

Griswold Terms Accords On I.T.T. Victory for U.S.

NYTimes

By FRED P. GRAHAM

MAR 9 1972

Special to The New York Times

WASHINGTON, March 8—Solicitor General Erwin N. Griswold told the Senate Judiciary Committee today that if the Government had not settled its three anti-merger suits

against the International Telephone and Telegraph Corporation, it would, he believed, have lost all three of them in the Supreme Court.

Mr. Griswold, a former dean of the Harvard Law School, termed the settlements "a very substantial victory for the Government."

He said that he had agreed to an appeal to the Supreme Court against I.T.T. to test the Justice Department's theory that conglomerates could be broken up under the present law. He added that if the Court had rejected that theory, it might have spurred needed Congressional action to control the expansion of huge conglomerates.

Confronted with a statement in a letter by I.T.T.'s lawyer, Lawrence E. Walsh of New York, that there was a "high probability" that the Government would succeed in the high court, Mr. Griswold replied, "It is a view with which I disagree."

He also said that he could not remember the last time the Justice Department had lost an antimerger case in the Supreme Court, but he said that the Justices had never reviewed

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such a case concerning a conglomerate company.

Mr. Griswold's appearance as a surprise witness came at the end of the fourth day of hearings into allegations that the Justice Department settled the three antimerger suits last July on terms favorable to I.T.T. in exchange for a large contribution by an I.T.T. subsidiary to the 1972 Republican National Convention in San Diego.

Acting Attorney General Richard G. Kleindienst requested the hearings after it had been alleged that he misled the public by announcing that he had played no role in the handling or negotiations of the settlement.

Today, an outburst of temper by Richard W. McLaren, chief of the Justice Department's antitrust division when the Government terminated the cases and now a Federal judge, punctuated his third day on the witness stand.

His voice rising, Judge McLaren protested questions by Senator John V. Tunney of California. "You're attacking my judgment," he said. "I think it's an outrage. You know how the decision was made—and there was no hanky-panky about it, either."

The former antitrust chief, who is now a Federal district judge in Chicago, charged that some Senators were picking at minor inconsistencies in testimony rather than examining the merits of the "outstanding" settlement.

Under it, I.T.T. won its major point by keeping the \$1-billion Hartford Fire Insurance Company, plus a portion of the Grinnel Corporation, which



Associated Press

Solicitor General Erwin N. Griswold said he approved I.T.T. settlement.

manufactures plumbing supplies. It agreed to sell the Canteen Corporation, a food vending company, plus the fire equipment division of Grinnel, and made other concessions.

The present controversy erupted after the columnist Jack Anderson had published a memorandum written by I.T.T.'s Washington lobbyist, Mrs. Dita D. Beard, linking the company's "noble commitment" of some \$400,000 to the Republican convention to a favorable settlement of the cases.

Today the committee excused, subject to possible recall, its three initial witnesses—Mr. McLaren, Mr. Kleindienst and Felix G. Rohatyn, the I.T.T. director who persuaded the Justice Department to settle the cases. Tomorrow, the first witness will be Mr. Anderson.

Mr. Kleindienst laced his tes-

timony today, with sarcasm insisting that the denials and explanations offered by the three witnesses had answered questions about the settlements. Referring to earlier testimony that Mrs. Beard was sometimes mentally confused and a heavy drinker, Mr. Kleindienst said, "The only implication is in a memorandum written by a poor soul—it's just a sad situation."

Questioned about Judge McLaren's disclosure yesterday that he had worked through Peter M. Flanigan, a White House aide, to arrange for an independent analysis of I.T.T.'s "hardship" plea for a settlement, Mr. Kleindienst rejected implications that there had been anything questionable about the procedure.

"I'm not in a prophylactic sack with respect to the White House," Mr. Kleindienst said, adding that his job involved talking constantly with White House aides.

Although Judge McLaren had testified earlier that he did not recall discussing the I.T.T. case with Mr. Flanigan, Mr. Kleindienst disclosed today that he knew at the time that Judge McLaren had asked the White House economic advisor to hire Richard J. Ramsden of New York to make the analysis. It was not made clear how Mr. Kleindienst knew this.

10 More Witnesses

Mr. Flanigan's name was on a list of 10 witnesses that was drawn up today by members of the committee and submitted to chairman James O. Eastland, the committee chairman. Senator Tunney told reporters later that Mr. Eastland had agreed to hear these witnesses, along with at least a half-dozen others who had already been scheduled to testify—indicating that the hearings could continue for

two weeks more and perhaps longer.

It was learned that Mr. Flanigan would be "invited" to testify, which would permit him to demur without having to invoke executive privilege. The others will be "called" which is the Judiciary Committee's euphemism for informing a witness that he will be subpoenaed if he does not come willingly.

These witnesses are Harold S. Geneen, president of I.T.T.; W. R. Merriam, head of I.T.T.'s Washington office; John Ryan, his deputy; Representative Bob Wilson, San Diego's Republican Representative, who dealt with I.T.T. concerning the convention money; Lieut. Gov. Ed Reinecke of California; Edgar Gillenwaters, Mr. Reinecke's assistant; Mr. Walsh, Mr. Ramsden and Dr. Victor L. Liszka, Mrs. Beard's physician.

Dr. Liszka delivered some of

the most dramatic testimony of the hearings when he pictured Mrs. Beard as a person whose mind was occasionally "distorted and irrational" because of her heart ailment and consumption of alcohol and tranquilizers.

Yesterday the Justice Department informed the committee

that Dr. Liszka had been investigated and cleared of charges of making Medicare overcharges, but that similar charges against his wife would be presented to a Federal grand jury next week. Mr. Kleindienst said "no deal" had been made by the Justice Department for his testimony.