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Casey Testimony on Shift Of I.T.T. Files Is Disputed

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WASHINGTON, June 6—Ralph E. Erickson, a former Deputy Attorney General, gave an account today of the hurried transfer of files of the International Telephone and Telegraph Corporation from the Securities and Exchange Commission to the Justice Department last October that was totally at variance with an account given the same Congressional subcommittee by William J. Casey, a former S.E.C. chairman.

The two versions were, in fact, so irreconcilable that members of the House Commerce subcommittee on investigations indicated in their questioning that they were now confronted with questions of possible perjury and falsification of records.

Emphasized in Talks

At a hearing last Dec. 14, Mr. Casey, who is now Under Secretary of State for Economic Affairs, repeatedly told the subcommittee that 34 boxes of I.T.T. files, plus a manila folder containing 13 "politically sensitive" documents, were transferred to the Justice Department on Oct. 6, 1972 because the Justice Department had requested them.

Today Mr. Erickson insisted that the Justice Department had not requested the transfer. In fact, Mr. Erickson said, he had emphasized in conversations both with John W. Dean 3d, the then White House counsel who has since been dismissed, and with Mr. Casey that the Justice Department saw no need for the files in connection with an investigation it was then conducting.

Reached in Paris, Mr. Casey,

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said that Mr. Erickson's statement "is not true."

Mr. Casey added that, last October, Mr. Erickson, in a letter to Representative Harley O. Staggers, Democrat of West Virginia who is chairman of the House subcommittee, stated that Mr. Erickson had asked that the I.T.T. files be sent to the Justice Department.

In the hearing today, when asked about this letter, Mr. Erickson conceded that he had written and signed such a letter but should have not said he requested the files but that he had accepted them from Mr. Casey.

The investigation that the Justice Department had been carrying on was requested last June by the Senate Judiciary Committee and was concerned with possible perjury by witnesses during the hearings on the nomination of Richard G. Kleindienst to be Attorney General.

The resumed hearings in March and April had been requested by Mr. Kleindienst following publication by Jack Anderson, the columnist, of the memorandum by Dita Beard, I.T.T. lobbyist in Washington, to her superior, William R. Merriam, a vice president and the head of I.T.T.'s Washington office. In that memo, Mrs. Beard suggested that a pledge of up to \$400,000 for the Republican Presidential convention, then planned for San Diego, had influenced a settlement of an antitrust suit by which I.T.T. was allowed to retain the Hartford Fire Insurance Company in return for the divestiture of several other companies.

Concurrently with the Justice



Associated Press
Ralph E. Erickson

Department investigation, the S.E.C. was continuing to look into possible violations of law and regulations connected with the I.T.T.-Hartford merger. As a result of that investigation, the S.E.C. had, the preceding June, obtained a ~~court~~ injunction against some I.T.T. officers because of insider trading.

The hearings by the House Commerce subcommittee last December resulted from Mr. Casey's refusal to honor two requests on Sept. 21 and 27 of Mr. Staggers to let the subcommittee see the I.T.T. files.

At the hearing Mr. Casey testified that he knew the commission would have to turn over the files if the subcommittee subpoenaed them. Therefore, he said that he conferred on Oct. 3 with Mr. Dean at the White House who agreed

the files should not be turned over. On Oct. 4, Mr. Casey testified, the full commission, after a 10-minute meeting, voted to send the files to the Justice Department. They were dispatched early on Oct. 6.

The minutes of the Oct. 4 meeting state that the commissioners met at 3 P.M., considered "a request from the Department of Justice that the commission make available" the investigative files in the I.T.T. matter, "determined to comply with the request," and adjourned at 3:10 P.M.

At the Dec. 14 hearing, Mr. Casey said the commissioners complied with the request because, among other reasons, they felt it made sense to consolidate the investigations and disclosure of the files to Congressional committees might jeopardize the rights of possible defendants and possibly subject them to double jeopardy.

In subsequent testimony that day, however, Mr. Casey's executive assistant, Charles Seymour Whitman 3d, made plain that the principal concern of the commission was not the 34 boxes but the envelope with the 13 documents, which included I.T.T. intercompany memos and letters of I.T.T. officials detailing meetings of company officers with Vice President Agnew, former Attorney General John N. Mitchell, former Secretary of the Treasury John B. Connally and other Administration officials on the damage I.T.T. would suffer if it had to give up Hartford.

