

## Flanigan Letter

# New Statement On ITT Case

### Washington

Presidential aide Peter M. Flanigan informed the Senate Judiciary Committee yesterday by way of a letter that he had told Richard G. Kleindienst that the International Telephone and Telegraph Corp. had found an anti-trust settlement proposed by the Justice Department to be unacceptable.

Flanigan also said in his letter that Kleindienst, then deputy attorney general, was present in the office of Richard W. McLaren, former chief of the Justice Department's antitrust division, when a financial report was submitted that led to the out-of-court settlement of three antitrust suits against ITT.

Senator Edward M. Kennedy said the Flanigan statements, supplied in answer to questions submitted by the committee, raised further questions about how deeply Kleindienst was involved in the settlement of the antitrust cases as well as about his earlier testimony before the judiciary committee.

### POSITION

Throughout his testimony before the judiciary committee, Kleindienst, nominated by President Nixon to be attorney general, has maintained that he was not directly involved in the ITT case and that the settlement was worked out by McLaren. He also maintained that he had no contact with the White House about the case.

tive privilege to discuss in his public testimony.

### DISCLOSURE

In his letter, Flanigan disclosed that shortly before the antitrust suits were settled, he informed Kleindienst that ITT found the settlement proposed by the Justice Department too tough and would fight it in the courts.

Flanigan said that the ITT case had come up "in a collateral manner" when Felix G. Rohatyn, an ITT director, visited him on June 29, 1971 "to discuss the current situation of the securities market" in his capacity as chairman of the surveillance committee of the New York Stock Exchange.

Shortly before leaving, Flanigan said, Rohatyn "asked if I was aware of a settlement proposal by the antitrust division for the ITT suits."

"I replied that I was not aware of it," Flanigan continued. Rohatyn indicated his belief that the proposal was so tough as to be unacceptable to the company and that the company would fight the suits in court. I replied that this was a matter for ITT and the anti-trust division."

### FOLLOW - UP

A couple of days later, "in a discussion on an unrelated matter" with Kleindienst, Flanigan said, "I passed on to him the Rohatyn comment and my reply."

The Flanigan letter could further complicate how the judiciary committee proceeds with the Kleindienst nomination, submitted last February 15 by the President.

The judiciary committee last Thursday completed six weeks of hearings into whether the settlement of linked to an ITT pledge of a the anti-trust cases was contribution to the Republican national convention in San Diego and whether Kleindienst had a role in the settlement.

The committee is scheduled to meet in executive session tomorrow to determine whether to reaffirm its earlier recommendation that the Senate confirm Kleindienst as Attorney General.

N.Y. Times Service

At one point, under questioning by Kennedy, Kleindienst said he was aware that Flanigan had asked Richard J. Ramsden, a New York financial consultant, to analyze ITT's financial situation if the antitrust suits were pressed and that he "also was aware" of it when the Ramsden report was submitted to McLaren. But, Kleindienst went on to say, "I had no conversation with Flanigan though."

Flanigan, who had testified before the committee last Thursday, sent the committee the two-page letter to answer written questions submitted by the committee on some points that he refused on grounds of execu-