

Kleindienst lied in ITT case involving \$400,000 for GOP

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WASHINGTON — We have now established that Atty. Gen.-designate Richard Kleindienst told an outright lie about the Justice Department's sudden out-of-court settlement of the Nixon Administration's biggest anti-trust case.

The case involved the International Tele-

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phone and Telegraph conglomerate, which appeared on the way to a Supreme Court showdown with the Justice Department over ITT's takeover of the huge Hartford Fire Insurance Company.

Last July, however, the case was abruptly settled. The terms, considered highly

(Editor's Note: The confidential memo on which Mr. Anderson based this and his earlier column on the ITT-GOP affair is reprinted elsewhere on this page.)

favorable to ITT, were announced at the same time ITT secretly pledged up to \$400,000 to support the Republican convention in San Diego this year. A check for \$100,000 has already been written.

Denying any connection between that convention cash and the antitrust settlement, Kleindienst insisted that the Justice Department's anti-trust staff had been free from any political pressure from above.

"The settlement between the Department of Justice and ITT was handled and negotiated exclusively by Asst. Atty. Gen. Richard W. McLaren (then head of the anti-trust division), "Kleindienst said in a letter to Democratic National Chairman Larry O'Brien.

Secret meetings

However, we have now learned that Kleindienst himself held roughly a half-dozen secret meetings on the ITT case with a director of the company before the settlement was reached.

The director, Wall Street financier Felix Rohatyn, conceded to us that he met in private with Kleindienst, who was then deputy attorney general, at the same time McLaren was negotiating with ITT's lawyers.

"I was supposed to make the case on the economic side of it," Rohatyn told my associate Brit Hume. He said he particularly stressed to Kleindienst ITT's arguments for keeping Hartford Fire.

sation at the governor's mansion in Kentucky after last year's Kentucky Derby.

Confidential memo

Her confession came after we obtained an extraordinary confidential memo, written by her, from ITT's files. The memo suggested strongly that the settlement was made in exchange for ITT's pledge of cash support for the Republican convention.

Mrs. Beard also told us that the day after we confronted her with the memo, ITT security men from New York shredded many of her office files because they feared the papers might be subpoenaed when the memo became public.

Mitchell would not discuss the matter with us. John Hushen, a Justice Department spokesman, told us there was "no truth" to Mrs. Beard's story. He acknowledged, however, that Mitchell had spoken to Mrs. Beard at the governor's mansion.

We gave Hushen specific questions to ask the Attorney General. But four hours later, after conferring with Mitchell, he called us back without the answers.

Instead, he urged that we withhold our story on Mrs. Beard's version of events until, as Hushen put it, "we get all our ducks in a row." He said Mitchell would "prove" the falsehood of Mrs. Beard's incriminating memo, but three days later, no proof had appeared.

Big Republican names

The June 25, 1971, memo is studded with such big Republican names as President Nixon, Mitchell, California Lt. Gov. Ed Reinecke, San Diego Congressman Bob Wilson, White House aide Bob Haldeman and H. S. (Hal) Geneen, ITT's president.

It is addressed to W. R. "Bill" Merriam, manager of ITT's Washington office. "I thought you and I had agreed very thoroughly that under no circumstances would anyone in this office discuss with anyone our participation in the Convention, including me," Mrs. Beard wrote.

"Other than permitting John Mitchell, Ed Reinecke, Bob Haldeman and Nixon (besides Wilson, of course) no one has known from whom that 400 thousand commitment had come . . . John Mitchell has certainly kept it on the higher level only, we should be able to do the same. . . .

"I am convinced, because of several conversations with Louis (Nunn) re Mitchell that our noble commitment has gone a long way toward our negotiations on the mergers eventually coming out as Hal (Geneen) wants them. Certainly the President has told Mitchell to see that things are worked out fairly. It is still only McLaren's mickey-mouse we are suffering

"If (the convention cash) gets too much publicity you can believe our negotiations with Justice will wind up shot down. Mitchell is definitely helping us, but cannot let it be known. Please destroy this, huh?"

Kleindienst duplicity

Not only Kleindienst, but his boss, outgoing Atty. Gen. John Mitchell, has now been linked to the settlement. Mitchell had officially disqualified himself from the case because of an old relationship with ITT. Yet Dita Beard, the company's top lobbyist, has now acknowledged that she arranged the settlement with Mitchell in a private conver-