

Hill Panel

Discloses

ITT Data

Antitrust Case Influence Noted In SEC Memos

3/20/73

By Laurence Stern

Washington Post Staff Writer

In defiance of the administration, a House subcommittee yesterday made public a mass of confidential government memoranda suggesting that top aides to President Nixon helped the International Telephone and Telegraph Co. in a controversial antitrust suit.

House Commerce Committee Chairman Harley Staggers (D-W. Va.) released more than 70 pages of internal Securities and Exchange Commission work papers, saying that SEC Chairman G. Bradford Cook had offered "no compelling reason" to back up the agency's demand that the material be kept under lock and key.

The antitrust case centered on ITT's campaign in 1970 and 1971 to preserve its merger with the \$2 billion Hartford Fire Insurance Co.

The memoranda were hurriedly dictated and hand-scribbled by SEC investigators just before the corporate files upon which they were based were hauled off by truck to the Justice Department in 34 cartons a month before the 1972 presidential election. Former SEC chairman William J. Casey told the Staggers subcommittee in December that he sent the files to Justice three days after discussing the matter with White House counsel John Dean.

The ITT papers, which were first disclosed over the weekend by columnist Jack Anderson, allude to a series of meetings between ITT officials and former Attorney General John N. Mitchell, former Commerce Secretaries Peter G. Peterson and Maurice H. Stans, and White House aides John D. Erlichman and Charles W. Colson,

as well as payments to the Texas law firm of Treasury Secretary John B. Connally.

The chief target of the ITT campaign was former Justice Department antitrust chief Richard McLaren, who had filed a series of antitrust actions against the conglomerate, one of which would have dissolved the merger with Hartford.

As the case turned out, the Justice Department finally agreed to ITT's keeping control of Hartford while divesting itself of other holdings.

See ITT, A6, Col. 2

ITT, From A1

McLaren was made a federal judge. Among the contacts to which the memoranda allude are:

- A thank-you letter to Vice President Spiro T. Agnew on August 7, 1970, for assistance in connection with ITT meetings with McLaren as well as with then-Attorney General Mitchell. The precise nature of Agnew's alleged intervention is not made clear.

- Reported assurances by Mitchell to ITT board chairman Harold S. Geneen that President Nixon was not opposed to the ITT-Hartford merger. Mitchell, in testimony to the Senate Judiciary Committee last April, said: "The President has never talked to me about any antitrust case that was in the department."

- An ITT letter to then-Treasury Secretary Connally on April 27, 1971, expressing appreciation for Peterson's willingness to see Geneen and voicing Geneen's belief that Peterson and Connally were "instrumental" in delaying McLaren's submission of the antitrust case to the Supreme Court.

The confrontation between Staggers' Commerce investigating subcommittee and the SEC has been building up since last October, when the agency shipped its files to the Justice Department rather than produce them to the subcommittee.

On Dec. 14 former SEC Chairman Casey appeared before the subcommittee in response to Staggers' demand that he produce the digest that SEC staff investigators frantically prepared when

they learned all the files were going to Justice last Oct. 4. The summaries, typed from hurried dictation, were full of misspelled names and other minor garbles.

Staggers said his subcommittee's decision to release the material was made "in the underlying interest of the public in having full and complete information on the operation of its government." He indicated that the subcommittee intends to take further action on the material.

ITT is now the focus of investigations in both houses of Congress. The Senate Foreign Relations Subcommittee on Multinational Corporations today will begin a two-week series of hearings on alleged covert political activity by the conglomerate to block the election of Chilean President Salvador Allende and subsequently to promote economic collapse in the country.

As in the antitrust case there are a large number of documented contacts between ITT officials and top members of the Nixon administration in the Chile case. Some congressional investigators are pursuing the theory that ITT pledges in 1972 of up to \$400,000 to finance the Republican National Convention were related to favorable administration action on both matters.

Soviet Sees Robots On Mars Soon

MOSCOW, March 19 (UPI)

—The Soviet Union will soon land robots on Mars to explore the planet, a leading space scientist said today.