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THE WHITE HOUSE

WASHINGTON

September 25, 1974  
6:05 p.m..

RON:

I advised Flanigan to cool it and not to hypo the story by putting out a ~~staxy~~ statement.

If contacted, he will say that all of the allegations have been thouroughly investigated and that Jaworski informed the White House before the nomination was submitted that there was no reason it should not go forward.

You might check with Buchen in the morning, but I would suggest a similar response if you are asked in the briefing.

warren



THE WHITE HOUSE  
WASHINGTON

9.25.74

TO: *RON*

FROM: JERRY WARREN

I think we should  
talk with Haig  
about this this afternoon



MEMORANDUM

THE WHITE HOUSE

WASHINGTON

September 25, 1974

Ron Nessen;

Re: Peter Flanigan nomination

Since Al Haig was involved in the clearances of the nominations of Flanigan, Rush and, perhaps others, he should be able to give you guidance on Jaworski's clearances.

It should be determined if Jaworski gave Peter Flanigan a clean bill of health and if Jaworski has any objections to the White House saying that he did.

The issue here is whether or not Flanigan should be investigated for criminal activity as Eagleton says.

I would suggest a comment from the White House to run in the same cycle as the Eagleton charges.

Also, all of the allegations cited by Eagleton have been aired thoroughly in the Congress and Flanigan has emerged from all of those investigations cleanly.

warren

# EAGLETON

Missouri

NEWS RELEASE

FOR RELEASE: WEDNESDAY <sup>PM</sup> ~~AM'S~~  
SEPTEMBER 25, 1974

## EAGLETON CALLS FOR WITHDRAWAL OF FLANIGAN NOMINATION

Senator Thomas F. Eagleton (D-Mo.) today called upon President Ford to withdraw the nomination of Peter M. Flanigan as Ambassador to Spain.

Calling upon President Ford to "exorcise the Nixonian influence from his Administration," Eagleton said, "If President Ford wants to divorce his Administration from Watergate and all its nefarious manifestations, he will immediately withdraw Mr. Flanigan's nomination."

Citing charges by Mr. Herbert Kalmbach that Flanigan was involved in an attempt to "sell" an ambassadorship to Dr. Ruth Farkas, Eagleton said, "Rather than have the Foreign Relations Committee investigate Mr. Flanigan's qualifications, I think it far more appropriate that the Justice Department investigate whether he was guilty of participating in illegal activity."

Calling the nomination "an insult to the Senate and an affront to the American people," Eagleton said that the allegations made against Mr. Flanigan can only be resolved "after hearing, under oath, such individuals as Haldeman, Strachan, Kalmbach, Higby, Colson, Kleindienst and Richard Nixon himself."

Eagleton cited Flanigan's role in the ITT affair and seven other areas and said that Flanigan "established a track record of highly questionable behavior during his years as a Nixon aide."

"Peter Flanigan's government service is not such that he should be rewarded by sending him to represent the United States in Spain."

Senator Eagleton has written to the Chairman of the Foreign Relations Committee enumerating the charges made against Flanigan. The text of that letter is attached.

. . . Text Follows . . .



Mr. President, in his inaugural address before Congress, President Ford urged the nation to put Watergate behind it. He sounded a call for integrity and openness in government. It was a refreshing change after five years of corruption and secrecy.

But rhetoric alone will not suffice to divorce President Ford from the mentality and the attitude of the Nixon White House. The President can make a clean break with the Watergate albatross only by matching his words with his deeds. And, thus far, despite the fact that President Ford has personally demonstrated that he is a man of integrity, the Nixonian influence has yet to be exorcised from his Administration.

Aside from the President's unfortunate and premature pardon of Mr. Nixon, this negative influence is best exemplified by the blanket endorsement of nominations made by President Nixon and the appointment of a number of former Nixon aides to important government posts. Nowhere is this insensitivity to the nation's post-Watergate temperament more apparent than in the nomination of Peter Flanigan as Ambassador to Spain.

The President could perpetrate no more cruel hoax, whether intentional or not, than to nominate a man as an American Ambassador who has been accused under oath of participating on behalf of Richard Nixon in the illegal sale of Ambassadorial positions. Such a man is Peter M. Flanigan.

