

Nixon denies contributions influenced antitrust action



Splash

COL. ROBERT O'BRIEN will teach a course in swimming instruction of the handicapped Jan. 13 and 20 at the Bellefonte YMCA. See related story, Page 8.

SAN CLEMENTE, Calif. (AP) — President Nixon yesterday acknowledged he took "traditional political considerations" into account when he ordered a controversial 1971 hike in federal milk price supports.

Buoy in a pair of "white papers" issued by the White House, Nixon denied that pledges of campaign contributions influenced his action in the milk case or in settlement of an ITT antitrust case.

Releasing the statements as part of Nixon's so-called Operation Candor, the White House said no presidential documents, files or tape recordings were being released "in view of the fact they are on file with the special prosecutor."

The major points in the statements prepared by Nixon's attorneys were:

— The President faced "first and foremost...intensive congressional pressure" to increase milk price supports, and that he also took into account "economic merits of the case" and "traditional political considerations relating to the needs of the farm states."

— Nixon "had been informed of the dairy industry's intentions to raise funds for the 1972 campaign," although the White House asserted that the pledges were not discussed in presidential meetings on the milk price support increase.

— Nixon "did not direct the settlement or participate in the settlement negotiations directly or indirectly" in the antitrust case against the International Telephone & Telegraph Co., although he did order that an appeal in one ITT case be dropped — an instruction he rescinded two days later.

— At the time, the President "was unaware of any commitment by ITT" to contribute up to \$450,000 toward expenses of the Republican National Convention.

The 17-page statement on the milk case said the economic consequences of the President's decision "have been beneficial to the entire country."

The statement said "the political power of the dairy industry lobby" was brought to Nixon's attention at the meeting by then-Secretary of the Treasury John Connally who was quoted as having said, "their votes would be important in several midwestern states" and that the industry would be making 1972 campaign contributions in congressional races.

It said that neither Connally "nor anyone else discussed possible contributions to the President's campaign."

Nixon himself concluded, the White House said, "that the final decision came down to the fact that the Congress was going to pass the higher support legislation, and he could not veto it without alienating the farmers — an essential part of his political constituency."

After saying it was also believed that a 1971 hike in support levels would preclude similar action in the 1972 election year and thus hold the price line for two years, the statement said:

"The fundamental theme running through this March 23 meeting were two: the unique and very heavy pressures being placed upon the President by the Democratic majority leadership in the Congress, and the political advantages and disadvantages of making a decision regarding a vital political constituency."

The White House statement quoted Sen. George McGovern of South Dakota, who was to become Nixon's 1972 Democratic opponent, as having applauded Nixon's decision to approve higher supports. It quoted McGovern as saying on April 1, 1971: "This reversal can be considered a victory for those in Congress who spoke out vigorously on behalf of the dairy farmers."

The White House said the dairy industry contributed \$437,000 to Nixon's 1972 campaign but added:

"It is also worth noting that the ultimate contributions by the dairy industry to the President's re-election effort were far less than the industry leaders had hoped to raise; were far less than the dairy industry gave to other candidates for the House and Senate, including many Democrats, and represented less than one per cent of the total contributions to President Nixon's re-election campaign."

The White House statement dealt at length with Democratic support in

Congress for higher milk supports and said White House discussions took note of the fact that legislation to force higher supports "had the support of two of the powerful legislators in the country — Speaker of the House of Representatives Carl Albert and Chairman of the House Ways and Means Committee Wilbur Mills." Both are Democrats.

The eight-page statement on the ITT case said there was no relation between the out-of-court antitrust settlement and ITT's payment of \$100,000 as part of its pledge to help underwrite the Republican National Convention.

The statement asserted that settlement of the ITT case avoided a Supreme Court ruling "and caused the corporation to undertake the largest single divestiture in corporate history."

During the 1968 presidential campaign, the statement asserted, Nixon made clear that he sought an antitrust policy free of "unnecessary government interference with free enterprise."

The statement gave this chronology: In 1969, the Justice Department brought an antitrust suit against ITT for its acquisitions of the Grinnell Corp., the Hartford Fire Insurance Co. and Canteen Corp.

ITT executives, concerned about the Justice Department suits, "talked with various administration officials to learn their views," the statement said.

It reported that ITT head Harold Geneen sought to talk with Nixon personally in the summer of 1969 but "the President's advisers thought that such a meeting was not appropriate, and the meeting was not held."

Other White House officials, who were not further identified, talked to ITT representatives, the statement said, but those discussions "invariably focused on the legal and economic issues" of antitrust policy.

By the spring of 1971, the statement said Nixon "concluded that the ITT litigation was inconsistent with his own views on antitrust policy."

