

How ITT Tried to Use White House

Washington

Corporate documents that the White House feared would come to light last year disclose a well-orchestrated effort by the International Telephone and Telegraph Corporation to enlist the aid of top administration officials in blocking an anti-trust suit against the company's merger with the Hartford Fire Insurance Co.

These documents, together with a number of inter-governmental memos on the ITT-Hartford merger litigation, were mentioned in a memo from Charles W. Colson to H. R. Haldeman during the Senate Judiciary Committee hearings on the nomination of Richard G. Kleindienst to be attorney general.

The memo was dated March 30, 1972. Colson was then a presidential special assistant and Haldeman was White House chief of staff.

The corporate documents were referred to in the Colson memo introduced into evidence Wednesday at the Senate Watergate hearings. Copies of some of the ITT

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From Page 1 memos have been obtained by the New York Times.

MEMO

Kleindienst had asked that the hearings on his nomination be reopened, following the publication by the columnist Jack Anderson on Feb. 29, 1972, of a memo by an ITT lobbyist, Dita D. Beard, dated June 25, 1971, to her chief, William R. Merriam, in charge of ITT's Washington relations.

The memo said that ITT's "noble commitment" of \$400,000 for the Republican National Convention "has gone a long way toward our negotiations on the mergers eventually coming out as

Hal (ITT president, Harold S. Geneen) wants them."

One of the documents referred to by Colson was a letter to Vice President Spiro Agnew.

On Aug. 7, 1970, following a meeting of Attorney General John N. Mitchell with

Geneen, Edward J. Gerrity, an ITT vice president for public relations, sent a letter and an enclosed memo to Agnew. The letter, addressed "Ted," read:

"I deeply appreciate your assistance concerning the attached memo. Our problem is to get John (Mitchell) the facts concerning McLaren's (Richard W. McLaren, then assistant attorney general, antitrust division) attitude because, as my memo indicates, McLaren seems to be running all by himself.

"I think it is rather strange that he is more responsive to Phil Hart (Democratic senator from Michigan) and Manny Celler (then chairman of the House Judiciary Committee) than to the policy of the administration."

MEMO

In the enclosed memo, Gerrity wrote:

"Before we met, Hal had a very friendly session with

John . . . John made plain to him that the President was not opposed to mergers per se, that he believed some mergers were good and that in no case had we been sued because bigness is bad . . . John said he would talk with McLaren and get back to Hal.

"While you and I were at lunch, Hal and Bill Merriam . . . met with Chuck Colson and John Ehrlichman (a top Presidential assistant). Ehrlichman said flatly that the President was not enforcing a bigness - is - bad policy, and that the President had instructed the Justice Department along these lines.

CONTRADICTION

Commenting on this in his memo to Haldeman, Colson said that the Gerrity memo "tends to contradict John Mitchell's testimony (at the Kleindienst hearings) because it outlines Mitchell's agreement to talk to McLaren.

"Both Mitchell and Ge-

neen have testified they discussed (antitrust) policy only, not this case, and that Mitchell talked to no one else . . . in the context of these hearings, that revelation (of the President's instructions) would lay this case on the President's doorstep."

Colson mentioned in his memo to Haldeman another possibly embarrassing ITT memo, this one from John F. Ryan to Merriam, following Agnew-Gerrity and Geneen-Mitchell meetings in August, 1970. Colson said that this memo "is not in the hands of the SEC."

SUBPOENA

The Securities and Exchange Commission was then investigating the ITT-Hartford merger and had subpoenaed all ITT files on the merger that had not been shredded following disclosure of the Beard memo.

Colson told Haldeman, "we believe that all copies of this have been destroyed."

He was wrong.

In that memo, Ryan wrote "Hal's posture" is "that Justice (McLaren) is unfairly harassing us." He then went on to say, "if Kleindienst follows through, this may be the break for which we have been looking."

The Ryan memo did not say how Kleindienst was to follow through, but in his memo to Haldeman, Colson pointed out the danger of disclosure. He wrote that the Ryan memo "suggests that Kleindienst is the key man to pressure McLaren, implying that the Vice President would implement this action."

Then there is the paragraph in the Ryan memo under the heading "Dita and dollars." It reads: "I was asked by Ned (Gerrity) to get some feel for you from Dita as to what is required. I have a little note on this which I will give you."

The date of the Ryan memo is almost a year before the ITT agreement to provide up to \$400,000 for the San Diego convention, but the "Dita and dollars" item suggests that some such plan was already being considered by ITT. Colson made no comment on this paragraph.

Another ITT document obtained by the SEC was a let-

ter to the then Secretary of the Treasury, John B. Connally, from Merriam. It is dated April 22, 1971, a time when there was a series of meetings at Justice on the suit. It read in part:

"Pete Peterson (then White House assistant on foreign economic policy) and I thought you would be interested in the results of the calls Harold S. Geneen and I made on Friday, April 16, when he discussed anti-trust matters and their impact on the economy of the country.

"I am sure you heard that the Justice Department agreed to postpone for 30 days their filing of jurisdictional papers on the ITT-Grinnell case. This, of course, was a great plus and will give us time to work out a settlement. Actually, the 30-day administration-sponsored delay came as a surprise, because we understood that on Monday morning Dick Kleindienst had been negative about a delay.

"You might also be interested in knowing that Felix Rohatyn (of the investment house of Lazard Freres, who was advising ITT on the financial aspects of the merger) had a very productive conversation on Tuesday of this week with Mr. Kleindienst. The purpose of this was to explain to the deputy attorney general all of the domestic and international economic ramifications if ITT had to divert Hartford. A meeting between Mr. Rohatyn and Mr. McLaren is now scheduled for May 5 at 3 p.m. Mr. Kleindienst plans to sit in and monitor this meeting.

"I will, of course, keep you posted. In the meantime, if there is anything further you think Hal or I should do with other members of the administration, please do not hesitate to let us know.

"Hal and I are most appreciative of the fact that you were able to see us the other day on such short notice. We are certain that you and Pete were most instrumental for the delay."

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