In testimony before the House Judiciary Committee during its impeachment inquiry, Mr. Herbert W. Kalmbach said that he had been told by Mr. Flanigan to contact Dr. Ruth Farkas concerning an Ambassadorial assignment to Costa Rica. According to Kalmbach, Flanigan told him: "She is interested in giving \$250,000 for Costa Rica."

Kalmbach explained his conversation with Flanigan this way: ". . . it is clear in my understanding of that conversation . . . that she would contribute \$250,000 to the President's campaign and in turn for that \$250,000, she would be appointed Ambassador to Costa Rica." Mr. Kalmbach acted on that understanding, and in August 1971 he offered Dr. Farkas Costa Rica for \$250,000.

Wrong

presented by the House Judiciary Committee. This memorandum, sent by Mr. Gordon Strachan to Mr. H.R. Haldeman, discussed the necessity to inform two other purchasers that commitments to give them European posts could not be met. The Senate Watergate Committee was pointing to the illegality of such commitments, and Haldeman had decided that their donations would have to be returned. Mr. Strachan also reported that "the only commitment that Kalmbach is aware of at this is Farcas (sic) for Costa Rica."

It seems clear that Mr. Kalmbach made that illegal commitment to sell an ambassador ship on the authority of Mr. Peter M. Flanigan.

In February 1974, Mr. Kalmbach pleaded guilty to a charge of illegally offering an ambassadorship to Mr. Fife Symington in exchange for a campaign donation. He is now in a federal prison serving time. Mr. Peter Flanigan, on the other hand, has now been nominated by President Ford as Ambassador to Spain. I wonder what Mr. Kalmbach thinks of that!

Considering the gravity of the charge made against him, it is inappropriate even to consider Mr. Flanigan's nomination at this time. Rather than have the Foreign Relations Committee investigate Mr. Flanigan's qualifications, I think it far more appropriate that the Justice Department investigate whether he was guilty of participating in illegal activity.

This, of course, is not an isolated case for Mr. Flanigan. He established a track record of highly questionable behavior during his years as a Nixon aide.

He first came into public view in the ITT affair when he admitted having hired Mr. Richard Ramsden, a friend and former employee at Dillon-Read, to "advise" the head of the Anti-Trust Division, Mr. Richard McLaren, in the ITT merger case. In deciding to abandon the prosecution of ITT, which had coincidentally offered \$400,000 to subsidize the Republican National Convention, Mr. McLaren said he had based his decision on Ramsden's advice.

Mr. Flanigan had no statutory authority to involve himself in the ITT suit but, as was his custom when big business was involved, he did intervene to the advantage of his client, ITT.

in questionable roles. I ask unanimous consent that this letter appear after my remarks.

The list of allegations against Mr. Flanigan is a long one and includes the following:

1. Forcing the resignation of CAB board member Robert Murphy after Murphy ruled against American Airlines, which company had illegally given \$55,000 to President Nixon's re-election campaign.

2. Interfering with the independence of the Corporation for Public Broadcasting by attempting to influence a crucial vote by the board.

✓ 3. Protecting businesses against adverse anti-pollution rulings by the Environmental Protection Agency.

✓ 4. Influencing the Postal Service to sell \$250 million in bonds to Wall Street underwriters rather than to the U.S. Treasury. One of the underwriters involved was Dillon-Read, Mr. Flanigan's former employer.

5. Protecting the oil industry by stopping a Cabinet-level task force report recommending that oil import quotas be scrapped.

✓ 6. Using his position to obtain a Treasury Department exemption so that a foreign tanker owned by one Peter Flanigan could engage in domestic shipping. This exemption would have increased the value of Flanigan's company by \$6 million.

7. Planting information he knew to be untrue in Life Magazine for the purpose of ruining the political career of Senator Joseph Tydings, and subsequently holding up the investigation that would clear Tydings until after his 1970 re-election defeat.

Mr. President, Peter Flanigan's government service is not such that he should be rewarded by sending him to represent the United States in Spain. If President Ford wants to divorce his Administration from Watergate and all its nefarious manifestations, he will immediately withdraw Mr. Flanigan's nomination. This nomination is an insult to the Senate and an affront to the American people.

*Armed  
Resistance*

*Absolutely  
untrue*

it is clear that they can be resolved only after hearing, under oath, such individuals as Haldeman, Strachan, Kalmbach, Higby, Colson, Kleindienst, and Richard Nixon himself. Since most of these people are awaiting trial, it would be impossible to hear their testimony before the end of this session of Congress.

