

ITT and Watergate: The Colson Connection

by Timothy H. Ingram

The Colson memorandum was introduced to the Watergate Committee on August 1, 1973, without fanfare, almost as a throwaway. Sam Dash, the Committee's chief counsel, had obtained it the night before from a secretary who worked at the White House, and he wanted to slip it in somehow during the third day of H. R. Haldeman's testimony.

Dash was asking Haldeman whether he always informed the President of potentially embarrassing developments—and he offhandedly cited the Colson memo as an example. It was a truly astonishing document. Dated March 30, 1972, the same day Jeb Magruder said that final plans for the Watergate break-in were approved, it warned of the existence of other internal memoranda that would “directly involve” President Nixon in arranging the favorable settlement of the government's antitrust suit against

the International Telephone and Telegraph Corporation (ITT). The evidence “would lay this case on the President's doorstep,” warned White House Special Counsel Charles Colson.

Thanks to Senator Edward Gurney, the Committee's attention was deflected from the Colson memorandum before anyone had a chance to gauge its importance. Overshadowed by the Haldeman testimony, it was soon forgotten by both the Committee and the press.

Failing to pursue the logic of the Colson memo, both the Watergate Committee and the press lost a golden opportunity to try to answer that often-forgotten, but fundamental, question: Why, on June 17, 1972, did seven men burglarize and bug the offices of the Democratic National Committee? What was it that was worth the high risk, the \$250,000 cost, and the amount of planning and energy that went into the Watergate operation? What, in God's name, were

Timothy Ingram is a contributing editor of The Washington Monthly.

Howard Hunt and his faithful Cubans looking for?

Like so many other elements of the hearings, the Colson memo was introduced without a framework and without any real effort by the Committee to fit it into the larger picture. The task of sorting out the importance of the Colson memo—as with other items introduced and then forgotten during the hearings—was left to the press, already overextended by the sheer bulk of the Watergate hearings.

One reason for the neglect of the Colson memo was that it dealt with ITT and therefore appeared non-germane in the midst of the Watergate hearings. Scandals, like metaphors, do not mix. ITT also raised the complicated jurisdictional questions involved in defining congressional turf. The Senate Judiciary Committee had already spent two months looking into the ITT affair, and as a result the Ervin Committee tended to shy away from the issue.

Amid the Committee's preoccupation with "who-knew-what-when" and "is-he-repentent," the hearings lost their focus. At the end of the first phase, television viewers knew about the discrepancies between the Dean and Mitchell testimony, but had little more understanding of the rationale for the break-in than they did a year earlier.

The problem is one that would seem obvious to any fictional detective. Neither the Watergate Committee nor the press has ever developed a coherent theory of the case. At no point during the entire proceedings has any hypothesis been advanced that could be tested against the statements of various witnesses. Instead, most of those involved in the Watergate hearings have proceeded with a detachment worthy of the most pedantic of scholars. "We won't form any opinions until all the facts are in" sounds judicious, but it certainly doesn't equip the Committee to ask relevant questions along the way.

Lacking their own hypotheses, the Committee investigators have been left with the theories generously offered by the burglars themselves. Howard Hunt, for example, gave an explanation which met all the criteria except plausibility. Perfectly contrite, looking prison pale in his wash-and-wear suit, Hunt asserted that his men had hoped to find evidence at the DNC connecting the Democrats to tainted money from Cuba.

Many found it hard to take this explanation seriously. As Senator Daniel Inouye asked incredulously, "Did you expect the photographer to find somewhere in a ledger: 'Received from Fidel Castro, x number of dollars?'" Hunt's explanation also seems to rest on a flimsy factual basis. Michael Richardson, the one outsider in a position to know what the burglars were photographing, has contradicted Hunt's claims. Richardson works at Rich Photos in Miami and developed the film shot inside the DNC headquarters during the burglars' first successful break-in. Richardson told me that the pictures showed surgical gloves holding memos and letters, some of which bore the DNC letterhead and were signed "Larry." There were no photographs of financial records or account books.

