

'Grossly Improper Political Intrusions' Charged

Nader Asks Probe of ITT Merger

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By Laurence Stern

Washington Post Staff Writer

A U.S. District Court judge was asked yesterday to investigate "a pattern of massive and grossly improper political intrusions" in the controversial merger of the International Telephone and Telegraph Co. and Hartford Fire Insurance Co.

The request was made in a friend-of-the-court memorandum filed by Ralph Nader and Reuben B. Robertson III, both associated with the Center for the Study of Responsive Law here. It was addressed to Judge M. Joseph Blumenfeld of the U.S. District Court for Connecticut, who has jurisdiction over the case.

Nader and Robertson formally placed before the court for the first time the mass of evidence which they said establishes "a prima facie case of malfeasance or fraud in the procurement of the settlement and in a subsequent cover-up."

This same evidence is the subject of criminal investigations now being pursued by the Watergate special prosecution force before grand juries in Washington. If the Nader-Robertson proposal were accepted, it would open up a parallel civil inquiry into the Justice Department's acquiescence in July, 1971, to the ITT-Hartford merger.

The two lawyers placed before the court a series of internal ITT memorandums, including the much-publicized Dita Beard memo, a memo submitted by former White House aide Charles Colson to former presidential chief of

staff H. R. (Bob) Haldeman and other corporate documents implicating former Treasury Secretary John B. Connally, White House aide Peter G. Peterson and former Vice President Spiro T. Agnew in ITT's merger campaign.

Attorney General Elliot L. Richardson decided last month not to reopen the abandoned Justice Department anti-trust case against the merger. Richardson contended that he did not believe a reopening of the case "would give the government any greater relief than it obtained under the settlement."

Under the controversial 1971 settlement the Justice Department agreed to the merger—the biggest in anti-trust history—on the condition that ITT divest itself of five smaller subsidiaries: Avis Rent-a-Car, ITT-Levitt and Sons, Inc., Canteen Corp. and two insurance companies. Former Justice Department Anti-trust Division chief Richard McLaren, who originally opposed the ITT-Hartford merger, reversed himself on the case after an intense campaign of pressure directed by ITT executives at high-ranking Nixon administration officials.

Nader and Robertson said the ITT internal documents which have surfaced in various congressional inquiries since the Justice Department settlement "depict a pattern of massive and grossly improper political intrusions into the Justice Department's prosecution of the ITT cases.

"This involved the President and Vice President of the United States, four top assistants in the White House, the secretaries of the Treasury and Commerce, and the Attorney General, who had purportedly excused himself from all involvement in the cases because of a conflict of interest," they said.

The memorandum further alluded to ITT's pledge of \$400,000 to support the 1972 Republican National Convention in San Diego "at least \$100,000 of which was actually paid over at the time the consent decrees were announced."

One of the most pointed pieces of evidence cited in the Nader-Robertson filing was Colson's memo to Haldeman warning of the existence of documents that would "directly involve" President Nixon in the ITT settlement and "lay this case on the President's doorstep."

Nader and Robertson asked Blumenfeld to appoint a special master to investigate "all facts and circumstances" surrounding the ITT antitrust settlement, including the subpoena of all the principals named in the corporate correspondence as having interceded in the case.