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NIXON GETS \$400,000

Letter shows special favors given to phone company

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WASHINGTON — We now have evidence that the settlement of the Nixon Administration's biggest anti-trust case was privately arranged between Attorney General John Mitchell and the top lobbyist for the company involved.

We have this on the word of the lobbyist herself, crusty, capable Dita Beard of the International Telephone and Telegraph Company. She acknowledged the secret deal after we obtained a highly incriminating memo, written by her, from ITT's files.

The memo, which was intended to be destroyed after it was read, not only indicates that the anti-trust case had been fixed but that the fix was a payoff for ITT's pledge of up to \$400,000 for the upcoming Republican convention in San Diego.

Confronted with the memo, Mrs. Beard acknowledged its authenticity. The next night, badly shaken and acting against the wishes of ITT officials who wanted her to leave town, she met with my associate Brit Hume at her home to try to explain the document.

By this time, she said, ITT security officers from company headquarters in New York had put most of her office files through a document shredder to prevent their being subpoenaed after disclosure of the memo.

Although the memo suggests otherwise, Mrs. Beard insisted that her deal with Mitchell was unrelated to her company's pledge of cash for the GOP convention.

She said she met with Mitchell at the Governor's mansion in Kentucky during a dinner reception given by Republican Gov. Louie Nunn last May after the Kentucky Derby.

She said Nunn, an old personal friend, had tipped her in advance that Mitchell, whom she had never met, would be present. Nunn suggested it might be a chance to discuss the anti-trust litigation, she said.

Three Suits Pending

At the time, there were three Justice Department suits pending which sought to strip ITT of several of the major companies it had acquired on the way to becoming one of America's largest conglomerate holding companies. Two billion (B) dollars hung in the balance.

Mrs. Beard said she had mentioned the upcoming meeting with

Mitchell to E.J. Gerrity, Jr., ITT's public relations chief. Just before the Kentucky Derby, she said, Gerrity told her over the phone what to bargain for with Mitchell on the anti-trust matter.

At the governor's reception, she said, Mitchell took her and Nunn aside and to her astonishment and shock, launched into an hour-long diatribe against her. He criticized her for putting pressure on the Justice Department through Congress and the White House on the anti-trust cases.

She said Mitchell knew all about how she had inspired pro-ITT speeches on the House and Senate floors. The Attorney General chastised her for using such tactics instead of meeting directly with him.

"Why didn't you come see me?" she said he asked. Mrs. Beard also quoted Mitchell as saying he had gotten pressure from President Nixon to "lay off ITT." She later softened her version of the President's instructions to: "Make a reasonable settlement with ITT."

She said Mitchell confided to her he was sympathetic to ITT but had been prevented until then from helping the company because of the zeal of the Justice Department's anti-trust chief, Richard McLaren.

After his harangue, Mrs. Beard said, Mitchell agreed to discuss the anti-trust matters and asked bluntly, "What do you want?" meaning what companies did ITT most want to keep if the anti-trust cases were settled.

"We have to have Hartford Fire because of the economy," Mrs. Beard recalled saying. (ITT had acquired the huge Hartford Fire Insurance Company in 1969 in the largest merger in corporate history.)

She said she also told Mitchell ITT wanted to keep "part of the Grinnel

Corporation," a manufacturing concern. She said Mitchell at first replied, "You can't have part of Grinnell," but he subsequently relented.

And, she said, when the Justice Department announced its settlement with ITT on July 31, more than two months later, it conformed to the agreement she had made with Mitchell.

Mrs. Beard insisted the subject of the GOP convention never came up with Mitchell and was never a factor in the anti-trust matter. But this clearly contradicts her memorandum, which was written about six weeks after the Kentucky Derby dinner.

It is addressed to W.R. (Bill) Merriam, head of ITT's Washington office. It is marked "Personal and Confidential" and its last line asks, "Please destroy this, huh?"

The memo warns Merriam to keep quiet about the ITT cash pledge for the Republican convention. "John Mitchell has certainly kept it on the higher level only," the memo says, "we should be able to do the same...."

Big Republican Names

The June 25, 1971 memo is studded with such big Republican names as President Nixon, Mitchell, California Lt. Gov. Ed Reinecke, San Diego Congressman Bob Wilson, White House aide Bob Haldeman and H.S. (Hal) Green, ITT's president.

It is addressed to W.R. (Bill) Merriam, manager of ITT's Washington office. "I thought you and I had agreed very thoroughly that under no circumstances would anyone in this office discuss with anyone our participation in the Convention, including me," Mrs. Beard wrote.

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