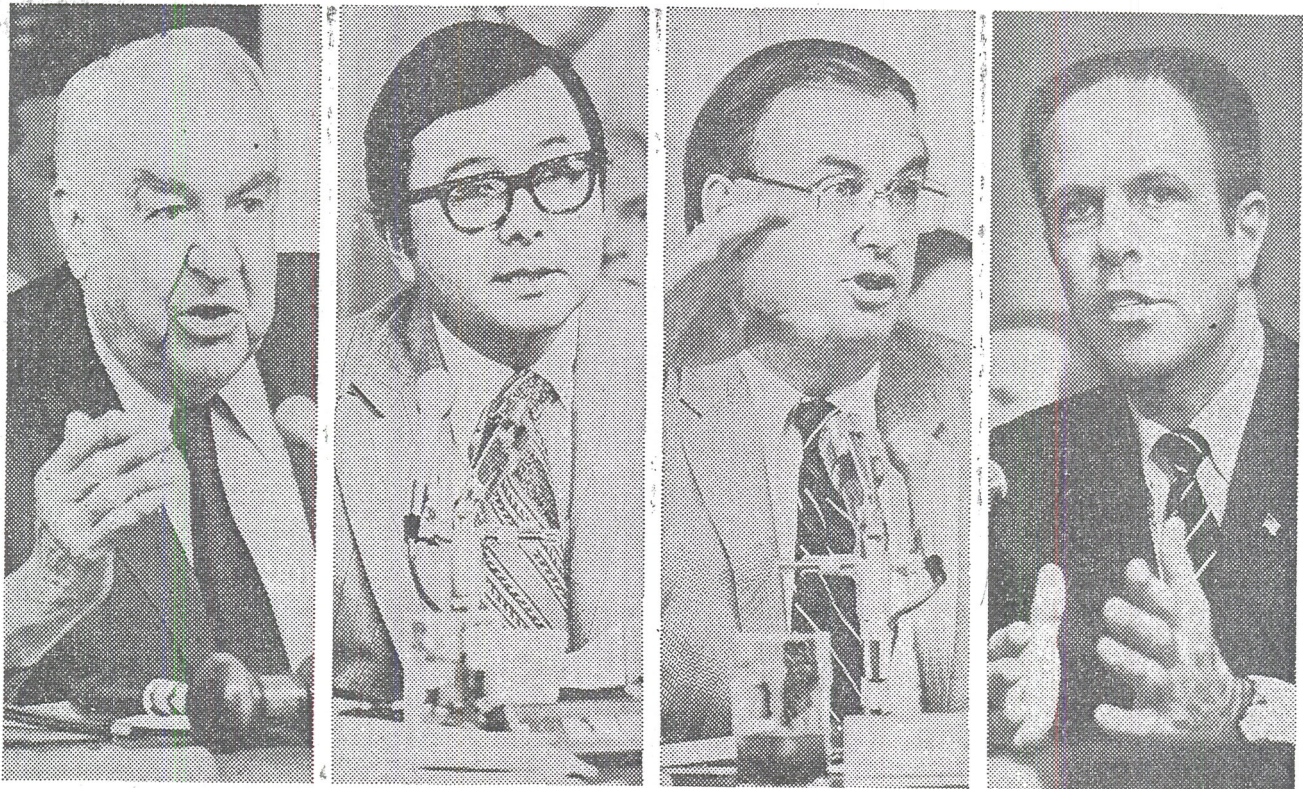


COLSON '72 MEMO WARNS RECORDS COULD 'DIRECTLY INVOLVE' NIXON IN I. T. T. TRUST CASE SETTLEMENTS



The New York Times/Mike Llen

United Press International

H. R. Haldeman, right, testifying yesterday at Watergate hearing. His interrogators included, from left, Senators Sam J. Ervin Jr., North Carolina; Daniel K. Inouye, Hawaii, and Lowell P. Weicker Jr., Connecticut.

OTHER AIDES CITED

White House Declines Comment on Senate Panel's Disclosure

8/2/73

By JAMES M. NAUGHTON

Special to The New York Times

WASHINGTON, Aug. 1—The Senate Watergate committee made public today a 1972 White House memorandum warning of the existence of documents that could, if disclosed, "directly involve the President" and other Nixon Administration officials in the settlement of a series of antitrust actions against the International Telephone and Telegraph Company.