Therefore, it would, in my opinion, be improper for the Senate to vote on this confirmation before these serious allegations are put to rest. In the case of the Kalmbach charges, activity is involved that is appropriately within the investigative province of the Department of Justice.

Whether or not Mr. Flanigan is absolved of all or part of the charges made against him, it seems apparent that we should expect much more from those who will represent the United States to the rest of the world. I call upon President Ford to break once and for all from the influences of Watergate by withdrawing Peter Flanigan's nomination as Ambassador to Spain.

. . . Text of letter follows . . .

September 23, 1974

The Honorable J.W. Fulbright  
Chairman  
Senate Foreign Relations Committee  
1215 Dirksen Building  
Washington, D.C.

Dear Mr. Chairman:

The Foreign Relations Committee recently received the nomination of Mr. Peter Flanigan for the post of Ambassador to Spain. I understand that confirmation hearings will be held in the near future. This nomination is particularly surprising and disturbing because it comes at a time when the nation is trying to recover from the attitudes which created Watergate. That recovery will not be aided by Mr. Flanigan's nomination.

In your committee's draft rules for ambassadorial appointments you state: "The Committee...will oppose confirmation of ambassadorial nominees whose prima facie qualification for appointment rests on monetary political contributions..." I understand that your committee's action was based on deep concern over the excesses of the Nixon White House in this area. As you may know, during his tenure at the White House Mr. Flanigan was responsible for filling vacant ambassadorial posts and other high-level executive positions. I feel that his possible role in the selling of ambassadorships should be thoroughly explored.

In testimony before the House Judiciary Committee on July 17, 1974, Mr. Herbert W. Kalmbach said that he had been told by Mr. Flanigan in 1971 to contact Dr. Ruth Farkas concerning a possible ambassadorial assignment. According to Kalmbach, Mr. Flanigan said "She is interested in giving \$250,000 for Costa Rica." Kalmbach, in answer to a question by the committee's minority counsel, Mr. Jenner, said "...it is clear in my understanding of that conversation that she was interested in...that she would contribute \$250,000 to the President's campaign and in turn for that \$250,000 she would be appointed Ambassador to Costa Rica."

*Wrong*

Mr. Kalmbach testified that he did contact Dr. Farkas and made the Costa Rica offer in early August 1971. Dr. Farkas at that time said she was more interested in a European post, according to Kalmbach.

?

Among the evidentiary documents presented by the House Judiciary Committee in its impeachment report was a September 24, 1971 White House memorandum from Mr. Gordon Strachan to Mr. H.R. Haldeman. This memorandum discussed the necessity to inform Mr. J. Fife Symington and Mr. Vincent de Roulet that commitments to give them European ambassadorships could not be met and that their campaign donations would have to be returned (this was apparently the result of Senate Watergate Committee inquiries into the legality of such commitments). In the same memorandum, Mr. Strachan reported that "the only commitment that Kalmbach is aware of at this time is Farcas [sic] for Costa Rica." *Wrong*

Under cross-examination by President Nixon's impeachment lawyer, James St. Clair, Kalmbach said that he had made no commitment to Dr. Farkas about an ambassadorship to Europe and that he had no authority to make such a promise. But he apparently did have the authority to offer her Costa Rica. Gordon Strachan's September memorandum makes it clear that Kalmbach made a commitment to Dr. Farkas for that post and Kalmbach has testified that this commitment was made on the authority of Peter M. Flanigan.

Mr. Flanigan, in a letter to the Senate Watergate Committee which was investigating the Symington and de Roulet cases, stated that Mr. Kalmbach had misunderstood about the "commitments" to the two individuals and that such promises to campaign contributors

were contrary to Administration "policy." Such offers are also prohibited federal law, a fact about which Mr. Flanigan was undoubtedly cognizant when he wrote to the Committee. Mr. Kalmbach pleaded guilty in February 1974 to charges that he promised Mr. Symington a European post in return for a contribution to President Nixon's campaign.

The offer of the Costa Rica assignment to Dr. Farkas was, of course, equally unlawful whether or not it was ever consummated. Mr. Kalmbach's statement under oath that he based the offer on Mr. Flanigan's say so is, therefore, a serious charge involving Mr. Flanigan's alleged participation in illegal activity. I feel that the Justice Department should look into charges of this nature.

