

KENNEDY DISPUTES KLEINDIENST VIEW ON I.T.T.'S PLEDGE

MAR 4 1972

Produces Letters Indicating
Official Knew of Company
Plan to Aid G.O.P. Parley
NYTimes

By FRED P. GRAHAM
Special to The New York Times

WASHINGTON, March 3—
Senator Edward M. Kennedy
today challenged testimony by
Acting Attorney General
Richard G. Kleindienst that he
learned of an international Tele-
phone and Telegraph Corpora-
tion financial commit-
ment to the 1972
Republican National
Convention through
news reports late last
year.

Mr. Kleindienst told
the Senate Judiciary
Committee yesterday
that he had been
unaware, until late
November or December,
that an I.T.T. subsidi-
ary had pledged up
to \$400,000 to help
underwrite the San
Diego convention.

This would have been
nearly six months
after the Government
abandoned its prosecu-
tion of three
antitrust suits
against I.T.T.

Two Letters Produced

Senator Kennedy
produced today two let-
ters intended to show
that Mr. Kleindienst
knew of the commitment
at least two months
before he said he did.
One was a letter to
Mr. Kleindienst from
Reuben B. Robertson 3d,
an associate of Ralph

Mader the consumer
advocate, asking about
rumors of a link
between the settlement
of the

suits and the financial commit-
ment. This letter was dated
Sept. 22.

The second letter was a re-
ply to the first, drafted by
Richard W. McLaren, former
head of the Justice Depart-
ment's Antitrust Division and
now a United States District
Court judge. The reply denied
any relationship between the
settlement and the commit-
ment.

In another development to-
day, Jack Anderson, the syndi-
cated columnist, quoted Edgar
Gillenwaters, an assistant to
Lieut. Gov. Ed Reinecke of Cali-
fornia, as saying that they met
with Attorney General John
N. Mitchell in his office
in mid-May, and that they told
him that I.T.T. had offered to
put up as much as \$400,000 to
support the convention in San
Diego.

Mr. Reinecke repeated essen-
tially the same story to re-
porters early today, but later
in the day his office issued a
statement saying that the
meeting with Mr. Mitchell took
place in September, and that
Mr. Reinecke spoke only of
the Sheraton Hotel Corporation,
not mentioning that it was a
subsidiary of I.T.T.

Neither Mr. Kennedy nor the
letters he produced today sug-

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gested that Mr. Kleindienst had
been implicated in an improper
deal but the assertions that he
had misled the public about his
knowledge of I. T. T.'s support
for the Republican convention
served to broaden the dispute
over the antitrust settlement.

Today, it became apparent
that the Judiciary Committee's
hearings would extend through
much of next week, and per-
haps beyond, and that Senate
confirmation of Mr. Klein-
dienst's nomination to become
Attorney General would re-
main snagged until the hear-
ings ended.

Asked by Senator Kennedy
at the hearings today to ex-
plain—in the light of the letter
by Mr. Robertson— why he
did not know of the financial
pledge, Mr. Kleindienst said:
"I have no recollection of the
letter. Letters like that are
routinely handled by my staff."

Senator James O. Eastland
added color to the proceedings
by disclosing that when the
hearings resumed on Tuesday
morning three "mystery wit-
nesses" would testify.

He also passed along a re-
port that 20 agents of the Fed-
eral Bureau of Investigation
were searching for Mrs. Dita
D. Beard, the I.T.T.'s missing
Washington lobbyist. The com-
mittee has been trying to sub-
poena her to testify about her
purported memorandum to her
superior linking I.T.T.'s con-
tribution to the upcoming Re-
publican convention in San
Diego to the settlement of the
antitrust suits.

Mr. Eastland said that he had
heard that the F.B.I. search for
Mrs. Beard had extended to
Colorado, West Virginia and
Montana.

Today, I.T.T. issued a state-
ment contradicting reports that
its officials had told Mrs. Beard
to get out of town. The state-
ment said that she had prom-
ised to keep the company ad-
vised of her whereabouts so
she would be available for
testimony, and it asserted that
she could help to allay the
charges about the company.

It added that the contribu-
tion by I.T.T.'s subsidiary, the
Sheraton Corporation of Amer-
ica, was "in no sense a political
payment" but only a means to
attract business to the new
Sheraton Hotel in San Diego.
The amount contributed was
\$100,000, with a possible addi-
tional \$100,000 to be paid on
a matching basis, the statement
said.

Other reports—including the
memorandum attributed to Mrs.
Beard—had mentioned a \$400,-
000 pledge in cash and serv-
ices.

In today's two-hour hearing,
testimony was taken only from
the three witnesses who testi-
fied yesterday—Mr. Klein-

dienst, a former Justice Department antitrust chief, Richard M. McLaren, and Felix G. Rohatyn, a director of I.T.T. who helped to persuade the Justice Department to settle the antitrust cases without insisting upon divestiture of all three subsidiaries at issue.

Mr. Kleindienst repeated his statement, made yesterday, that he knew nothing of I.T.T.'s contribution to the San Diego convention until he read about it in the press late last November or early December. Mr. McLaren also said that he learned about it in the press.

Senator Kennedy then produced a letter to Mr. Kleindienst dated Sept. 22, in which Reuben B. Robertson 3d, an associate of Ralph Nader, the consumer advocate, asked about rumors of a link between settlement of the suits and "I.T.T.'s reported financial support to the City of San Diego" as site of the Republican convention.

The letter also asked if Mr. Kleindienst had discussed the contribution with Representative Bob Wilson of California.

The Senator also produced a reply, signed by Mr. McLaren, saying "I am advised" that Mr. Kleindienst had no contact with Mr. Wilson at that time, and that there was no connection between the San Diego contribution and the settlement.

Both Mr. Kleindienst and Mr. McLaren said that they had not remembered these letters when they testified that they did not learn of the convention payment until late in 1971.

Mr. Mitchell said Wednesday, in his final official news conference as Attorney General, that he "did not know as of that time, and still don't know what arrangements the Republican party had with San Diego or anyone else."

In a statement issued by his office on Feb. 28, he said he "had no knowledge of anyone on the committee or elsewhere dealing with International Telephone and Telegraph," and that "I do not know as of this date" about the arrangements.

Mr. Anderson today quoted Edgar Gillenwaters, an assistant to Lieut. Gov. Ed Reinecke of California, as saying they met with Mr. Mitchell in his office in mid-May, and that they told him that I.T.T. had offered to put up as much as \$400,000 to support the Republican convention in San Diego.

Mr. Reinecke repeated essentially the same story to reporters early today, but later in the day his office issued a statement saying that the meeting with Mr. Mitchell was in September, and that Mr. Reinecke spoke only of the Sheraton Corporation, not mentioning that it was a subsidiary of I.T.T.