If members of the Committee did not press Hunt and the others harder for an explanation, it may be because they suspected that ultimately there was only a "why not?" motivation for the burglary. In other words, with so much money, so few scruples, and such a finely developed sense of paranoia, the Committee to Re-elect the President (CRP) should almost have been expected to have bugged the Democratic Party headquarters. If the men surrounding the President could tolerate the bumbling of a Donald Segretti, why wouldn't they spend \$250,000 to keep Gordon Liddy and his ubiquitous flow charts out of their hair.

The problem with this hypothesis is that the Watergate burglary seems to have been far more than a simple

make-work expedition. Jeb Magruder explained that the White House regarded O'Brien as the Democrat's "most professional political operator" and feared that if O'Brien remained as DNC chairman he could be "very difficult in the coming campaign." O'Brien's importance is underlined by Magruder's testimony that Charles Colson had telephoned him "some-time in February" to urge that Magruder "get on the stick and get the budget approved for Liddy's plans; that we need information, particularly on Larry O'Brien."

Why was Larry O'Brien so important? Given the ferocity of the Democratic Party's fratricidal struggles, it is hard to believe that even the "most professional" Democratic political operator could intimidate such a hard-nose as Colson. But something else could—and did—scare Colson, who probably was the prime motivating force behind the break-in. That something was ITT.

This hypothesis does not purport to explain every detail in the case, but it does offer a way of fitting a number of unexplained facts together. Admittedly, the Watergate burglars might, through serendipity, find other useful evidence at the DNC. But the burglars' main purpose was to find out whether Larry O'Brien had the missing ITT memoranda. If the documents were as damning as Colson feared, they might provide the issue that could allow even George McGovern to defeat Richard Nixon.

A bit of scene-setting may be useful. In March, 1972, when the final go-aheads were being given for Gordon Liddy's plans, the White House was in near hysteria over the ITT affair. On February 29 Jack Anderson had blown the scandal open by publishing the "Dita Beard memorandum." This document indicated that the Justice Department had let ITT off the hook on a major antitrust charge after the company had pledged \$400,000 for the Republican Convention.

In the months preceding the Water-

gate burglary, as Attorney General nominee Richard Kleindienst went through a protracted inquisition before the Senate Judiciary Committee, the White House grew increasingly suspicious that Larry O'Brien had inside information on the whole ITT affair. In December, 1971, three months before Jack Anderson's Dita Beard story, O'Brien had sent a letter to John Mitchell asking whether there might be a connection between "ITT's sudden largesse to the Republican Party and the nearly simultaneous out-of-court settlement of one of the biggest merger cases in corporate history."

Even after the confusing ITT story faded from the headlines, O'Brien and the DNC refused to drop the issue. The statements and publications that came from O'Brien's office during this period were remarkably prescient. In one DNC publication, *Fact*, a box entitled "Watch This Man" itemized the wheelings and dealings of the President's personal attorney, Herbert Kalmbach, a man at that time virtually unknown.

To those close to the President, O'Brien looked like a dangerous man. He had the dope on ITT, and ITT was what frightened the Administration the most.

Another indication of the White House concern over ITT was John Dean's conversation with General Vernon Walters, deputy director of the CIA, in February, 1973. Referring to a burglary of the Chilean embassy in Washington nearly a year earlier—in which the intruders took documents rather than property—Dean told Walters he believed that Frank Sturgis, a Watergate burglar and former CIA employee, was involved. In April of this year Dean told James Schlesinger, then director of the CIA, that several CIA veterans who had been involved in Watergate had taken part in the Chilean embassy incident. The apparent motive for the burglary was to search for documents exposing ITT's plans to subvert the Allende government in Chile.