It is well known that Mr. Flanigan was in charge of filling ambassadorial and other high-level vacancies in the Nixon White House. He also was known to be Mr. Nixon's liaison man between the powerful business interests and the governmental agencies which regulate their activities. It would seem, therefore, inconceivable that Mr. Flanigan could have been completely unaware of Mr. Kalmbach's job offers and the various commitments made by the Committee to Re-Elect to assist campaign donors in their "problems" with the government.

Mr. Flanigan's track record establishes a pattern of governmental behavior which, if not illegal, is, in my opinion, highly detrimental to our democratic institutions. I would like to enumerate some of Mr. Flanigan's questionable activities during his tenure at the White House.

THE ITT CASE: During the hearings on the confirmation of Mr. Richard Kleindienst as Attorney General a question was raised over whether a multi-billion dollar Justice Department anti-trust settlement was linked to a subsidy for the Republican National Convention. Although Mr. Kleindienst testified that President Richard Nixon did not contact him concerning the matter, he subsequently pleaded guilty to a charge of misrepresenting himself on that point before a congressional committee. In fact, President Nixon did contact Kleindienst with an order to drop the ITT case, an order he soon rescinded, according to Kleindienst.

*Wrong*  
Although the Justice Department Anti-Trust Division under Mr. Richard W. McLaren had exclusive jurisdiction over the matter, Mr. Flanigan became deeply involved. Mr. Flanigan has testified that he hired a friend and former colleague, Mr. Richard Ramsden to "advise" Mr. McLaren on the ITT suit.

In deciding to abandon the prosecution of the ITT merger case, Mr. McLaren admitted that he based his decision on a study prepared by Mr. Ramsden. Two Justice Department economic advisors stated that they had never been consulted about the case. A New York Times editorial had this to say about Mr. Flanigan's role in the affair:

The participation of White House aide Peter M. Flanigan in shaping the ITT settlement is -- or ought to be -- highly irregular. The work of the Anti-Trust Division will collapse if politically well-connected companies can go over its head and cook up deals at the White House.

Mr. Flanigan has no statutory authority to deal with anti-trust matters. Yet it was he who recruited a young Wall Street broker to prepare an economic analysis of the issues in the ITT case. To no one's surprise, this analysis was markedly sympathetic to ITT's position. Since the federal government has many qualified economists, why was not one of them asked to prepare this analysis?

Mr. Flanigan's fishy activities in this case need to be fully explored. So does that \$100,000 -- or was it \$400,000? -- which an ITT subsidiary offered to subsidize the GOP convention in San Diego.

Did Mr. Nixon ask Mr. Flanigan to intervene in the ITT case? Was Flanigan's intervention connected in any way to the ITT offer to subsidize the Republican Convention in San Diego? Was Mr. Flanigan only carrying out orders, or was he actively interfering in the judicial process on his own volition? These are questions which, it seems to me, must be resolved.

AMERICAN AIRLINES AND THE CIVIL AERONAUTICS BOARD: On July 12, 1973, Special Prosecutor Archibald Cox announced that he would investigate White House maneuvering over the nomination of Mr. Lee West to replace CAB member Robert G. Murphy. Cox was looking into allegations that the decision to drop Mr. Murphy was tied to a CAB vote unfavorable to American Airlines which had illegally contributed to Mr. Nixon's re-election campaign. Mr. Flanigan was instrumental in securing Mr. West's appointment, although he had previously promised Senator Norris Cotton that Mr. Murphy would be re-nominated. Senator Henry Bellmon has acknowledged publicly that American Airlines "didn't like" Murphy and wanted him off the CAB.

What role did Mr. Flanigan play in dropping Mr. Murphy? Was he ordered to do so by President Nixon? Despite denials, was Murphy's departure from the CAB connected in any way to the contribution of American Airlines to the Nixon re-election campaign?

WHITE HOUSE INTERFERENCE WITH THE CORPORATION FOR PUBLIC BROADCASTING: On June 1, 1973 the former Chairman for the Corporation for Public Broadcasting, Mr. Thomas Curtis, charged that Mr. Clay Whitehead, Director of the White House Office of Telecommunications and Mr. Peter Flanigan contacted members of the CPB Board prior to a key vote on a compromise agreement with the Public Broadcasting Service. According to Curtis, the independence and integrity of the Board were severely undermined by Mr. Flanigan's effort to influence the important vote.

