

Federal Judge Testifies In Kleindienst Hearing

WASHINGTON (AP) — U.S. District Judge Richard McLaren conceded today he apparently went through the White House in hiring an outside financial adviser who figured prominently in the out-

of-court settlement of a multimillion dollar antitrust suit against International Telephone & Telegraph Corp.

McLaren, telling of actions taken when he was head of the Justice Department's anti-

trust division, also testified before the Senate Judiciary Committee his former chief economic aide was not consulted because he was not a financial expert, he had a heavy workload and was not

in a "need to know" position.

Judge McLaren made the statement during the fourth day of hearings into the committee's investigation on accusations by columnist Jack Anderson of impropriety by Justice Department officials in the settlement of the suit against ITT.

ANDERSON has written that the suit was dropped after ITT pledged to contribute \$400,000 to help defray expenses of the Republican National Convention in San Diego next August.

Anderson has accused acting Atty. Gen. Richard G. Kleindienst of playing an important role in the decision to drop the suit.

Kleindienst asked the committee to reopen his confirmation hearings to be attorney general, succeeding John N. Mitchell, so that he could clear the air.

Appearing with Kleindienst, McLaren said he apparently was wrong when he said last week that he did not consult with the White House in the selection of Richard J. Ramsden, a 34-year-old New York investment banker, to make the outside financial study of ITT and the repercussions of a divestiture sought by the Justice Department.

"I SAID I didn't remember recalling discussing the ITT case with the White House or (Peter) Flanigan. I still don't have a recollection. It now appears there was some consultation," McLaren said.

He said, however, that special White House assistant Flanigan "was simply a conduit for my request to secure Ramsden.

"Ramsden submitted the (ITT report) May 17 to Flanigan and it was forwarded to me by Flanigan," he said. "As far as I'm concerned, Mr. Flanigan was just a conduit.

"AS FAR AS I am concerned, Ramsden's report was prepared for and submitted to the antitrust division," he continued. "The report speaks for itself."

The two men who were the principal economic advisers to McLaren in 1971 said over the weekend they played no role in resolving the controversial ITT litigation.

They are Kenneth G. Elzinga, former economic assistant to McLaren and now at the University of Virginia, and William Mueller, former chief economist at the Federal Trade Commission and now at the University of Wisconsin.

McLaren said Elzinga and Mueller were not consulted primarily because the department was interested in having financial experts look at the case and they were economists.