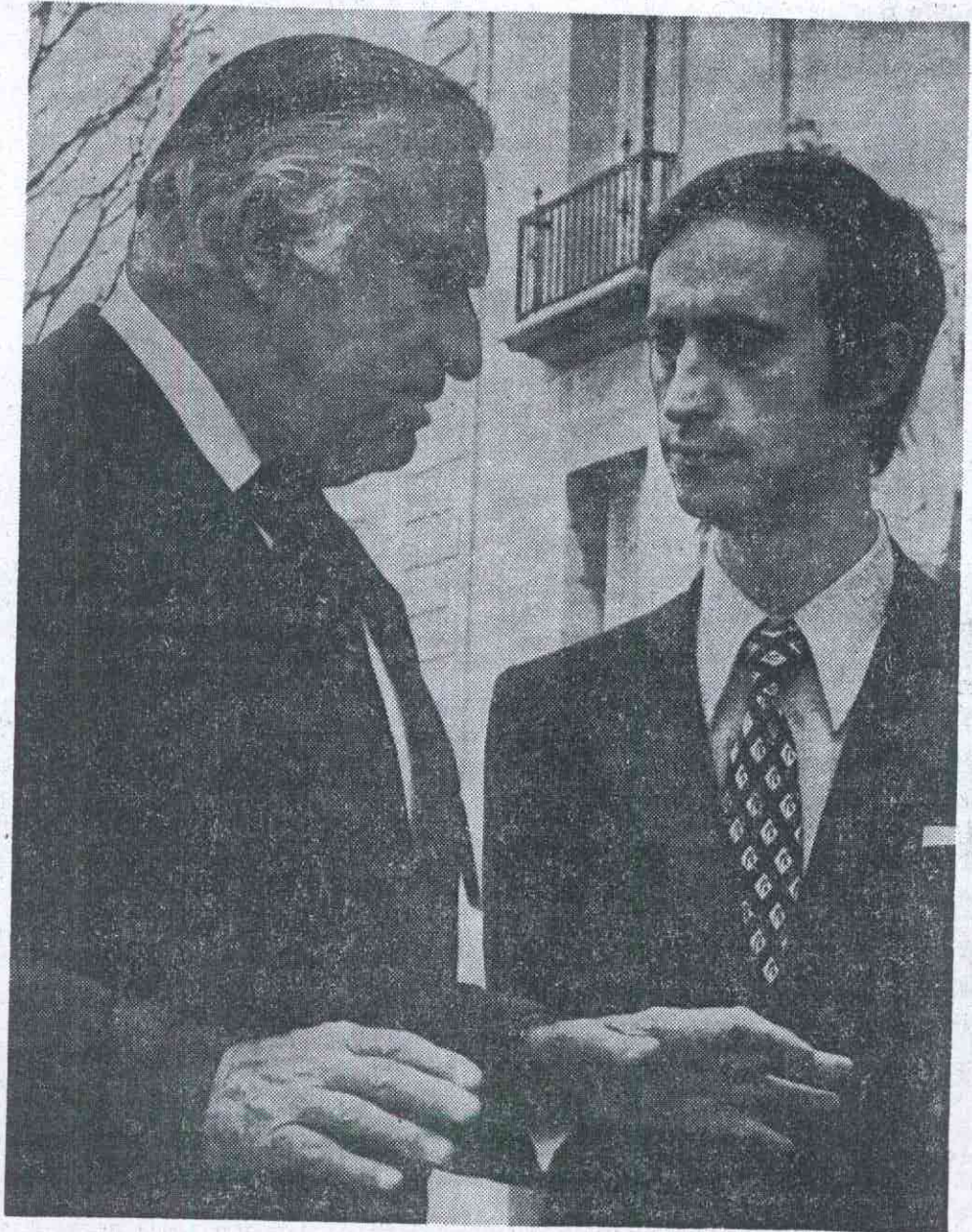
ment of relations with the Republic of Cuba."

Chile, he said, reaffirms "our condemnation of all foreign and imperialist interference in our sovereign decisions, and we demand recognition of the inalienable right of our peoples to maintain normal relations with each other."

The Cuban question surfaced Wednesday, when Peru called for ending the OAS diplomatic and trade sanctions against Cuba.

Secretary of State William

After making speech accusing the United States and International Telephone and Telegraph Corp. of meddling in Chilean affairs, Anibal Palma, right, talks with Galo Plaza, secretary general of the Organization of American States.



Associated Press

P. Rogers said that if Cuba altered its policy of supporting subversion in Latin America the U.S. position might change, but added that Cuba was still a "threat to the peace and security" of the Hemisphere.

The United States has reportedly given orders to use force if necessary to prevent Cuban gunboats from interfering with American or allied shipping in the Caribbean. The instructions were issued after Cuba seized two merchant vessels, one of which had an American captain.