The March 30, 1972, memorandum from Charles W. Col-

Text of the memorandum will be found on Page 18.

son, then a White House special counsel, to H. R. Haldeman, who was the White House chief of staff, said that one document had set forth a "\$400,000 arrangement" with I.T.T. to help to finance the 1972 Republican National Convention. The Colson memorandum said that the document "of course precedes the date of the I.T.T. settlement."

Other Officials Named

Among other officials cited in the Colson memorandum as having taken an active interest in the settlement of the I.T.T. cases were:

Vice President Agnew; former Attorney General John N. Mitchell and his successor, Richard G. Kleindienst; John D. Ehrlichman, the President's former domestic adviser; Richard G. McLaren, the former head of the Justice Department's antitrust division who is now a Federal judge; Erwin Griswold, the former Solicitor General, and Mr. Haldeman.

A spokesman for the White House said tonight that there would be no immediate comment on the allegations contained in the Colson memo.

"It is our consistent position that we do not discuss testi-

mony or evidence before the Senate Select Committee" investigating the Watergate case, Gerlad L. Warren, the deputy White House Press secretary, said.

Mr. Colson said in a statement that he issued tonight that his memo had merely been written to advance a "devil's advocate" position and to outline problems of appearance, as well as of fact, "in their worst context." In an earlier telephone interview, however, he said that Mr. Mitchell would have committed perjury "if he read his mail."

The Vice President and the other officials could not be reached tonight for comment.

The memorandum was produced late today at the Senate Watergate hearings — where

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the witness, Mr. Haldeman, said that he was "not familiar" with it — as part of the committee's efforts to test the credibility of testimony that Mr. Haldeman had given over the last three days.

Only two of the paragraphs in the five-page memorandum and addendum were read at the hearing, but copies of the entire document were released later.

The Nixon Administration insisted, throughout long and controversial Senate hearings that dealt with the I.T.T. settlement in 1971 and 1972, that the antitrust suits had been handled "exclusively" — as Mr. Kleindienst once testified — by Mr. McLaren.

But the memorandum, which Mr. Colson acknowledged today he had written, cited a series of internal government or I.T.T. documents that could show a broad pattern of high-level Administration involvement in the settlement.

The memo was sent to Mr. Haldeman as part of the deliberations in the White House in the spring of 1972 about strong opposition in the Senate to the nomination of Mr. Kleindienst to be Attorney General. Mr. Colson argued that the nomination should be withdrawn because of the risk of "serious additional exposure" of the incriminating documents if the controversy went on in the Senate.

1971 Memo Cited

In the addendum, Mr. Colson said that among a number of documents in the files of the Department of Justice was a "May 5, 1971, memo from Ehrlichman to the A.G. [Mr. Mitchell] alluding to discuss and the A.G. as to the 'agreed upon ends' in the resolution of the I.T.T. case and asking the A.G." whether Mr. Ehrlichman should deal with the subject with Mr. McLaren directly.

Mr. McLaren was known to have strongly favored proceeding with the cases against I.T.T., but he subsequently changed his position, insisting that no pressure had been brought to bear upon him from his superiors.

The Colson addendum also cited the existence of "a memo to the President in the same time period" and asserted that Mr. Ehrlichman's May 5 memo could "directly involve the President."

The Senate investigation into the I.T.T. settlement in 1971 and again last year, during Mr. Kleindienst's ultimately successful nomination fight, focused on allegations that he conglomerate had pledged to provide a large sum—which was variously stated to be from \$100,000 to \$400,00—to help to defray the costs of the Republican convention in San Diego.

The company had two hotels under construction in that city.

The White House and the Department of Justice denied continually a memorandum—which the columnist Jack Anderson said that he had obtained from I.T.T. files—in which Dita D. Beard, a lobbyist for the company, referred to the convention payment. Mrs. Beard later contended that the memo was fraudulent. Testimony at the Watergate hearings has alleged that she was spirited from New York to Denver to avoid giving testimony in the Kleindienst hearings.

Mr. Colson's memorandum last year warned Mr. Haldeman of grave risks that a document bearing directly on the convention agreement might become known.

