

Spotlight Returns To ITT Settlement

8/3/73 By Jules Witcover
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The Nixon Administration's 1971 out-of-court settlement with International Telephone and Telegraph Corp. came under renewed scrutiny yesterday in the wake of publication of a 1972 White House memorandum linking President Nixon to the affair.

On Capitol Hill, where the memo surfaced Wednesday in the Senate Watergate hearings, Sen. John V. Tunney (D-Calif.) called on the Justice Department to reopen its antitrust action against ITT and its subsidiaries.

The memo, he said, "involves the highest echelons of the White House and the Administration in a fix-up, cover-up, lie-out-of-it scheme . . . The memo obliterates any legitimacy the settlements on behalf of ITT may have had."

At the Justice Department, a spokesman for Thomas E. Kauper, assistant attorney general in charge of the division, said his office had not had time to re-

view the Colson memo or Tunney's demand. "We have not at this point in time entered into any such reconsideration," he said.

Tunney, a member of the Senate Judiciary Committee, also called for perjury charges in connection with testimony on the ITT case before his committee last year, when it considered the nomination of Richard G. Kleindienst to be Attorney General.

Tunney named no names, but his target clearly was former Attorney General John N. Mitchell, who testified before the Judiciary Committee in March, 1972, that he had no knowledge prior to the ITT settlement that ITT had pledged \$400,000 to help underwrite the 1972 Republican Convention, then slated for San Diego.

The 1972 White House memo, from Charles W. Colson, then special aide to President Nixon, to H.R. Haldeman, then White

See ITT, A21, Col. 1

ITT, From A1

House chief of staff, said an internal document existed "setting forth the \$400,000 agreement with ITT," and that a copy went to Mitchell prior to the antitrust settlement.

Mitchell, through his lawyer, William Hundley, said yesterday that to the best of his recollection he had never seen either Colson's memo or the one discussing the ITT pledge of \$400,000.

The author of the memo mentioning the \$400,000 pledge, former White House director of communications Herbert G. Klein, said yesterday he didn't have "the vaguest idea" whether Mitchell had ever received a copy and he had never discussed its content with Mitchell.

His memo, Klein said, was

merely an updating of what San Diego, his hometown, was doing to obtain the GOP convention. The memos said the effort included "\$400,000 in private money arranged through a new major ITT hotel contacted by (Rep.) Bob Wilson (R-Calif.)," Klein reported.

Klein said he himself had no knowledge at the time that ITT was facing major antitrust action by the Justice Department.

Special Watergate prosecutor Archibald Cox already has included the ITT matter as part of his mandate and has a task force working on it. A federal grand jury has been called for Aug. 13 to start hearing evidence in this and other areas under Cox's responsibility.

At the White House yesterday, inquiries were shunted aside about President Nixon's personal involvement in the ITT settlement, as alluded to in the 1972 White House memo.

In the memo, Colson warned Haldeman that other White House and ITT internal memos existed that would "directly involve" Mr. Nixon.

One of these other memos, Colson warned, mentioned talks between the President and Mitchell less than two months before the ITT settlement concerning "the agreed-upon ends in the resolution of the ITT case."

Still another memo, Colson said, noted that John D. Ehrlichman, then the No. 2 White House aide, had assured Harold S. Geneen, ITT's president, that Mr. Nixon "had instructed" the Justice Department with respect to the bigness policy."

This apparently was a reference to the administration's public position that it did not favor antitrust action merely on grounds a conglomerate was too big.

On the general subject of antitrust policy, White House deputy press secretary Gerald L. Warren yesterday defended the President's right to relay "policy decisions" in the antitrust field to the Justice Department, which is responsible for overseeing that field.

"Whatever policy deci-

sions the President may have relayed relating to antitrust operations," Warren said, "would be entirely within the prerogative of the President and entirely within the law concerning antitrust procedures."

The Colson memo was made public Wednesday by the Senate Watergate committee in the course of cross-examination of Haldeman. He said he didn't recall ever having seen it.

The prime purpose of the memo, Colson said after its disclosure, was to make Haldeman "fully aware" of the concern he and other White House insiders had about "all the problems — put in their worst context — that might arise" but of the hearings then going on over the Kleindienst nomination.

Those hearings had turned into a strong inquiry on the whole ITT matter, and Colson suggested that the nomination be withdrawn rather than risk "the possibility of serious additional exposure" that could hurt Mr. Nixon.

The IT suit involved the effort of the corporation to hold onto Hartford Fire Insurance Corp. and two smaller firms, Grinnell Corp. and Canteen Corp., against a determined effort by the then assistant attorney general for the antitrust division, Richard McLaren, to go to court. After the settlement, McLaren was appointed a federal judge in Chicago.

Attempts to interview Geneen and other ITT officials mentioned in the various memoranda were rejected yesterday by ITT. A spokesman here, Bernard Goodrich, said ITT continues to hold that its only offer concerning the San Diego convention was \$100,000 to the city, with another \$100,000 if the total could be matched. Also, he said, ITT continues to state there was no connection between the antitrust settlement and that financial commitment.