

MAR 9 1972
Witness Is
'Outraged' by
ITT Hearing

Associated Press
SF Chronicle
Washington

Former Assistant Attorney General Richard L. McLaren expressed outrage yesterday at the way a Senate committee is looking into the out-of-court settlement of an antitrust suit against International Telephone & Telegraph Corp.

McLaren, now a Federal judge in Chicago, said Democrats on the Senate Judiciary Committee are out of bounds in probing the settlement and its connection with a financial commitment of several hundred thousand dollars from the conglomerate for the Republican National Convention in San Diego.

"This is ridiculous ... it's an outright outrage," McLaren said in the first emotional outburst in five days of hearings.

McLaren and Attorney General - designate Richard G. Kleindienst repeatedly have denied there was any connection between the convention pledge and a decision against continuing to prosecute the ITT case. McLaren headed the Justice Department's antitrust divi-

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sion at the time of the settlement.

The committee, which once voted to approve the Kleindienst nomination to the top Justice Department post, called a new hearing at Kleindienst's request when columnist Jack Anderson published a memo written by Dita Beard, a Washington lobbyist for ITT.

QUALIFICATIONS

Questioned repeatedly by Senator John V. Tunney (Dem-Calif.) about events leading to the settlement, McLaren said that the committee has not been investigating Kleindienst's qualifications to be Attorney General, but McLaren's judgment as an antitrust lawyer for 25 years.

"Why don't you do that in a Senate committee on antitrust or monopoly?" McLaren said when told the committee wanted to find out how the settlement allowing ITT to keep the Hartford Fire Insurance Co. was reached.

"There was no hanky panky," McLaren said.

MONEY

Anderson had said the Beard memo indicated that ITT had pledged up to \$400,000 for the convention. ITT has said, however, that a subsidiary, Sheraton Hotels, contributed \$100,000, with a possible additional amount up to \$100,000, if needed to the San Diego



AP Wirephoto

RICHARD L. McLAREN
'This is ridiculous'

Convention Bureau. The money was to be relayed to the Republican National Committee as the bureau saw fit.

A spokesman for the Republican National Committee reiterated yesterday that the arrangements committee for the convention has received nothing directly from ITT. He said the committee would accept no sum as large as \$400,000 from any single donor, and later added \$25,000 would be a top for ITT.

The San Diego Republican Convention Civic Committee said yesterday the \$100,000 check still is in the convention bureau's bank account and "these funds will remain intact until San Die-

go's commitment is fulfilled."

The committee said it expects that part of the money will be returned to ITT after San Diego's cash pledges to the party have been satisfied.

COURT

Testifying about the antitrust settlement, Solicitor General Erwin Griswold said yesterday he doubts that the Supreme Court would have ruled against ITT in any of the three antitrust cases pending against the conglomerate.

Instead, Griswold said, the consent order reached out of court marked a great success in establishing a precedent against the growth of economic concentration.

"It was a very substantial victory for the government," he said, complaining about news reports which described his office as dropping antitrust prosecution against:

WHITE HOUSE.

Tunney and Senator Edward M. Kennedy (Dem-Mass.) have questioned both McLaren and Kleindienst about the role of White House aide Peter Flanigan in the ITT agreement.

McLaren has acknowledged that a report prepared by Richard J. Ramsden, 34, now an investment banker, played a major role in the decision not to seek a complete disassembling of ITT's corporate structure.

Ramsden prepared the report while he was working in

the White House for Flanigan, and critics of the settlement have seized upon the report as evidence of political influence exerted by the White House.

Kleindienst said yesterday there was nothing unethical about McLaren's calling on Ramsden to analyze the economic impact on ITT if it were forced to drop the Hartford firm.

Nor, said Kleindienst, was there anything wrong with the Justice Department consulting with aides of President Nixon.

"I consider myself a part of the Nixon administration. I even attend meetings at the White House," he said, denying that there was any improper political weight give to the ITT agreement.

Tunney said he has asked committee chairman Senator James O. Eastland (Dem.-Miss.) to call both Flanigan and Ramsden to testify.

Tunney said he wants to hear also from Mrs. Beard, New York attorney Lawrence E. Walsh, who contacted Kleindienst about the ITT case, and California Republican Lieutenant Governor Ed Reinecke and his aides.