

Anti-Kleindienst

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WASHINGTON — Southern conservatives are joining Democratic liberals in the Senate to try to force President Nixon to make a choice between letting a White House aide testify on the ITT case or see Richard Kleindienst's nomination as attorney general fall by the wayside.

The liberal-conservative Democratic coalition — led by Sen. Sam Ervin (D-N.C.) — would provide sufficient votes to prevent Senate action on the Kleindienst nomination, clouded by administration dealings with International Telephone and Telegraph Corp.

"The name of the game up here is negotiation and compromise," said Sen. Hugh Scott, the GOP leader who, along with other Senate sources, held out hope that Nixon might permit aide Peter Flanigan to testify before the Senate Judiciary Committee.

Protected

In a formal letter to the committee yesterday, White House counsel John Dean III, said Flanigan was protected by executive privilege and "cannot accept the committee's invitation to appear."

It was Flanigan who provided an outside financial expert whose analysis led to an out-of-court settlement of antitrust cases against ITT. Administration witnesses deny the settlement was connected with a \$400,000 ITT guarantee for the GOP convention in San Diego.

The outside consultant, Richard Ramsden, advised the Justice Department Antitrust Division that a court settlement of the antitrust cases could be too severe an economic blow to ITT. At the time Flanigan hired him, Ramsden was administrator of a trust fund that included \$200,000 in ITT stock.

Ervin lost yesterday on a 6 to 6 Judiciary Committee

ITT's Social Set

WASHINGTON — (UPI) — According to ITT's No. 2 man in Washington, neighborhood socializing in the suburbs was a key factor in the biggest corporate merger in history.

John Ryan, deputy director of International Telephone and Telegraph's local office, told Senate investigators yesterday how he approached Richard G. Kleindienst last spring at a neighborhood party in McLean, Va.

Kleindienst, now President Nixon's nominee for attorney general, was at the time of the party an assistant attorney general, and the Justice Department was then considering a big anti-trust suit against ITT.

Ryan said he was not then well briefed on ITT's anti-trust problems, but was aware of the hardship ITT

would feel if forced to divest Hartford Fire Insurance Co.. one of its holdings.

"What did you say to Mr. Kleindienst?" asked Sen. Edward M. Kennedy (D-Mass.).

"Oh, I might have said, 'Gee whiz, you're hard on us' — party talk, you know, party talk, nothing serious."

Later, Ryan said — at yet another party after he had been briefed on the anti-trust case by his New York superiors — he said he might have "come on a little strong, a little evangelical," with Kleindienst.

Ryan said he told Kleindienst then he thought the Justice Department was "being unfair" and was using ITT as a "guinea pig" for a new anti-trust theory — that bigness itself was anticompetitive and therefore illegal.

Ryan said he asked Kleindienst if he would listen to an economic argument by an ITT expert.

"Well, the door is always open," Ryan quoted Kleindienst as replying. "If you have an expert who can explain this, have him contact us."

Ryan said he relayed that information to ITT Vice President E. J. Gerrity in New York.

In mid-April of 1971 ITT director Felix Rohatyn met privately with Kleindienst. This meeting, Kleindienst has said, "set in motion" a series of events that led the department to settle its anti-trust case out of court, letting ITT retain Hartford, sell off some other assets and confirming the biggest corporate merger in U.S. history.



PETER FLANIGAN

Key to Kleindienst fate
—AP Photo

vote a move to have Flanigan subpoenaed.

But the importance of the vote was overshadowed by support Ervin picked up in his demand for Flanigan by

other Senators who have so far supported Kleindienst.

"I'm with Sam on this," said Sen. Russell Long (D-La.), who until now has favored the conservative Kleindienst as successor to John Mitchell.

In Flames

"I doubt very much if Kleindienst is going to be confirmed if Flanigan doesn't testify," Long said. "Flanigan might have been the fixer in this deal and we have a right to find out what he said to these people — not the President — but people not involved in executive privilege.

"But I'm also inclined to think that Nixon is not going to let that man go down in flames just to protect a White House aide."

Ervin also picked up backing from another important

conservative — Sen. Robert Byrd (W. Va.), the assistant Democratic leader, who also was a backer of Kleindienst. "It's vital that we know what Flanigan had to say to Ramsden," Byrd said.

Long and Byrd reflect grumblings from voters back home who may favor a conservative attorney general but have grown increasingly suspicious about the administration deal with ITT.

Coalition

By joining Ervin in a filibuster on a constitutional issue — Congress vs. the executive branch — the Senate conservatives could block the nomination of Kleindienst, which also would satisfy the Senate liberals.

Withdrawal

If that happens, Nixon will be faced with retaining Kleindienst in a position as acting attorney general or withdrawing the nomination prior to taking to the campaign trail this fall.

On the other hand, Nixon could permit Flanigan to tell his story to the committee in open session. But there is no way of knowing whether Senator Edward Kennedy (D-Mass.) has additional evidence to confront Flanigan other than previous testimony that he was the "conduit" in the ITT affair.

Flanigan, Nixon's liaison man with big business, has been attacked by other senators for his role in calling off federal regulatory agencies attempting to crackdown on a variety of corporations.

"The White House will have to do something," Scott said. "But I have no way of knowing what they are going to do."