Was this an appropriate activity for a White House aide? Was Mr. Flanigan attempting to influence the programming schedule of the Public Broadcasting System?

THE ANACONDA CASE: Late in 1971 the Montana State Board of Health held hearings on proposed new Montana air pollution regulations. An employee of the Environmental Protection Agency (EPA) testified there in favor of stringent air pollution control.

The President of Anaconda, Mr. John Place, was reportedly angered over the testimony of the EPA employee and fired off a blistering letter to EPA Administrator William Ruckelshaus. Without giving Ruckelshaus a chance to respond, Place and other moguls of the copper industry sat down with Peter Flanigan in the White House and told him of their dissatisfaction.

Place acknowledged this meeting with a "Dear Peter" letter of December 29, 1971, in which he concluded: "...Any assistance you can offer in having EPA acknowledge that it got overzealously involved in Montana's affairs will be appreciated."

Flanigan contacted EPA and interceded on behalf of Anaconda. EPA then decided to disavow the testimony of its own employee. The disavowal letter was flown in person from Denver to Helena, Montana. Was this an improper use of White House power to overrule an important regulatory agency?

ARMCO STEEL CASE: In September 1971, the Environmental Protection Agency won a court order preventing ARMCO from dumping highly toxic chemicals into the Houston ship channel. EPA had taken the position that the wastes in question -- cyanide, phenol ammonia and sulphide -- could be burned off. ARMCO complained of the additional cost and threatened to lay off over three hundred workers.

ARMCO President William Verity -- whose executives had contributed at least \$14,000 to the 1968 Nixon campaign -- wrote to President Nixon complaining of the EPA suit. According to House testimony, Peter Flanigan contacted EPA officials -- who were told to "negotiate the case like any other..." whatever that meant. EPA and the Justice Department then entered into negotiations with ARMCO and reached an agreement whereby ARMCO could continue dumping its chemicals until the summer of 1972.

The 1972 fund-raising exploits of the Committee to Re-Elect the President have been well-chronicled by the Senate Watergate Committee, the House Judiciary Committee and the Special Prosecutor. According to testimony, corporations were asked to pay "protection" money which, it was said would be considered if future problems arose with government regulatory agencies. Washington Post reporter Carl Bernstein interviewed a Texas lawyer, Mr. Richard Haynes, who was intimately familiar with this operation. In a conversation with Bernstein, Haynes mimiced the typical pitch made by chief fund-raiser Maurice Stans:

You know we got this crazy man Ruckleshaus (head of the Environmental Protection Agency) back East who'd just as soon close your factory as let the smoke stack belch. He's a hard man to control and he is not the only one like that in Washington. People need a place to go, to cut through the red tape...

If his experience during the first Nixon Administration was any indication, the evidence is overwhelming that the man to see in Washington was Mr. Peter M. Flanigan. Called by Time Magazine the "Mr. Fixit" of the Nixon Administration, Mr. Flanigan was the liaison with big business and in charge of regulatory agencies at the White House. His name comes up time again in news articles and testimony as the man who, more than any other, could deliver on Mr. Stan's promises.

POSTAL SERVICE BONDS: In 1971 the newly-restructured Postal Service announced its intention to issue \$250 million worth of bonds. The Postal Service decided: (1) to sell the bonds on Wall Street rather than selling them to the U.S. Treasury; (2) not to take advantage of federal guarantees (which meant the price of the bonds would be higher); (3) that underwriters to float the bonds on the market would be selected through negotiations rather than competitive bidding; and (4) that one of the underwriters would be the Dillon-Read Company (Mr. Flanigan's former employer).

In his September 21, 1971 report to the Chairman of the House Committee on Post Office and Civil Service, Representative Morris Udall stated two principal conclusions: "(1) this important bond issue has been handled in such a way that the strong appearance of impropriety has arisen; and (2) that the method chosen for this financing may eventually and unnecessarily cost the taxpayers and the Postal Service large sums of money."

Udall reported further, "Peter Flanigan is a Special Assistant to the President and was formerly a Vice President of Dillon-Read and Company. There is ample evidence to indicate that he has been involved in discussions and meetings involving this issuance of the bonds by the Postal Service."

