

Ex-Antitrust Chief Reported to Have Told Of Plan to See White House on I.T.T. Case

By ROBERT M. SMITH
Special to The New York Times

WASHINGTON, April 30 — Richard W. McLaren, former Assistant Attorney General in charge of the Antitrust Division, told a subordinate two days before the International Telephone and Telegraph Corporation acquired the Canteen Corporation in 1969 that he was going to the White House to discuss the case, according to a reliable source close to the case.

If Mr. McLaren did go, the event would demonstrate White House involvement in a second of the three I.T.T. antitrust cases ultimately settled out of court by the Justice Department. It would also present a potential conflict with a statement by Mr. McLaren—now a Federal judge in Chicago—that he never went to the White House to discuss a particular case.

Mr. McLaren has refused, through his secretary, to be interviewed about these events.

When told through his secretary of the substance of this article, Mr. McLaren provided, through his secretary, this comment:

"In this period I had meetings, including meetings outside the department, in connection with an antitrust policy task force of which I was chairman. At these meetings there was discussion of merger policy, but I reiterate my previous testimony that I made no trip to the White House with regard to the handling of any specific case or cases."

Other Questions

There was no way of asking Mr. McLaren whether some of the meetings he mentions took place at the White House and whether, when he was at the White House—as opposed to making a trip there—he discussed specific cases, such as Canteen.

According to the source, Charles D. Mahaffie Jr., chief of the Antitrust Divisions general litigation section, returned from a meeting with Mr. McLaren on Wednesday, April 23, 1969, and told the three staff lawyers working on the Canteen case not to talk about it.

According to a reliable source, all the papers in the Canteen case—the complaint, motion for preliminary injunction, supporting memo — had been made ready. In addition, witnesses had been lined up and were being prepared to testify. They included a department economist and officials of companies that were in competition with the Canteen Corporation, a food-vending concern.

When the three staff lawyers asked Mr. Mahaffie why they should not talk about the case (for example, with the witnesses), he reportedly told them the case might be dead. He told them that Mr. McLaren



United Press International
Richard W. McLaren

had said he was going to the White House that afternoon, at 2 or 2:30, to discuss a number of things, including the Canteen case.

Not Told Results

The staff lawyers were never told the results of Mr. McLaren's trip to the White House. Two days later, on April 25, a lawyer called from outside the department to tell them that a news ticker was carrying the story that I.T.T. had acquired the Canteen Corporation.

In some agitation the lawyers went to Mr. Mahaffie to ask what had happened to the papers they had prepared requesting an injunction to prevent that acquisition. Mr. Mahaffie reportedly said he would find out. It turned out the papers were still in the office of Richard G. Kleindienst, then Deputy Attorney General and now Attorney General-designate.

On Saturday the lawyers got their papers back, and on Monday one of them flew to Chicago to ask a Federal judge to undo what had been done—that is, to force I.T.T. to divest itself of I.T.T. Canteen. It is far harder, from the point of view of Government lawyers, to undo a merger already consummated than to prevent one from taking place.

The Senate Judiciary Committee ended last week extensive hearings relating to Mr. Kleindienst's fitness to be Attorney General. The hearings focused on whether there was a relationship between a pledge of at least \$200,000 by I.T.T. to the Republican National Convention in San Diego this summer and the out-of-court settlement of the antitrust suits.

It has been disclosed that Peter M. Flanagan, a key White House aide, assigned Richard J. Ramsden, a partner in a Wall Street firm, to do a financial analysis in another I.T.T. antitrust case. Mr. Ramsden as-

sessed the likely impact of successful Government action against I.T.T.'s Hartford Fire Insurance Company.

During the hearings, Mr. McLaren mentioned the assertion in a report on antitrust policy by aides of Ralph Nader, the consumer advocate, that he had made a trip to the White House regarding the Canteen case and had threatened to resign.

"I categorically deny that that happened," Mr. McLaren testified. "I never did threaten to resign; I made no such trip to the White House."

Jack W. Hushen, the Justice Department's spokesman, was asked about Mr. McLaren's alleged statement that he was going to the White House on

April 23, 1969. Mr. Hushen said that he had talked with Mr. Mahaffie and that Mr. Mahaffie told him he could not recollect Mr. McLaren's saying that.

Mr. Hushen said he had also talked with two staff lawyers still in the department who worked on the Canteen case and they could not recollect Mr. Mahaffie's telling them about Mr. McLaren's statement.

Mr. Hushen pointed out that the lawyers were not saying that Mr. McLaren had not said he was going to the White House.

"They are saying they have no recollection of it," he said.

He refused to allow a reporter to talk directly with the three lawyers involved.