

ITT Proposal

'Settled Case'

ST. LOUIS—(AP)—Most of the terms of an out-of-court settlement that ended three federal antitrust cases against International Telephone and Telegraph Corp. last year were first proposed by the company, the St. Louis Post-Dispatch said today in a dispatch from its Washington bureau.

The newspaper said that documents it has obtained, but which are held confidential by the Justice Department, indicate an ITT proposal in November, 1970, included four of the six key provisions of the final settlement.

The Justice Department and ITT have characterized the settlement as harsh and severely limiting the company's potential, the Post-Dispatch said.

Doubt Noted

"Disclosure that the major points of the final settlement were advanced initially by ITT casts doubt on these contentions that the settlement was a harsh one from the company's point of view," the newspaper said.

One of the two provisions in the final settlement not proposed by the company was called a matter of secondary importance by an ITT attorney this week, the newspaper said.

Another addition to the final settlement was the divestiture of Avis - Rent - a - Car, and the Post-Dispatch said that provision was described by some financial analysts as a matter of questionable importance.

Under Probe

The Senate Judiciary Committee is investigating the settlement, announced last July, to determine if there is a relationship with ITT's pledge of \$400,000 in financial support to the 1972 Republican National Convention.

The Post-Dispatch said the Senate committee has asked the Justice Department at least twice to provide a number of documents pertaining to the settlement, including the ITT proposal. The Justice Department has refused to surrender the documents "as a matter of departmental policy," the newspaper said.

The Post-Dispatch said documents it has obtained indicate that Ephraim Jacobs, an attorney for ITT, delivered a settlement proposal to the Justice Department on Nov. 23, 1970.

The Proposal

That proposal, the Post-Dispatch said, called for divestiture of major parts of the Canteen Corp., all domestic operations of Levitt & Sons, Inc., and all insurance operations except Hartford Fire Insurance Co.

The Post-Dispatch said the proposal also included a plan to guard against reciprocity dealings among ITT subsidiaries and other companies that would exclude normal competition for ITT's business.

The newspaper said Jacobs followed with a letter two days later "to sweeten the divestiture proposal" by offering to give up all of Canteen and a major part of Grinnell Corp.