Add to this that the bond deal was negotiated by James Hargrove, Senior Assistant Postmaster General, formerly a Vice President of Texas Eastern Transmission...whose own issues had been handled for years by Flanigan for Dillon-Read.

It is hardly surprising, perhaps, that this exercise in public-private high finance was enriched by the appointment of none other than Mudge, Rose, Guthrie and Alexander as counsel to the underwriters -- counsel doubtless enhanced by the fact that two former senior partners are President Richard Nixon and then Attorney General John Mitchell.

**OIL IMPORTS:** The oil import quota system was estimated in 1972 to cost consumers up to \$5 billion a year. The Treasury gets none of it; oil companies get it all. A Cabinet-level task force recommended in 1970 that the quota system be scrapped. Peter Flanigan is known to have stopped the original report and guided the work of a successor panel which brought in the opposite verdict.

In firm control of the oil import control system, Mr. Flanigan embarked on Phase II. According to The Oil Daily, "orders have now gone down" to the Oil Policy Committee to report by April 1, 1973 on the import of new gas sources. The Committee was expected to recommend "large scale imports of LNG (liquefied natural gas) and oil for SNG (substitute natural gas)," to meet the increasing gas shortage.

Mr. Flanigan apparently finds no conflict of interest in the fact that Texas Eastern Transmission Corporation, mentioned above, is planning a SNG facility which will require 125,000 barrels per day of imported naphtha. It has also applied for permission to import LNG from Algeria (on a temporary basis, thus far) to a terminal facility on Staten Island. Dillon-Read underwrote the first offering of TETCO common stock in 1947 when it was formed, and it has underwritten every one of TETCO's public debt issues since that time. TETCO has been Dillon-Read's creation and, to a large degree Peter Flanigan's. In an oil market controlled by the White House, Peter Flanigan was in a position to insure the continued prosperity of his corporate ward.

**THE SANSINENA CASE:** In March 1970, Senator Joseph Tydings accused Mr. Flanigan of obtaining an "exemption" from the Treasury Department for a foreign tanker named "The Sansinena," to engage in domestic shipping. Mr. Flanigan was also the owner of the Sansinena and, according to Senator Tydings, the permit to allow the ship to engage in domestic shipping increased the value of the Flanigan company by up to \$6 million. Mr. Flanigan's father held his shares in the company. It should be noted that a similar request was turned down by the Navy during the Johnson Administration. Shortly after Senator Tydings' speech, the Treasury Department suspended the exemption fearing a possible congressional investigation.

**POLITICAL SABOTAGE OF SENATOR TYDINGS:** A few months after the Tydings' speech on the Sansinena exemption, Senator Tydings was made the subject of a damaging Life Magazine article which accused him of using his political office to advance a private financial venture. Tydings was said to have appeared personally before an AID officer to secure a \$7 million loan for his company in Nicaragua, which loan was approved.

Senator Tydings has accused Mr. Don Hoffgren, Assistant to Mr. Flanigan for AID matters, as the person who fed the erroneous story to Life Magazine. Tydings said that Hoffgren was in a position to know of the joint venture in the Nicaraguan project with Tydings business associates.

I have looked further into this matter and have received some unsubstantiated allegations that Mr. Charles Colson, a White House aide, and two high-level State Department employees conspired to withhold the State Department investigation on this affair which cleared Senator Tydings of any wrongdoing, until after the 1970 election. If this allegation is true, it demonstrates that the State Department was used for highly partisan purposes.

Was Mr. Flanigan involved in the leak to Life Magazine about Senator Tydings? Did he conspire to withhold results of the State Department investigation clearing Senator Tydings until after the 1970 election? These are areas which should be explored especially since Mr. Flanigan is being considered for a State Department post.

On June 1, 1974, Special Prosecutor Leon Jaworski told U.S. District Court Judge George L. Hart, Jr. that a Watergate grand jury has "circumstantial and direct evidence" that large contributors to President Nixon's 1972 re-election campaign sought or were promised federal jobs in return for their donations. Jaworski made this disclosure in papers filed with Judge Hart to explain why the Special Prosecutor's Office needed access to correspondence between former President Nixon and Maurice Stans concerning federal job appointments. According to Jaworski, the evidence to support such a request came from several persons, including White House aides H.R. Haldeman, Lawrence M. Higby, Peter Flanigan, Frederick V. Malek and Stanton Anderson. It is my belief, therefore, that Mr. Jaworski holds evidence which would be important to your committee's inquiry.