For the same reason, Mr. Casey and Mr. Whitman made plain, a request by Senator Edward M. Kennedy, Democrat of Massachusetts who is chairman of the Judiciary subcommittee on administrative procedures and practices, to see

the documents had been refused earlier.

Today Mr. Erickson, now in private practice, told a story quite different from Mr. Casey's.

He said that about 4 P.M. on Oct. 3 — the same day Mr. Casey saw Mr. Dean — he had talked with Mr. Dean at the Department of Justice. At the conclusion of the talk, he said, Mr. Dean suggested that the Justice Department might be interested in the S.E.C.'s files on I.T.T. for two reasons — first, because the materials "would be helpful" in the Justice Department's examination of the Kleindienst hearings for possible perjury, and secondly, because it was his understanding that the Justice Department had an investigation under way "which paralleled in part" the S.E.C. investigation.

"Mr. Dean also mentioned," Mr. Erickson testified, "that some of the materials compiled by the S.E.C. were of a sensitive nature and that he had at one time discussed with Mr. William Casey the possibility of invoking executive privilege with respect to these sensitive materials if that became necessary."

Confirmed Judgment

Mr. Erickson said that he told Mr. Dean "that there did not appear to me to be any basis for transferring the files to the Department of Justice," because at that time they "were not material" to the investigation of the Kleindienst hearings and further because he was unaware of any other investigation paralleling that of the S.E.C.

After Mr. Dean's departure, Mr. Erickson said, he confirmed his judgment in talks with officials in the criminal division.

About 6:20 P. M. Mr. Erickson

said, Mr. Dean called to ask what conclusion he had come to on the transfer of the files, adding that he had told Mr. Casey that he would call Mr. Erickson after the previous conversation. Mr. Erickson said his views had not changed. Thereupon, Mr. Dean advised him to call Mr. Casey, Mr. Erickson testified.

Mr. Erickson said he did so the next morning, Oct. 4, and Mr. Casey began by saying "that he understood that the Department of Justice wanted him to transfer the S.E.C.-I.T.T. files to the department."

"I responded that we had no reason to request that the files be transferred to the department; indeed I did not know what was in the files," Mr. Erickson said.

In this conversation, Mr. Erickson first indicated that the Stagers committee wanted the files, and that a determination should be made "at an early date."

At about 2:40 that same afternoon, Mr. Erickson said, he called Mr. Casey to reiterate his conclusion that there was "no basis for us to seek the transfer of the S.E.C.-I.T.T. files." Mr. Casey, he said, replied that "we should get together right away" because "apparently we did not have a common understanding of the facts."

At 3 P.M., the commissioners met and—according to the minutes—voted to accede to the Justice Department's "request" for a transfer.

Mr. Erickson said that about 3:30 P.M. Mr. Casey arrived at his office, whereupon, he said, they went through the same arguments. But, Mr. Erickson added, during this talk, "I learned for the first time that there might be a basis for an obstruction of justice charge against certain individuals."

Mr. Casey was apparently re-

ferring to two facts—first, that should get together right away" might be a basis for an obstruction of justice charge following disclosure of Mr. Anderson's possession of the Dita Beard memo, and, second, that I.T.T. had not delivered the 13 so-called sensitive memos to the Senate Judiciary Committee or initially to the S.E.C. in response to subpoena.

Mr. Erickson said he told Mr. Casey that if the S.E.C. had concluded that there was evidence of obstruction of justice, then "they may wish to refer the matter to the Department of Justice to pursue that aspect of the investigation and that we certainly would accept reference on that basis."

Finally, Mr. Erickson said, a compromise was worked out, so that the transmittal letter read: "It is agreed that it is now appropriate for the department to pursue the questions now under our limited inquiry." This referred to the investigation of perjury as requested by the Senate Judiciary Committee.

When asked today whether, at the Oct. 4 meeting, Mr. Casey had told the commissioners present that the Justice Department had requested the transfer, Commissioner A. Sydney Herlong Jr., said:

"Mr. Casey said the Justice Department had requested the files "and would we vote to give them to them, and we said yes. My memory is that we asked whether the request had been made in writing, and he said, yes."

In reply to the same question, Commissioner Hugh F. Owens said he could not recall exactly what Mr. Casey said.

"It was my recollection," Mr. Owens said, "that there was an agreement between Mr. Casey and the Justice Department that this would be the way the matter should be handled."