

An Explanation: Nixon, I.T.T. and Milk Case

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The nature of the House Judiciary Committee's impeachment hearings is changing this week.

During eight days of closed hearings last month on the Watergate burglary and its aftermath, much of the evidence presented to committee members was contradictory. The committee's principal job was to decide which material to believe and which to discard.

The panel turned its attention today to whether impeachable offenses arose from the relationship between the White House and the International Telephone and Telegraph Corporation and milk producers.

Few of the facts about President Nixon's role in these cases are in dispute. Here, it will be up to the committee members to pass judgment on the President's motives for the decisions he admittedly made and the actions he unquestionably took.

A new element was added yesterday to the inquiry into the I.T.T. and milk cases when Charles W. Colson pleaded guilty to one unrelated count of obstruction of justice and agreed to cooperate with the authorities.

Mr. Colson had direct dealings with I.T.T. officials and milk producers. His testimony, expected at a later stage of the committee's proceedings, could provide new evidence.

Furthermore, Mr. Nixon, has refused to supply the committee with tapes of 46 conversations allegedly concerning the milk case and 20 conversations supposedly about the I.T.T. case. Some, if not all, of these tapes are likely to be subpoenaed.

Nonetheless, a great deal of information on the two cases is already on the public record.

What follows, based on public testimony and position papers released by the White House in January, is an explanation of the questions the Judiciary Committee

try to resolve and a description of what is known about the President's part in the two cases.

I.T.T.

There are three basic questions concerning Mr. Nixon's relationship with I.T.T.:

Did the President order a settlement of antitrust suits favorable to the corporation in return for a promise of a large campaign contribution?

Did the President obstruct investigations of I.T.T. by the Senate Judiciary Committee or the Securities and Exchange Commission?

Did the President influence a 1969 tax ruling by the Internal Revenue Service that was highly favorable to I.T.T.?

Experts who have been following the I.T.T. case believe that there is insufficient evidence to prove that the antitrust settlement resulted directly from an I.T.T. pledge of up to \$400,000 to finance the 1972 Republican National Convention.

Last week, Leon Jaworski, the special Watergate prosecutor, said that his investigation had turned up no "Federal criminal offenses by I.T.T. executives." Although he said nothing about offenses by government officials, his statement was understood to have disposed of an allegation of a connection between the antitrust settlement and the campaign pledge.

That allegation arose from a memorandum written by Dita S. Beard, an I.T.T. lobbyist, in June, 1971, to the head of the conglomerate's Washington office.

Subsequent Developments

Publication of the memorandum by Jack Anderson, the columnist, in February, 1972, set in motion a series of developments. Even if the allegation itself is unproved, the subsequent developments could pose problems for the President.

Following publication of the memorandum, Richard G. Kleindienst asked the Senate Judiciary Committee to reopen hearings on his nomination as Attorney General.

During the renewed hearings,

Mr. Kleindienst, who had been in charge of the Justice Department's dealings with I.T.T., repeatedly said under oath that he had never communicated with the White House on the case or received any instructions from the President.

He and Mr. Nixon have since both acknowledged that, in April, 1971, Mr. Nixon did, in fact, call Mr. Kleindienst and order him not to pursue one of the antitrust suits, an order that was rescinded two days later.

Mr. Kleindienst pleaded guilty last month to a misdemeanor charge of refusing to answer questions "accurately and fully" at the hearings.

Mr. Nixon has said that he issued the first order because the Government's suit was not in keeping with his antitrust policy.

The Judiciary Committee is faced with the question of why the President did not take positive action to set the record straight when Mr. Kleindienst and others, including former Attorney General John N. Mitchell, perhaps lied to the committee about matters with which Mr. Nixon was familiar.

The tax ruling with which the committee is concerned permitted shareholders in the Hartford Fire Insurance Company to exchange their stock for I.T.T. stock without an immediate capital gains tax. Last March, the Internal Revenue Service revoked the ruling.

The original ruling was given in seven days, and even I.T.T. lawyers regarded it as "unprecedented," giving rise to allegations of political pressure.

Milk

The issue in the milk case is more direct. Did the President order an increase in Government price supports for milk because dairy cooperatives had pledged \$2-million to his reelection campaign? In other words, did the President take a bribe, an offense specified by the Constitution as being impeachable?

In a statement last January, the White House conceded that Mr. Nixon knew of the pledge at the time he overruled his Secretary of Agriculture and

directed the higher price supports in 1971. The President also acknowledged that political considerations were paramount in his decision. But the political considerations, he declared, were that Congress would have raised the price supports if he had not done so and he wanted to take credit for the increase so as to gain votes in farm states.

On March 12, 1971, Secretary of Agriculture Clifford M. Hardin, announced that milk price supports—the price at which the Government is obligated to buy milk products—would not be raised.

Eleven days later, on March 23, Mr. Nixon met with top advisers, and, after being urged to do so by John B. Connally, the Treasury Secretary, agreed to order higher price supports.

The Judiciary Committee has a tape of that meeting that might shed light on the President's motives.

The announcement of the President's decision was withheld for two days, and there have been allegations that it was put off to give the dairy cooperatives time to raise some money to show their good faith.

On the night of March 23, officials of American Milk Producers, Inc., had a series of meetings, and the next day a sum of money was contributed to a Republican fund-raising dinner.

Also on March 24, according to a memorandum prepared by the staff of the House Judiciary Committee based on material in the committee's files, dairy cooperative officials were asked by the White House to reaffirm their \$2-million "commitment." The dairy officials, the memorandum stated, did so.

The staff of the Senate Watergate committee, in a report distributed last week, concluded that there was a direct link between the price support decision and the campaign pledge.

In American politics, the line between a legitimate campaign contribution and an outright bribe is often hazy, but it is a distinction that the Judiciary Committee will be required to make in the milk case.