On the basis of the information which I possess concerning Mr. Flanigan, I could not in good conscience vote to confirm him as Ambassador to Spain. I believe that we should expect much more from those who represent the United States in foreign countries. Mr. Flanigan's agility is well known, but should the Senate reward him with one of the most prestigious titles our government can confer simply because he, unlike his many cohorts at the Nixon White House, has thus far escaped the long arm of the law?

For your information, I will deliver a speech on this subject Wednesday on the floor of the Senate. At that time I will ask President Ford to withdraw Mr. Flanigan's nomination.

Thank you very much for considering my views.

Sincerely,

/s/ Tom Eagleton

Thomas F. Eagleton  
United States Senator

TFE/cf



U.S. SENATOR

# ROBERT C. BYRD

WEST VIRGINIA

Phone: (202) 225-3904

Senate Floor Speech by U.S. Sen. Robert C. Byrd (D-W.Va.)

## Peter Flanigan and ITT

For 12 Noon Release, Wed., 9/25/74

Peter Flanigan was an important business-oriented aid in the Nixon White House.

As such, he came to be one of the key figures in the nomination hearings before the Senate Judiciary Committee of Richard Kleindienst to be Attorney General. These hearings, which ultimately produced a guilty plea by Mr. Kleindienst in Federal Court for failure to respond fully to the Committee's questions, became popularly known as the ITT hearings, due to allegations of high government misconduct in the settlement of the Justice Department's anti-trust suit against the International Telephone and Telegraph Co.

Mr. Flanigan became a central figure in the case when it was discovered that he had secured the services of an outside financial analyst, Richard Ramsden, to do a financial study of the effect upon ITT of the proposed Justice Department divestiture of the Hartford Fire Insurance Co. from ITT. This report was used as the analysis to persuade the Chief of the Antitrust Division, Richard McLaren, that the Justice Department studies or two years were incorrect and that ITT should not lose Hartford Fire.

The roles of Flanigan and other top administration officials -- notably Attorney General John Mitchell and Richard Kleindienst -- in the settlement of the ITT Case at the same time as ITT was pledging \$400,000 to San Diego, California for the 1972 Republican National Convention are murky at best.

The now famous Dita Beard memorandum stated that the favorable antitrust settlement for ITT was the result of negotiations between high ITT officials and top Presidential officials resulting in ITT's \$400,000 pledge to the 1972 Republican National Convention site

When the Judiciary Committee attempted to call Mr. Flanigan to testify during the hearings, the White House indicated that Flanigan would not be allowed to testify. When it became apparent that the Committee would not act on Kleindienst unless Flanigan testified, the White House position changed somewhat. Mr. Flanigan offered to respond to interrogatories sent by the Committee. The Committee rejected the offer. Then he offered to appear in Executive Session of the Committee and respond to a narrowly drawn area of questioning. Finally, the Committee accepted the narrow field of questioning in exchange for a public session.

Peter Flanigan had been a prime example of "executive privilege" as claimed by former President Nixon -- even though the Committee was not attempting to interrogate Mr. Flanigan on conversations with the President, but on meetings with other aides and people outside the government.

The substantive role played by Mr. Flanigan in getting prepared the

to the Antitrust Division Chief Richard McLaren<sup>1</sup> in the key event involved in the ITT controversy and the executive privilege cloak that was attempted to be placed around him to prevent the Judiciary Committee from fully questioning him on his role in the ITT settlement, makes him a questionable figure, at best, in light of the later Watergate related investigations.

In summary, Mr. Flanigan was essential in the changing of the Justice Department's position on the ITT case; that position was allegedly changed due to ITT's offer of \$400,000 to the Republican National Committee site in 1972; the resistance of the White House to allowing Flanigan to testify before the Judiciary Committee; the subsequent referral of the Kleindienst hearings to the Justice Department for possible perjury charges by the Committee; the subsequent guilty plea in Federal Court by former Attorney General Richard Kleindienst concerning his testimony during his confirmation hearings; and the subsequent knowledge that the ITT hearings were really the first tip of the iceberg of Watergate-related offenses that were opened up by Congressional hearings leads me to the inescapable conclusion that Mr. Flanigan is not a suitable man, under the circumstances that I have enumerated, to represent the United States as an ambassador.