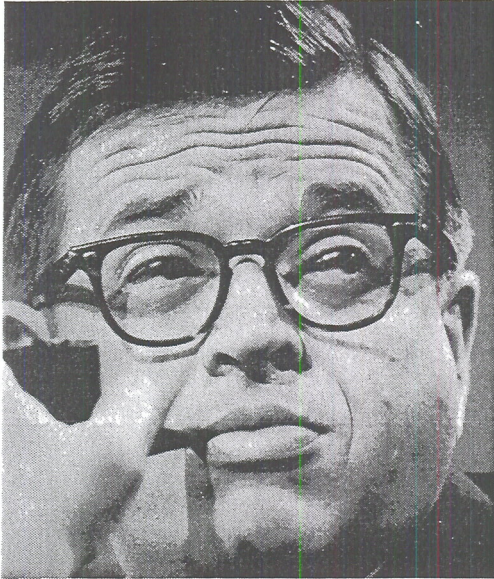
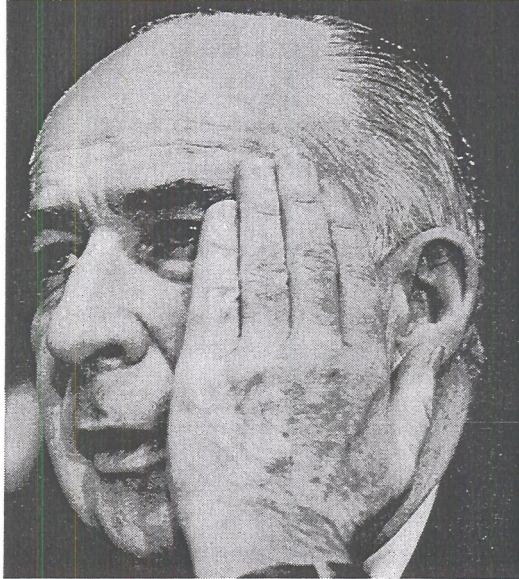


THE NATION

UPI



FORMER SPECIAL COUNSEL COLSON



FORMER ATTORNEY GENERAL MITCHELL

The ITT Controversy Revisited

Back in the days before Watergate became the national preoccupation, one of the most prominent skeletons in the White House closet was the allegation that the Administration had quietly settled a 1971 antitrust case against ITT, the giant conglomerate, in return for an ITT offer of up to \$400,000 to help defray the cost of the Republicans' 1972 national convention in San Diego (later switched to Miami). Columnist Jack Anderson published an ITT memorandum last year that appeared to substantiate the charge. But before ITT Lobbyist Dita Beard, the author of the

memo, could give testimony to the Senate Judiciary Committee, she was spirited off to Colorado—reportedly by the White House “plumbers”—and was said to be too ill to be interviewed at the time. Last week the Ervin committee gained possession of a White House memorandum that seemed to shed new light on the ITT case.

The memo was sent by Charles W. Colson, then a White House special counsel, to H.R. Haldeman, then the President's chief of staff, on March 30, 1972. It turned up last week when the Ervin committee subpoenaed a secre-

tary of Colson's and asked her to bring along her files. The purpose of the Colson memo was to urge the Administration to withdraw its nomination of Richard Kleindienst as Attorney General—a nomination that was subsequently approved by the Senate. Colson's point at the time was that the Senate investigation of Kleindienst might conceivably turn up copies of several memorandums that had been written by both Administration and ITT officials. These documents, said Colson, could implicate a number of Administration officials in the ITT case, including Vice President Spiro Agnew, Secretary of the Treasury John Connally and Attorney General John Mitchell. More important, at least two of the documents could “directly involve the President.”

The various documents to which Colson referred all dealt with efforts by ITT in early 1971 to enlist the Administration's support in quashing three separate antitrust suits under way against the corporation. U.S. district courts had previously ruled against the Government in two of the cases, which involved two lesser ITT subsidiaries, Grinnell Corp. and Canteen Corp. But Richard W. McLaren, head of the Justice Department's antitrust division, who had strenuously pressed the litigation, had already made known the Government's intention to appeal to the Supreme Court. The third and most important case, involving ITT's merger with the Hartford Fire Insurance Co., had not yet been decided. The memorandums detailed the company's successful efforts to influence Government policy.

In August 1970, according to Colson, ITT Vice President Edward J. Ger-

rity Jr. had written to Agnew, an old friend from Army days: "Our problem is to get John Mitchell the facts concerning McLaren's attitude because ... McLaren seems to be running all by himself." In a meeting between ITT President Harold S. Geneen and Presidential Assistant John Ehrlichman, Gerrity continued, Ehrlichman had "said flatly that the President was not enforcing a bigness-is-bad policy [against ITT], and that the President had instructed the Justice Department along these lines." This document, Colson noted, was embarrassing because it "tends to contradict John Mitchell's testimony" (before the Judiciary Committee) that he had not been directly involved in ITT negotiations. His fear, Colson added, was that this "revelation" of President Nixon's instructions "would lay this case on the President's doorstep."

Later in 1970 Ehrlichman wrote Mitchell of an "understanding" he had reached with Geneen. On May 5, 1971, Ehrlichman again wrote to Mitchell, alluding to the "agreed-upon ends" at the high level of the President and Mitchell in resolving the ITT case, and asking Mitchell whether Ehrlichman should deal directly with McLaren in the sensitive matter.

The previous year, ITT Executive John F. Ryan, in a memo to William R. Merriam, a corporate colleague, had made a cryptic reference to "Dita and dollars," then reported: "I was asked by Ned [Gerrity] to get some feel for you from Dita as to what is required." On June 25, 1971, Dita Beard wrote to Merriam, her superior, that ITT's "noble commitment" of funds for the Republican Convention had "gone a long way toward our negotiations on the mergers eventually coming out as Hal [Geneen] wants them."

Worst Context. In the meantime, on June 17, 1971, McLaren reversed his previous position by proposing a compromise settlement in the ITT case. The proposal was by no means totally favorable to ITT; it permitted the company to retain the highly prized Hartford Fire Insurance Co., though it did require that it get rid of several other subsidiaries, including Canteen Corp. and the fire-protection division of Grinnell. A month later, the Republican National Committee announced its decision to hold its 1972 convention in San Diego—though it did not make any mention at the time of the offer of financial assistance from the ITT-owned Sheraton Corporation.

Neither the White House nor ITT had any comment on the Colson memo last week; neither did McLaren, who on Dec. 2, 1971, was appointed by President Nixon to a federal judgeship. Colson, however, insisted that as "a good staff guy," he had merely been playing the part of "a devil's advocate"—outlining the problems that the Judiciary Committee might raise "in their worst context."