

# Flanigan Asserts He Told Kleindienst About I.T.T. Report

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WASHINGTON, April 24 —

Peter M. Flanigan, a Presidential aide, informed the Senate Judiciary Committee in a letter today that he had told Richard G. Kleindienst that the International Telephone and Telegraph Corporation had found an antitrust settlement proposed by the Justice Department to be unacceptable.

Mr. Flanigan also said in a statement supplied to the committee that Mr. Kleindienst, then Deputy Attorney General, was present in the office of Richard W. McLaren, former chief of the Justice Department's Antitrust Division, when a financial report was submitted that led to the out-of-court settlement of three antitrust suits against I.T.T.

To aides of Senator Edward M. Kennedy, Democrat of Massachusetts the Flanigan statements, supplied in answer

Continued on Page 15, Column 1

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Ramsden report was submitted to Mr. McLaren. But Mr. Kleindienst went on today, "I had no conversation with Mr. Flanigan, though."

Mr. Flanigan, who testified before the committee last Thursday, sent the committee today a two-page letter answering written questions submitted by the committee on some points that he refused on grounds of executive privilege to discuss in his public testimony.

In his letter Mr. Flanigan disclosed that shortly before the antitrust suits were settled, he had informed Mr.

Kleindienst that the corporation had found the settlement proposed by the Justice Department too tough and would fight it in the courts.

Mr. Flanigan said the I.T.T. case had come up "in a collateral manner" when Felix G. Rohatyn, an I.T.T. director, visited him on June 29, 1971, "to discuss the current situation of the securities market" in his capacity as chairman of the surveillance committee of the New York Stock Exchange.

Shortly before leaving, Mr. Flanigan said, Mr. Rohatyn "asked if I was aware of a settlement proposal by the Anti-

trust Division for the I.T.T. suits."

"I replied that I was not aware of it," Mr. Flanigan continued. "Mr. Rohatyn indicated his belief that the proposal was so tough as to be unacceptable to the company and that the company would fight the suits in court. I replied that this was a matter for I.T.T. and the Antitrust Division."

A couple of days later "in a discussion on an unrelated matter" with Mr. Kleindienst, he said, "I passed on to him the Rohatyn comment and my reply."

## KLEINDIENST TIED TO REPORT ON I.T.T.

Continued From Page 1, Col. 7

to questions submitted by the committee, raised further questions about how deeply Mr. Kleindienst was involved in the settlement of the antitrust cases as well as about his earlier testimony before the Judiciary Committee.

Throughout his testimony before the committee, Mr. Kleindienst, who has been nominated

by President Nixon to be Attorney General, has maintained that he was not directly involved in the I.T.T. case and that the settlement was worked out by Mr. McLaren. He also said that he had had no contact with the White House about the case.

At one point, under questioning by Senator Kennedy, Mr. Kleindienst said he was aware that Mr. Flanigan had asked Richard J. Armsden, a New York financial consultant, to analyze I.T.T.'s financial situation if the antitrust suits were pressed and that he "also was aware" of it when the

"As I recall his response," he went on, "it was to the effect that Mr. McLaren had worked out his proposal and was handling the matter. There was no written or printed document, messages, notations or records of these brief conversations. Other than the above, he said he had no comment."

Mr. Flanigan met with Mr. Rohatyn on the same day that Mr. Rohatyn conferred with Mr. Kleindienst about the financial problems for the company that would be caused by the antitrust settlement proposed by the Justice Depart-

ment. An official in the Washington office of I.T.T. has testified that the Rohatyn meeting with Mr. Kleindienst was worked out after he discussed the antitrust cases at a neighborhood party.

The corporation did not formally inform the Justice Department that it found the proposed settlement unacceptable until July 6. From the Flanigan statement, it would appear that before that date Mr. Rohatyn had informed Mr. Flanigan of the company's position and that this in turn had been relayed to Mr. Kleindienst.

The antitrust cases were set-

tled on July 31 on terms more favorable to the company than originally proposed by the Justice Department.

Mr. Flanigan also said that when he received on May 20 the Ramsden report that led to the more favorable settlement, he telephoned Mr. Kleindienst to tell him "it was in."

He said he delivered the report to Mr. McLaren a few days after the latter returned from a trip to Europe on June 7. Mr. Kleindienst was with Mr. McLaren when the report was delivered, Mr. Flanigan said, but "as I recall, there was no conversation."

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15