Nixon met April 19, 1971 with White House aide John Ehrlichman and George Shultz, then director of the Office of Management and Budget. Ehrlichman contended that an appeal of

a lower court ruling was inconsistent with Nixon's policies.

Ehrlichman said, according to the statement, that "he had tried to persuade the Justice Department to terminate the appeal" but was unsuccessful.

The White House account added: "The President expressed irritation with the failure of the head of the antitrust division, Mr. McClaren, to follow his policy. He then placed a telephone call to Deputy Atty. Gen. Kleindienst and ordered that the appeal not be filed."

The next day, then-Atty. Gen. John N. Mitchell advised Nixon that "it was inadvisable" for Nixon to stick with his order to Kleindienst, warning that it could bring the resignation of then-Solicitor General Erwin N. Griswold as well as "legislative repercussions."

Nixon then rescinded his order to Kleindienst and told the Justice Department to proceed "in accordance with its own determinations."

Two months later, McClaren prepared a memorandum outlining a proposed settlement of the suit, and an out-of-court agreement was reached on July 31, 1971.

The White House statement quoted two former solicitors general, Griswold and Archibald Cox, as agreeing with the out-of-court settlement as fair and to the government's benefit.

The statement gave a separate chronology on what it called "the separate and unrelated process" of selecting San Diego, Calif., as the site of the 1971 Republican convention. The convention was switched to Miami after the ITT controversy arose.

An ITT subsidiary, Sheraton Hotel Corp., offered financial aid in helping San Diego hold the convention, but the statement said ITT was not mentioned on a "White House staff report" on possible convention sites to then-presidential assistant H.R. Haldeman. The report, it said, recommended the San Diego site for a range of other reasons.

The President himself told Republican site selectors that whatever they decided was agreeable to him, although he subsequently approved the committee's selection of San Diego.

Employee calls bookstore a loser

By TERESA VILLA
Collegian Senior Reporter

A University Park Bookstore employe has said the store is poorly managed and is losing money, but store managers disagree.

The employe, who wishes to remain unidentified, said an October audit of the bookstore showed a loss of \$190,000.

Bookstore Coordinator Dayton Henson who saw the audit said "We're a little more than breaking even. We're doing quite adequately financially speaking."

Vice President for Business Ralph E. Zilly, who has the audit but will not release it, also said there is no question the store is breaking even. He said he will release an audit after the bookstore is in operation a full year—next term.

He said he will present a report to the University Board of Trustees on the financial status and progress of the bookstore.

Henson said the store is called the "interim bookstore" because if it is successful and if the trustees approve, a

new store is possible. "If we can prove to them we're doing all right, I'm hoping someday we will have an adequate bookstore," Henson added.

Zilly said he does not know of a specific time limit on the store, but the trustees have agreed the interim store will be the basis for a decision on a permanent one.

The employe also said the campus bookstore is mismanaged because it should have a better liaison with faculty members than now exists. "There is no excuse for not having correct books and supplies. This one area of auxiliary services is not good here," the source explained.

Henson said faculty response toward the store was excellent. Bookstore textbook specialist, Carl A. Fornicola with 19 years of experience at the now defunct Keeler's, said the store is "doing fine overall; in fact very good."

Henson said that for one of the largest universities in the United States, Penn State has the poorest bookstore facilities. He said the store has only one-third the space needed.

The employe said textbooks are not big money makers. The markup on new books is 20 per cent and on used texts is 20 to 30 per cent. Many stores sell other goods such as supplies, t-shirts and souvenirs to make a higher profit.

According to this source, the University is "backing into" the bookstore, an enterprise students, faculty and administrators had talked about for 40 years with no action.

Instead of making a large capital investment in building a new campus bookstore, the University decided to open the McAllister store as an experiment.

University told local officials of tax decision

By STEVE OSTROSKY
Collegian Senior Reporter

The University did not keep secret its decision to remove the names of out-of-state students from the list of students it sent to the county tax assessor, a University official said yesterday.

Raymond O. Murphy, vice president for student affairs, said he told student leaders and county officials of the University's decision.

Undergraduate Student Government President Mark Jinks and Graduate Student Association President Roger Richards were informed last term of the University's action, Murphy said.

Murphy said Jinks and Richards did not comment on the University's decision. Jinks and Richards could not be reached for comment yesterday.

USG Vice President Frank Muraca said Jinks did not tell him about the University's decision until last week, when the removal of the names was noticed.

Murphy and University President John W. Oswald discussed the tax situation in November with the Student Advisory Board, Muraca said.

"We (the SAB) told Oswald he should give the names of all the students to the tax assessor this year," Muraca said. He said there was no mention of removing the out-of-state students from the University's list.

