

# The Shadowy World of ITT

WASHINGTON — (AP) — From World War II contacts with the Nazis to trade negotiations with Russia, British journalist Anthony Sampson puts the spotlight on the shadowy world of a giant multinational conglomerate in a new book, "The Sovereign State of ITT."

Drawing on a rare volume of ITT office memos and government documents, the author goes beyond already headlined disclosures of alleged ITT use of the Central Intelligence Agency in an unsuccessful effort to block the election of President Salvador Allende in Chile in 1970, and the lobbying of Vice President Agnew and other high-placed friends to avoid an anti-trust action in 1971.

International Telephone & Telegraph Corp., is depicted as an empire with a wide variety of business interests in 70 countries, conducting its own foreign diplomacy, relying on its own communications and spy network and

motivated solely by a relentless thirst for profits.

Harold S. Geneen, who became ITT president in 1959, is pictured as the monarch and commander-in-chief of an army of 400,000 employees, reigning from castles in New York and Brussels and taking his court of highly paid vice presidents with him on frequent travels throughout his domain.

But at the same time, when it suits a purpose, ITT is shown to claim local autonomy for its subsidiaries and foreign enterprises.

The book, published by Stein and Day, goes on sale July 30.

In the last decade, Geneen has transformed ITT from a group of scattered telephone companies into the world's 11th largest multinational conglomerate, buying up hundreds of large and small disconnected businesses.

The author of the book, Sampson, long-time staff member of The London Ob-

server concludes, however, that many of Geneen's policies resemble those of an earlier era:

● During World War II, ITT kept in touch with its German companies and the Axis powers through interlocked affiliates in Argentina, Switzerland and Spain, at the same time making submarine detectors for Allied convoys.

● "Thus while ITT Focke-Wulf planes were bombing Allied ships and ITT lines were passing information to German submarines, ITT direction finders were saving other ships from torpedoing."

● Wartime ITT letters, cables and telephone conversations were monitored by the State Department and the Federal Communications Commission, but ITT was never prosecuted.

● An anti-trust complaint against both ITT and A.T. & T. was drafted in the Justice Department in 1946, but was never signed.

● An espionage trial of three ITT employees in Hungary in 1949 disclosed ITT pursuing its own foreign policy trying to detach Hungary from the Communist bloc, while at the same time courting favor with the Communists.

ITT hit the front pages in 1972 with the leak to columnist Jack Anderson of a memo from ITT lobbyist Dita Beard linking a \$400,000 pledge for the Republican convention to ITT efforts to avert divestiture of the \$2 billion Hartford Insurance Companies in anti-trust litigation.

Sampson reviews the 1972 Senate hearings and disclosure of additional ITT letters and memos revealing a massive lobbying campaign to persuade Richard W. McLaren, then Justice Department anti-trust chief, to settle on ITT terms. ITT ended up keeping the Hartford group but divesting itself of other properties.

One letter from ITT vice

president Ned Gervity thanked Vice President Agnew for "your assistance."

Geneen himself was shown to have talked to Secretary of Commerce Maurice H. Stans, Treasury Secretary David M. Kennedy and his successor, John B. Connally; Paul W. McCracken, chairman of the Council of Economic Advisers; Peter G. Peterson, White House economic adviser, and four other members of the White House staff, Arthur F. Burns, Charles W. Colson, John D. Ehrlichman, and Peter Flanigan.

Other ITT officials approached then Attorney General John N. Mitchell and his deputy, Richard G. Kleindienst.

The author traces the intensity of the Hartford merger lobbying effort to an earlier failure. Justice Department intervention thwarted ITT's attempt to add ABC to its empire in 1966 and 1967.