It said that Herbert G. Klein, the former Director of Communications for the Administration and a one-time newspaper executive in San Diego, had written a memo to Mr. Haldeman on June 30, 1971, "setting forth the \$400,000 arrangement with I.T.T."

Mr. Colson's memo said that copies of the memo had gone to three officials interested in the convention—Mr. Mitchell, who later became the campaign director; Jeb Stuart Magruder,

the deputy director of the re-election committee, and William E. Timmons, the President's legislative aide.

Although Mr. Mitchell had testified to the Senate Judiciary Committee that he had no knowledge of arrangements for the convention and no active participation in settlement of the I.T.T. cases, the Colson memo stated:

"This memo put the A.G. on constructive notice at least of the I.T.T. commitment at that time, and before the settlement, facts which he has denied under oath."

Mr. Colson wrote that he was concerned because it could not be determined whether all of the copies of the June 30, 1971, memo were accounted for. He said that one copy "could be lying around anywhere" at the Committee for the Re-election of the President.

'All Possible Problems'

Asked today to verify the memorandum, Mr. Colson said in a telephone interview that his memo had sought to outline "all the possible problems." He said that was what "a good staff guy" was supposed to do.

But he strongly asserted that the memorandum did not substantiate, by itself, a "quid-pro-quo" arrangement with I.T.T., and that "to say that

was the reason for the anti-trust settlement is pure bull."

Mr. Colson's addendum listed the following additional documents as potential problems if they leaked out of the Justice Department files:

A memo written in April, 1969, responding to Mr. Ehrlichman's request for a "rationale for bringing the case against I.T.T. in the first place." Its authors were said to be Mr. Kleindienst and Mr. McLaren.

A memo a year later from Tod Hullin, a White House aide, advising Mr. McLaren that Mr. Ehrlichman had "discussed his meeting" with Harold S. Geneen, the I.T.T. president, in a conversation with Attorney General Mitchell. The memo said that Mr. Hullin had also suggested that Mr. Mitchell could "give McLaren more specified guidance."

A September, 1970, memo from Mr. Ehrlichman to Mr. Mitchell "referring to an 'understanding' with Geneen and complaining of McLaren's actions."

Mr. Mitchell and Mr. Geneen have both said that they had met to discuss broad antitrust policy only, without getting into the specific cases against the conglomerate.

According to the Colson

memorandum, however, "certain I.T.T. files which were not shredded" in a general destruction of documents related to the case had been turned over to the Securities and Exchange Commission.

The Colson memo said that "these files would undermine Griswold's testimony that he made the decision" to delay an appeal to the Supreme Court on a decision on one aspect of the complicated I.T.T. lawsuits.

It said, in addition, that "correspondence" from the company credited former Treasury Secretary John B. Connally and Peter G. Petersen, a one-time White House official, with having intervened to arrange the delay by Mr. Griswold.

Griswold Not Surprised

Mr. Griswold said tonight that he had never known of any involvement by Mr. Connally or by Mr. Petersen in delaying his appeal of the case, but that the statement did not surprise him.

"There was a delay," he said. "Mr. Kleindienst directed me to ask the Court for an extension of time [for filing an appeal] in order to consult with other Government agencies. I knew somebody wanted a delay, but I never figured out who."

The Colson memorandum made public today also said that Edward J. Gerrity, a vice president of I.T.T., had sent a "Dear Ted" letter to Vice President Agnew. According to Mr. Colson's account, the letter "tends to contradict John Mitchell's testimony, because it outlines Mitchell's agreement to talk to McLaren following Mitchell's meeting with Geneen in August, 1970."

Mr. Colson wrote that there was also an internal I.T.T. document—which he said the Securities and Exchange Commission had not obtained—written after "the 1970 Agnew meeting" and suggesting that "the Vice President would implement" efforts to "pressure" Mr. McLaren.

The central point of Mr. Colson's memo was that all of these documents could, if their existence became known publicly or to the Senate Judiciary Committee, assist Democrats on the committee in efforts "to get to the President" by continuing to focus on the I.T.T. case.

Apparently others in the White House or the Justice Department were arguing that the effort to confirm Mr. Kleindienst as Attorney General should be fought at least from the date of the memo—March 30, 1972—until the following June 1. But Mr. Colson said that this would only put off "the hard decision" on withdrawing the nomination and make the controversy even more volatile politically than it already was.