

ITT Pressure

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An unrelenting campaign of pressure by business lobbyists, top White House aides and the President himself led the government's chief antitrust officer to withdraw reluctantly his objections to the controversial ITT-Hartford merger in 1971.

The reversal on the multi-billion-dollar merger case has been the subject of persistent charges in Congress and elsewhere that the administration acted with political favoritism toward the International Telephone and Telegraph Co.

A House Judiciary Committee study of the ITT merger case, released yesterday, depicted a campaign of intense corporate lobbying which converged, in the final stages, on one man — Richard W. McLaren, former chief of the Justice Department's Antitrust Division.

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Critics of the administration's handling of the case have suggested that the settlement was, in effect, a quid pro quo for the convention pledge.

The Judiciary Committee study made public the transcript of a scathing telephone call in which President Nixon ordered then Deputy Attorney General

Richard Kleindienst to drop the Justice Department's appeal in ITT merger proceedings.

In an angry, five-minute exchange the President told Kleindienst:

"I want something clearly understood and, if it is not understood, McLaren's ass is to be out within one hour. The IT&T thing — stay the hell out of it. Is that clear? That's an order."

Minutes before the President's conversation with Kleindienst the Justice Department official had received a call from then Domestic Counselor John D. Ehrlichman. Kleindienst had balked at Ehrlichman's suggestion that the appeal be dropped.

It was then that the President got on the phone with his excoriation of McLaren.

"I do not want McLaren to run around prosecuting people, raising hell about conglomerates, stirring things up. . . . Now you keep him the hell out of that."

The alternative, the President insisted, would be for McLaren to resign. "I'd rather have him out anyway," he added. "I don't like the son-of-a-bitch."

The phone conversation came in the midst of a White House meeting with Ehrlichman and former Treasury Secretary George P. Shultz. In the course of the meeting the President's criticism of McLaren was even sharper.

"Good — Jesus, he's — get him out," the President exclaimed to Ehrlichman. "In one hour, one hour. And he's not going to be a judge either."

McLaren was, in fact, later appointed to a life-time federal judgeship in Chicago.

The Judiciary Committee account recites the campaign by high executive officers of ITT, including board chairman Harold Geneen, directed at virtually every top administration official who might have been of help to the communications conglomerate.

McLaren, who had been holding fast for more than a year on forcing ITT to di-

vest a number of recently acquired companies, was the chief target of the lobbying program.

The President, speaking of McLaren in the April, 1971 session at the White House, complained that "Kleindienst is busy appointing judges; Mitchell is busy doing other things, so they're afraid to overrule him. By God, they're not going to do it."

Kleindienst, instead of complying directly with the President's order to drop the appeal, got a 30-day extension for appeals action in the case. It was during this period that the framework of the settlement was reached.

The Judiciary Committee recited Kleindienst's repeated denials during his Senate confirmation hearings that he had received any White House direction in dealing with the merger case. These disavowals were contradicted by the April 19, 1971 telephone call from the President.

Only by inference did the committee touch on the question of President Nixon's silence throughout both Kleindienst and Mitchell's testimony that they never discussed the ITT cases with him.

The report noted that there was extensive news coverage of both men's testimony. The committee also said the President has not yet responded to its subpoenas for copies of his daily news summaries during the Kleindienst nomination hearings.

At issue is whether the President willfully concealed knowledge that the testimony of Kleindienst and Mitchell was untruthful as it bore on their contacts with him. Kleindienst pleaded guilty to a count of failing to testify fully and accurately to the Senate Judiciary Committee.

Presidential lawyer James D. St. Clair, in a 200-page response to the Judiciary Committee testimony, underscored the panel's failure to show a casual link between the antitrust settle-

ment and the pledge of financial support for the convention.

Despite the President's order to drop the ITT appeal, St. Clair noted, there was "no testimonial or documentary evidence to indicate that the President had any part, directly or indirectly, in the settlement of the ITT antitrust cases."

The White House counsel did not challenge the mass of affidavits, letters and transcripts that documented ITT's campaign of pressure on the White House to overrule McLaren's actions.

In the course of that campaign ITT officials questioned McLaren's party credentials as well as his loyalty to the policies of the administration.

"It was plain that McLaren's views were not, and are not, consistent with those of the Attorney General and the White House, ITT vice president Edward (Ned) Gerrity complained in an August, 1970 memo to then Vice President Agnew.

There was nothing in the committee's presentation to suggest that there was anything improper in President Nixon's intercession with Kleindienst on the merger case. The only issue, from the standpoint of presidential impeachment, could be his possible concealment of a crime—false testimony by sworn administration witnesses.

The only other major question bearing on the impeachment inquiry was whether the President was party to a bartering of anti-trust favors for the convention site pledge by ITT.

And so the principal value of the two-volume ITT study was its documentation of the interplay of private and governmental influence on what was to become the highest-priced merger case in the history of the anti-trust enforcement.

With the exception of the April 19 tape much of that evidence has already been spread before the public in congressional hearings, newspaper stories and the columns of Jack Anderson.