Meanwhile, a special group made up of Colson, John Ehrlichman, and Fred Fielding of Dean's staff was on plumbing duty at the White House, examining the ITT documents that had not yet hit print. To their horror they realized that copies of some of the most potent evidence were still unaccounted for. This was the fear that led Colson to compose his memorandum of March 30, 1972, outlining the evidence that could implicate the President and Mitchell:

A memo sent to the Vice President addressed "Dear Ted" from Ned Gerrity [of ITT] tends to contradict John Mitchell's testimony because it outlines Mitchell's agreement to talk to McLaren [head of the Justice Department's antitrust division, the man who had pushed the case against ITT] following Mitchell's meeting with [ITT President Harold] Geneen.

It would carry some weight in that the memo was written contemporaneous with the meeting. Both Mitchell and Geneen have testified that they discussed policy only, not this case, and that Mitchell talked to no one else. The memo further states that Ehrlich-

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man assured Geneen that the President had "instructed" the Justice Department with respect to the bigness policy. (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.) . . .

There is a [Herb] Klein to Haldeman memo, dated June 30, 1971, which of course precedes the date of the ITT settlement, setting forth the \$400,000 arrangement with ITT. Copies were addressed to Magruder, Mitchell, and Timmons. This memo put the A. G. [Mitchell] on constructive notice at least of the ITT commitment at that time and before the settlement, facts which he has denied under oath. We don't know whether we have recovered all the copies. . . . In short, despite a search, this memo could be lying around anywhere at 1701 [Pennsylvania Avenue, CRP headquarters.]

The memo implicating Mitchell was still at large; the even more explosive evidence concerning Nixon was in the files of the Security and Exchange Commission, and thus, far from invulnerable. To Colson the danger was clear: "Kleindienst is not the target, the President is. . . . Make no mistake, the Democrats want to keep this case alive, whatever happens to Kleindienst."

O'Brien had been the most effective adversary on ITT. The consequences of his obtaining the missing memos could be disastrous. Finding out how much he knew—and, if necessary, preventing him from using what he did have—might easily have justified an operation like the Watergate burglary.

One reason why the ITT-Watergate connection has not been explained is that John Dean, who appeared to expose every other White House intrigue, did not mention ITT in his testimony. Dean's silence may have been based on self-interest, since Dean had been intimately involved in the original ITT settlement.

The limited mind set which saw the Watergate scandal in one category and the ITT scandal as a separate

entity has also blocked a thorough investigation of both episodes and their cover-ups. What no one seemed to realize is that events build on themselves and that scandal does not respect jurisdictional boundaries. The special prosecutor, Archibald Cox, now has the wayward memos that Colson panicked about in his letter to Haldeman. Perhaps the memos will help Cox develop the theoretical framework the Watergate Committee has found so elusive. ■

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THE CULTURE OF BUREAUCRACY:

Rooting for the Other Team: Clientism in the Foreign Service

by Roger Morris

“Tell Madamn Gandhi how lucky she is,” Lyndon Johnson called after a startled Indian ambassador as he left a White House meeting in 1968. “She’s got *two* ambassadors workin’ for her... you here and Bowles out there.”

Not that the President doubted the national loyalty of Chester Bowles or the U. S. embassy in India. But the Johnson sarcasm, an epitaph on years of bureaucratic battles, struck at a complex problem in the bureaucratic politics of foreign policy.

Charged to understand and interpret the views of other governments, U. S. diplomats are sometimes drawn on by career or conviction—by the

Roger Morris, who has worked in the State Department and National Security Council staff and is a legislative assistant in the Senate, is writing a book about humanitarian problems in foreign policy.

peculiarly insular culture of their bureaucracy—to defend or at least acquiesce in those views. Ensnared in a parochial view of the national interest, some officials come to resist almost instinctively any policy that threatens to rub the client regimes they deal with the wrong way. The results of this “cliency,” which makes diplomats align their interests with those of their hosts, are sometimes absurd, sometimes tragic.

Cliency has become a major occupational disease of modern American diplomacy. Although many American diplomats refuse to yield to its impulse, even at the expense of their careers, cliency influences much of what the United States does or does not do in the world—from its failure to speak out against genocide in Africa to the multiple tragedies of