Muraca said he and Jinks have "been working independently of each other" and that may be why Jinks did not tell him of the meeting with Murphy.

Centre County commissioners and County Tax Assessor David Barr were informed of the University's decision, Murphy said.

"Mr. Barr knew very well out-of-state students were not on the list," Murphy said.

Last week Barr told The Daily Collegian, "I don't know if the names of out-of-state students were deleted."

Murphy said he did not inform the State College Area School District of the University's decision since it works from the tax assessor.

But State College School District Business Administrator Ralph Moyer last week said he did not know the names had been deleted, so apparently Barr had not told the school district.

Barr could not be reached for comment.

University lawyers advised the University to omit the names of the out-of-state students to protect the University's interest in a court suit concerning out-of-state tuition rules, Murphy said.

In December 1971, two married women graduate students at the University of Pittsburgh brought a suit to change one of Pennsylvania's rules governing out-of-state tuition.

The rule states that a married woman will be classified by her husband's legal residence. The students, Dena Meyers and Cynthia Jo Samuels, worked in Pennsylvania for a year, voted in the state and had state driver's licenses.

But since their husbands lived out of state, the women had to pay out-of-state tuition.

Named as defendants in the classaction suit, which means the women can represent all married women classified as out-of-state students who want to enter into the suit, are Temple University, Pitt and Penn State.

Murphy said the state auditor general, who establishes tuition guidelines, is revising out-of-state tuition rules.

Murphy said the suit is still in the discussion stage.



Cindy Ashear

Ashear chosen to fill managerial position

Cindy Ashear (9th-advertising) was selected as interim business manager of The Daily Collegian by the Collegian, Inc. Board of Directors.

Ashear, who took office Dec. 19, replaces former Business Manager John Todd, who is on an accounting internship in Washington, D.C.

"I hope to carry on the policies that John initiated, and I also hope to make some innovations," Ashear said, adding she plans to make the business operations more efficient.

Ashear has worked as assistant advertising manager, during which time her responsibilities included advertising layout and coordinating salesmen activities.

As business manager, she will coordinate the business staff's activities, handle financial matters for the paper and work with Collegian editors to unify operations.

"It is my hope that we can learn to work together efficiently," Ashear said.

Selection Committee question still open

By NANCY LOWRY
Collegian Staff Writer

While selection of a new police chief is still a question, an even bigger question in State College is who will be chosen to serve on the selection committee.

At Monday's Borough Council meeting, newly elected Council President Arnold Addison said selection of this committee is one of the more important issues facing Council.

Although reluctant to say who would sit on the committee, Addison said it would include at least three council members including new Mayor Jo Hays, Borough Manager Carl Fairbanks and himself as Council President and ex-officio chairman of the Public Safety Commission.

The committee probably also would include State College Police Civil Service Chairman James Elliot and Charles L. Newman, chairman of University Department Law Enforcement and Corrections.

Addison said there may be an additional member from the Centre Regional Council of Governments.

Newly-elected Councilman Dean Phillips said he thinks a student, himself, should be named to the screening committee to insure that student and minority viewpoints are represented.

As a student, Phillips said he is closer to problems concerning minority groups and students, notably Lee Coffey, Black Caucus president, Tony Silvestre, Homophile of Penn-State president and Doréne Robotti, Association for Women Students president, concerned with women's issues.

elected official if I were on the selection committee," Phillips said.

Addison said he does not feel Phillips' non-appointment to this committee would impair his ability to represent his constituency.

According to Addison, the committee will review application letters and select those to come to State College to be interviewed. All Councilmen will have the opportunity to meet with the prospective police chief and ask him questions even if they are not on the committee, he said.

"And we'll (the selection committee) welcome any input from the Councilmen," he said.

Addison said the committee only could recommend their choice of candidates interviewed, but a final decision would come from the police civil service commission and Council.

He said Phillips should not feel slighted that he was not named to the Public Safety Committee. Each councilman, he said, is named to only two committees and has no time for anything more.

As a member of Public Works, and the Authorities, Boards and Commissions committees, Addison said Phillips is in a position to provide Council with input from campus leaders on other important issues.

In its report of the State College Borough Council meeting Monday night, The Daily Collegian did not mention that Dean Phillips' motion on tax exoneration policies was passed. Council decided to use exoneration policies similar to those used by State College School District, including non-residency and financial inability to pay with an annual \$1,800 income as the limit.

Weather

Cloudy and cold today with snow mixing with or changing to sleet and freezing rain ending by early afternoon, high 28. Tonight mostly cloudy and cold, low 23. Thursday becoming cloudy with a chance of rain or snow developing by afternoon, high 32. Sunrise 8:30, sunset 5:58.