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Leaking gas exploded, leaving most of this 15-unit apartment complex in rubble, estimated to be five feet thick in some places.

Archives Show Strong ITT-Nazi Ties

By Morton Mintz
Washington Post Staff Writer

Government records in the National Archives, ignored until recently, show that the International Telephone and Telegraph Corp. maintained close ties with the leaders of Nazi Germany from the start of the Hitler regime in 1933 until the Allied victory in 1945, the author of a forthcoming book says.

ITT "carefully arranged to become German," "deliberately invested in the German war effort," and produced Focke-Wulf bombers that "were to wreak havoc on Allied convoys," Anthony Sampson says in an article in the current issue of New York magazine.

Yet, he says, ITT later presented itself "as a victim of World War II" and, in 1967, "actually managed to obtain \$27 million in compensation from the American government for war damages to its factories in Germany." The sum included \$5 million for damage to Focke-Wulf plants "on the basis that they were American property bombed by Allied bombers," Sampson says.

Had the Nazis won, "ITT in Germany would have appeared impeccably Nazi; as they lost, it reemerged as impeccably American," Sampson says. ITT, the ninth largest industrial corporation in the United States in 1971, "buried its history in a mountain of public relations," according to Sampson.

Sampson, a newsman from the London Observer, reviewed the archives' first feet of 1930-1945 files on ITT for "The Sovereign State of ITT," to be published by Stein and Day.

This "unique source of information" about ITT's war-time activities—on the side of the Allies as well as the Axis



Fabian Bachrach
SOSTHENES BEHN
... got Army medal

powers—raises a basic question for the 93 nations in which ITT operates 331 subsidiaries and "708 subsidiaries of subsidiaries," Sampson says: "Can anyone control such a multinational corporation?"

Similar questions were raised in recent hearings by the Senate Subcommittee on Multinational Corporations on ITT's conduct in Chile.

The key figure in Sampson's copyrighted account is the late Sosthenes Behn, a one-time colonel in the U.S. Army Signal Corps who founded ITT in 1920 and imparted to it, Sampson says, an enduring "chameleon business philosophy—enthusiastically to support the regime whatever it might be."

The Virgin Islands' born Behn brought ITT to Germany in 1930, when he formed a holding company, Standard Elektricitäts-Gesellschaft (SEG). He later bought another firm, Lorenz.

In a small news item on Aug. 4, 1933, The New York Times reported that Germany's new chancellor, Adolf Hitler, had for the first time

received a delegation of American businessmen. It consisted of Behn and his representative in Germany, Henry Mann.

"The meeting was the beginning of a very special relationship between ITT and the Third Reich," Sampson says. "Behn was eager to work closely with the new Nazi government."

Behn obtained the names of "reliable men acceptable to the Nazis who could join the boards of ITT's German companies," Sampson says. He names one of these as banker Kurt von Schroeder, later a general in the German SS "and the crucial channel of funds into Himmler's Gestapo."

Quickly, Sampson says, Schroeder won "massive new contracts for armaments for SEG and Lorenz. In return for his cooperation, Behn through Schroeder was soon able to get special treatment from the Nazis."

Behn's "other important Nazi ally" was Gerhardt Alois Westrick, whose law firm represented several American firms in Germany, and who also became a director of SEG and Lorenz.

Drawing on the Archives records, including transcripts of Behn's war-time phone conversation, Sampson reports such subsequent developments as these:

- (Not long after) meetings between Behn and Luftwaffe chief Hermann Goering, Goering, "ITT did Goering an important service." In 1938, in "a remarkable diversification for an electrical company," Lorenz acquired 28 per cent of Focke-Wulf, but never exercised its option of transferring profits from the company out of Germany to ITT in the United States.

- By September 1939, when the Nazis invaded Poland, SEG and Lorenz, now effectively run by Westrick, con-

trolled ITT's subsidiaries in Austria, Hungary and Switzerland. These, thanks to Schroeder's intervention, became "the first foreign companies declared by the Reich to be German," and thus exempt from Nazi confiscation.

- In the spring of 1940, Westrick came to New York to urge American businessmen to cut off supplies to Britain. A few months later, it became known that Westrick, although Behn arranged his visit and ITT paid for it, was "the personal emissary" of the Nazi foreign minister, who was "acting under Hitler's instructions."

- After the United States entered the war, the Swiss ITT factory "continued to collaborate fully with the Nazis at a time when its Swiss-owned rival, Halser, refused to make equipment for Germany; and in Spain the ITT company provided Germany with raw materials . . . and made equipment 'apparently for the German army.'"

- In January, 1943, in Washington, an official of the Federal Communications Commission said in a secret report that ITT, in Sampson's words, "was strongly suspected" of allowing its communications facilities in Argentina "to be used to pass information to German submarines."

While the FCC "thoroughly distrusted" ITT, the State Department had "grave doubts," and the Justice Department "was preparing antitrust action," Behn had "very good friends in politics and especially in the Pentagon," Sampson says.

The U.S. Army awarded Behn its highest civilian honor, the Medal of Merit, for providing it with land-line facilities. And in 1942, ITT laboratories in New Jersey invented a valuable high-frequency direction finder to protect Allied convoys, which simultaneously were being bombed by Focke-Wulfs.