

Colson Memo Links Nixon To ITT Case

Washington

The Senate Watergate committee made public yesterday a 1972 White House memorandum warning of the existence of other internal memos that would "directly involve" President Nixon in favorable settlement of antitrust suits against ITT and "lay this case on the president's doorstep."

The memo released yesterday, from White House special counsel Charles W. Colson to H. R. Haldeman, White House chief of staff, told of another memo "alluding to discussions between the President and the Attorney General (then John N. Mitchell) as to 'the agreed upon ends' in the resolution of the ITT case."

That memo, dated May 5, 1971, was from John D. Ehrlichman, Mr. Nixon's Number Two aide, asking Mitchell how he, Ehrlichman, should proceed to implement those discussions, Colson wrote.

"There is also a memo to the President in the same time period," Colson wrote. "We know we have control of all the copies of this, but we don't have control of the original Ehrlichman memo to the AG. This memo would

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once again contradict Mitchell's testimony (before the Senate Judiciary Committee that he had not been involved in the settlement) and more importantly directly involve the President."

The ITT settlement became a major controversy in 1971 when it was disclosed that before it was reached, the Sheraton Corp. of America, an ITT subsidiary, had pledged \$400,000 to help underwrite the 1972 Republican national convention, then slated for San Diego.

There were three separate

antitrust suits against ITT, all of which the Justice Department originally vigorously prosecuted. But they were settled in a group of terms that permitted the giant conglomerate to retain control of its largest and richest acquisition, Hartford Fire Insurance Co., if it agreed to divest itself of two smaller companies.

Throughout the controversy, which extended into the 1972 presidential campaign, the Nixon administration insisted there had been no White House involvement in the settlement, and no relationship between the settlement and the \$400,000 pledge.

Colson's memo to Haldeman also said that still another internal memo dated June 30, 1971, a month before the ITT settlement, set forth "the \$400,000 arrangement with ITT," and copies went to Mitchell and two White House aides of the time, Jeb Magruder and William Timmons.

The Colson memo was dated March 30, 1972, during the time of the Senate confirmation hearings on Richard G. Kleindienst to succeed Mitchell as attorney general. In those hearings, Mitchell had testified that he knew nothing of the \$400,000 arrangement at the time of the ITT settlement.

The memo laying out the details of that arrangement, Colson wrote, "Put the AG on constructive notice at least of the ITT commitment at that time and before the settlement, facts which he has denied under oath."

Samuel Dash, chief counsel of the Watergate committee, who introduced the Colson memo during cross-examination of Haldeman, said it appears to show "an act of perjury on the part of Mitchell." Dash said the memo had been obtained only the night before, from a secretary who had worked at the White House who was under subpoena.

The Colson memo also said certain ITT files turned over to the Securities and Exchange Commission would "undermine" testimony of then Solicitor General Erwin N. Griswold that he himself made the decision to delay taking the government antitrust challenge to the Supreme Court, a challenge ITT officials were lobbying to detour.

Correspondence to then Secretary of Treasury John

B. Connally and Peter Peterson, then on the White House staff and later Secretary of Commerce, Colson warned, credited the delay in taking the case to the Supreme Court "to direct intervention by Peterson and Connally."

Also, Colson said, a memo addressed "Dear Ted" from Edward J. Gerrity, senior vice president of ITT to Vice President Agnew, "tends to contradict John Mitchell's testimony," because it outlines an agreement Mitchell made with Harold S. Geneen, ITT's president, in August, 1970, to discuss the ITT case with Richard McLaren, then assistant attorney general in charge of the antitrust division.

McLaren, prior to the settlement, had been insisting on carrying the case — challenging ITT's acquisition of Canteen Corp., Grinnel Corp. and Hartford Fire Insurance Co. — into the courts.

Both Mitchell and Geneen have testified, the Colson memo said, "they discussed policy only, not this case, and that Mitchell talked to no one else."

INSTRUCTION

The ITT memo also said Ehrlichman had assured Geneen "that the President had 'instructed' the Justice Department with respect to the bigness policy" (that it was not his administration's policy to oppose acquisitions simply on grounds any corporate entity was too big). Then the Colson memo

warned:

"It is, of course, appropriate for the President to instruct the Justice Department on policy, but in the context of these hearings, that revelation would lay this case on the President's doorstep.")

GUIDANCE

Colson also warned there was an April, 1970, memo suggesting to McLaren that Mitchell could give him "more specified guidance" on handling the ITT matter, and another of September, 1970, from Ehrlichman to Mitchell "referring to an 'understanding' with Geneen and complaining of McLaren's actions."

Mitchell's testimony before the Kleindienst confirmation hearings, that he knew nothing of the ITT offer of \$400,000 prior to the antitrust settlement, had come under challenge earlier.

Lieutenant Governor Edward Rienecke of California reported he had notified Mitchell of the arrangement in an April, 1971, meeting, but later said he hadn't met with Mitchell until September, after the settlement. Mitchell said that in April and September meetings with Rienecke, they had discussed economic development in California.

"If known," Colson said of the June 30, 1971, memo setting out the terms of the ITT pledge, "this would be considerably more damaging than Rienecke's statement."

That memo was from "Klein" to Haldeman, Colson wrote.