

Nomination Held Up Charge Denied By Kleindienst

WASHINGTON (AP) — Acting Atty. Gen. Richard G. Kleindienst swore today that at the time of a settlement of antitrust suits against the International Telephone and Telegraph Corp. he had no knowledge that a subsidiary of the giant conglomerate had made any offer to help finance next August's Republican National Convention.

Kleindienst's nomination to succeed John N. Mitchell as attorney general is pending before the Senate.

He was the first witness as the Senate Judiciary Committee opened hearings into charges relating to the antitrust case against IT&T that was settled out of court last July 31.

HE ALSO told the committee that he never talked to Mitchell, whose resignation became effective yesterday, about any aspect of the antitrust case.

Kleindienst, as he testified, was flanked on one side by Felix Rohatyn, a New York financier and an ITT director, and on the other side by federal Judge Richard W. McLaren of Chicago, former head of the Justice Department's antitrust division.

He testified to a series of meetings with Rohatyn beginning in April of last year and said that at Rohatyn's request he arranged for an economic presentation by ITT to McLaren of the consequences if the government required the company to divest itself of the Hartford Fire Insurance Co.

Kleindienst said that subsequently Rohatyn complained to him about what he called McLaren's "hard, stringent, inflexible attitude" toward reaching a settlement, but Kleindienst said he refused to relate these conversations to McLaren.

HE SAID he told Rehatyn that any settlement was a matter to be worked out between the officials of ITT and the Justice Department's antitrust division.

Rohatyn and McLaren, both of whom were also placed under oath, testified as did Kleindienst that they never had any discussion of the case with Mitchell.

ROHATYN said that he felt the settlement was a very punitive and harsh one and also said that Kleindienst did not participate in the negotiations.

Sen. Philip A. Hart, D-Mich., noted that last December Kleindienst had written a letter to Democratic National Chairman Lawrence O'Brien saying that the settlement had been handled and negotiated exclusively by McLaren.

Hart said a reader of that letter might not understand that there had been "a degree of contact, discussion and presence by Mr. Kleindienst."

ROHATYN replied that the only meeting in which Kleindienst's presence could be felt was one large meeting in

McLaren's office in which the economic consequences of the government suit were discussed.

He added that he considered that Kleindienst was as passive a participant as one could be in that meeting.

Hart, after listening to the testimony of the witnesses, commented that "the tragedy of this is that 90 per cent of the people who read about it in the papers or listen to this story will not believe it."

He added that it was "one more chapter in the story of why the people lack faith in government."

Kleindienst said he wished to declare categorically and specifically that until sometime in December of 1971 he did not have any knowledge of reports that an ITT subsidiary had pledged to underwrite in part the cost of the GOP National Convention.

Kleindienst asked the committee to let him testify in reply to charges made by columnist Jack Anderson.

Anderson wrote in his columns that a highly favorable settlement of antitrust suits against ITT was made last July after a subsidiary of the conglomerate pledged up to \$400,000 to help defray costs of the GOP convention.

JACK ANDERSON was seated in the hearing room as Kleindienst testified.

At the outset, committee chairman James O. Eastland, D-Miss., said the hearing has been called at Kleindienst's request, and Kleindienst expressed his appreciation at being given an opportunity to deny what he called charges "that I influenced the settlement for partisan political reasons."

He told the committee members, who approved his nomination unanimously a week ago, that he did not want to be confirmed by the Senate "with a cloud over my head, so to speak."

He also said that he would not want to be confirmed if senators had any substantial doubt that he had engaged in any improper conduct.

KLEINDIENST, who has been the deputy attorney general for the last three years, said that he became involved in the ITT case at all only because Mitchell had disqualified himself since his former law firm in New York had represented certain ITT subsidiaries.

He testified that he, rather than Mitchell, signed and authorized the filing of the Justice Department's antitrust suits in 1969 seeking to prevent the acquisition by ITT of the Hartford Fire Insurance Co., and Canteen Corp. and the Grinnell Corp.

He testified that other than routine he had no further contact with the case until in April 1971 when Rohatyn called and asked for an appointment to discuss the economic consequences if ITT were forced to divest itself of Hartford Fire Insurance.