

# Ex-Justice Head Gave ITT Advice

By JACK ANDERSON

WASHINGTON — International Telephone and Telegraph was so fearful in 1969 that it would have to break up its conglomerate empire that it hired the former head of the Justice Department's anti-trust division to bail it out.

Ex-Asst. Atty. Gen. Lee Loevinger swiftly and expertly drafted a Machiavellian memo which, like others in our possession, was overlooked by ITT's document shredders.

If ITT President Hal Geneen had followed Loevinger's advice, he might have spared himself some of ITT's present pain. Instead, he ignored Loevinger's warning to show "greater care and sophisticated judgment" in gobbling up new firms.

"It seems quite likely," wrote Loevinger, "that there will be political and legal action" against ITT and the other conglomerates. "It also seems likely that there will be more litigation by the Anti-trust Division than there has been in the last few years.

"These circumstances will probably require greater care and more sophisticated judgment with respect to antitrust aspects of future acquisitions and mergers."

LOEVINGER'S ADVICE to Geneen, when he faced anti-trust investigation, was: "Don't over-react. Don't attack or try to deter the investigators."

This candid counsel was given three years ago—long before the current controversy erupted.

"Controversy engenders publicity," added Loevinger. "Publicity engenders political attacks. . . .

"The mass news media thrive on controversy and the news value of stories is often judged by the degree of controversy they involve. . . .

"As controversy engenders publicity in the mass media, so publicity invites political attacks. Elective public officials are particularly desirous of publicity but all public officials (with rare exceptions) seek it.

"It is commonplace in

Washington for public officials to attempt to inject themselves into public controversies in order to gain publicity," advised Loevinger.

Loevinger urged ITT, if it had to answer a specific attack on ITT, to "make an affirmative case that ITT is making an economic contribution and has itself been the victim of anti-competitive practices."

Footnote: Loevinger, reached by telephone in Atlanta where he was attending a bar association meeting, said he had written the memo as a paid ITT consultant. He was brought in, he said, by ITT's John Ryan, who was also the intermediary in bringing Deputy Atty. Gen. Richard Kleindienst together with an ITT director to discuss ITT's anti-trust problems.

PRESIDENT NIXON'S economists are baffled the failure of the respond +