

White House Aide Linked

To I.T.T. Antitrust Case

By Robert M. Smith
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Washington, March 3 — The independent analyst hired by the Justice Department to write a report on the financial consequences of antitrust action against the Inter-

national Telephone and Corporation said today that he had dealt entirely with a key White House aide, Peter M. Flanigan.

The analyst, Richard J. Ramsden, a 34-year-old partner in the investment management firm of Brokaw, Schaenen, Clancy & Co. of New York, said in a telephone interview that he had not even seen Richard W. McLaren, then Assistant Attorney General in charge of the Antitrust Division.

Mr. McLaren told the Senate Judiciary Committee yesterday that he had asked for the study and had been in part persuaded by it to accept the ultimate settlement reached with the telephone corporation.

Mr. McLaren told the com-

mittee that Mr. Ramsden had done some work for him earlier. At first he said he could not remember how he had happened to choose Mr. Ramsden to make the antitrust study, but when pressed he said that the analyst had been recommended by either Mr. Flanigan or the Treasury Department.

The committee is looking into charges that Attorney General-designate Richard G. Kleindienst intervened on behalf of the corporation in return for a contribution by the Sheraton Corporation, an I.T.T. subsidiary, to help finance the Republican National Convention in San Diego.

Mr. Ramsden said today that Mr. Flanigan knew him because both had worked at Dillon, Read & Co., a brokerage firm. "Peter Flanigan contacted me," Mr. Ramsden said, "and I returned the report to him. Flanigan relayed the questions to

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me that I was supposed to focus on."

Mr. Flanigan, a former investment banker, is an assistant to President Nixon and was then the principal White House contact with the business community.

Mr. Ramsden said that he told Mr. Flanigan before taking on the assignment that his firm had a small interest in the telephone corporation. He said that his firm, which manages about \$200-million in assets, had control of one pension fund that owned 3,240 shares of the corporation's stock. At the time he wrote the report for the Justice Department, Mr. Ramsden said, those shares would have sold for \$64.50 each, or a total value of \$208,890.

Stock Came in Portfolio

"I told him we didn't buy the stock," Mr. Ramsden recalled. "I said, 'It came in with a portfolio, and it's a very small position in this portfolio. From my point of view, I don't think it's germane. If you feel it does disqualify me, O.K. If I go ahead and do this, I will do it on the basis that, whatever knowledge I get, I won't do anything with until it is general public knowledge.'"

"I think he said, 'O.K., let's go ahead on that basis.'"

Asked why he had not dealt with Mr. McLaren rather than Mr. Flanigan, Mr. Ramsden said, "Because of Mr. McLaren's time schedule or mine at the time." He described Mr. Flanigan as his "point of contact."

Mr. Ramsden said that he did not know whether Mr. McLaren had been told about the shares of I.T.T. stock managed by his firm. "I never saw McLaren," he said. "I never sat down with him, so I never got a chance to tell him."

At the Judiciary Committee hearing yesterday, Mr. McLaren was asked whether he had checked to make sure that Mr. Ramsden had no connection with the telephone corporation. He said that he could not specifically recall Mr. Ramsden's case but was sure a check had been made because that was the policy of the antitrust division.

Mr. Ramsden stressed in the interview that the amount of the tock held by Brokaw, Schaenen was very small; that his report should be judged on its thoroughness and accuracy, and that his background as an analyst familiar with the fire and casualty field made him particularly qualified him for the job.

One company involved in the disputed merger with the telephone corporation was the Hartford Fire Insurance Company.

Mr. Ramsden also pointed out that his firm did not sell the I.T.T. stock in the pension portfolio until last Oct. 6, two months after the antitrust settlement.

A White House Fellow

Mr. Ramsden was a White House fellow from September, 1969, to August, 1970. He worked for six weeks for H. R. Haldeman, an assistant to Mr. Nixon, then for Donald Rumsfeld at the Office of Economic Opportunity.

When Mr. Flanigan was called at the White House today for comment, his secretary said that he was in a meeting. She was told the subject of the call. Mr. Flanigan did not call back.

The report done by Mr. Ramsden has taken on particular importance because Mr. McLaren said yesterday that it was one of three things that had changed his mind and made him accept the ultimate arrangement with the telephone corporation.

The two other things were an economic presentation made by the telephone corporation and arranged through Mr. Kleindienst, and what Mr. McLaren characterized as Treasury Department support for the corporation's position.

The Treasury Department has released a statement contending that its role was minimal. "On the basis of information provided by I.T.T. at the meeting," the statement says, "information not verified by Treasury. Treasury stated orally and informally to Justice that, on the economics of the matter (that is, balance of payments, etc.) there was merit in the I.T.T. position. However, Treasury made no comment on those aspects of the case dealing with the fundamental competitive problems."

Paid by Commerce Agency

Mr. Ramsden said that he had received a consultant's fee from the Commerce Department for three days for writing the report. He explained that he was already doing some consulting work for the Commerce Department and that getting paid by it "was the easiest thing to do—I didn't want to go through all the bureaucratic nonsense of being fingerprinted for the ninth time."

He said that the Commerce Department had also paid for his air fare when he came here to see Mr. Flanigan.

Mr. Ramsden's report, supplied to the Judiciary Committee yesterday, concluded with the following points:

"1. Hartford and I. T. T. as separate companies would be valued in the market place at approximately \$54 per present I.T.T. share versus \$64 1/2 for the combined company on 5/14/71 [the date of the report]. This represents a 16 per cent diminution in market value, or almost \$1.2-billion.