

Consultant in I.T.T. Case Disputes Kleindienst View

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WASHINGTON, April 17—Richard J. Ramsden, the Wall Street consultant who was hired by the Government to analyze the financial consequences of antitrust action against the International Telephone and Telegraph Corporation, testified today that the Justice Department had overstated his findings.

He said he had not implied in his report that successful Government action would seriously damage the economy or

disastrously affect the corporation's stockholders.

Mr. Ramsden's analysis has been cited by Richard G. Kleindienst, the Attorney General-designate, and Richard W. McLaren, the former chief of the department's Antitrust Division, as a principal factor leading to their decision to settle out of court three suits against the conglomerate.

The testimony came on the 17th day of Senate Judiciary Committee hearings into a possible link between the settlement of the suits and the corporation's pledge to help finance the Republican National Convention.

Mr. Ramsden, a 34-year-old investment banker with the firm of Brokaw, Schaenen,

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Clancy, & Co., also told the committee that he had been hired by Peter M. Flanigan, the White House's liaison man with the business community, to prepare the report and that he had spoken with no other Government official about the case.

He said that Mr. Flanigan, to help with the study, had given him only one document, a memorandum prepared by I.T.T., but that Mr. Flanigan had not identified the source of the memorandum.

Mr. Ramsden said that the memorandum was "in no way based on any facts or analysis of information" and was "in the nature of an advocate report." He said it had not influenced his findings.

The Ramsden study found that if I.T.T. were forced to divest itself of the Hartford Fire Insurance Company, the price of I.T.T. stock would decline, the corporations' ability to pay common stock dividends would be impaired and it would be more difficult for the corporation to borrow money.

Report Called Persuasive

Mr. Kleindienst and Mr. McLaren told the committee last month that they had found the Ramsden report "persuasive."

Mr. McLaren declared that it was one of three factors that changed his mind about pursuing the antitrust cases to the Supreme Court and made him accept the settlement.

The other factors, Mr. McLaren testified, were an economic presentation made by the corporation and the Treasury Department's support for the corporation's position. The Treasury Department later said that its role was minimal —



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Richard J. Ramsden, consultant on I.T.T. case, before testifying yesterday to the Senate Judiciary Committee.

merely a telephone conversation might take place on the stock market and the economy."

Mr. Ramsden disputed Mr. McLaren's contention that divestiture of Hartford Fire would lead to a "ripple effect that It is unlikely that any dimin-

tion in value that I outlined in my report would lead to a ripple effect."	conglomerate and the country. They said they wanted to see if this position had a solid basis.	McLaren was desirous of contacting me, he would," Mr. Ramsden said.
Mr. Ramsden was then asked about Mr. McLaren's statement that successful antitrust action would result in "devastating financial consequences" to I.T.T. stockholders.	Mr. Ramsden said today that Mr. Flanigan had not given him this reason for his being hired and that he had "not in any way 'done' a critique of someone else's work."	He said further that Mr. Flanigan had not tried to influence his analysis and that Mr. Flanigan had been "reluctant" to give him the I.R.T. memorandum to help him with his study.
"It's a little strong," Mr. Ramsden replied.	Mr. Ramsden said he was not surprised that Mr. Flanigan and not Mr. McLaren had commissioned his study. Mr. Flanigan, a former investment banker, was a partner in Dillon, Read & Co., Inc., when Mr. Ramsden worked there several years ago.	Mr. Ramsden said he had persuaded Mr. Flanigan to let him take the document to New York "to help me focus on what I was supposed to focus on." But Mr. Ramsden insisted that the memorandum had not influenced his analysis.
Both Mr. McLaren and Mr. Kleindienst had told the committee that they had sought Mr. Ramsden's analysis after they heard the corporation's presentation of the problems I.T.T. said the divestiture of Hartford Fire would cause the	"It seemed to me that if Mr.	