

ITT Datanetics to close, merge with Minnesota unit

International Telephone and Telegraph Corp. said Monday its Fountain Valley-based ITT Datanetics subsidiary will be closed and merged into its ITT Shadow unit in Eden Prairie, Minn.

Thirty-one employees at ITT Datanetics were laid off Aug. 7, and the remaining 149 employees of the 14-year-old electronics assembly company will be laid off within a few months, said J.L. von Harz, vice president and general manager of ITT Components Group of North America.

Datanetics, which became part of ITT in 1979, designs and manufactures key switches and keyboards for calculators, business machines and computers.

The company's business has slowed in the past six months because of inventory reductions by customers and high interest rates, said a company source, who asked not to be identified.

"The move is designed to produce effi-

ciency in the two companies' product lines," von Harz said.

ITT Shadow manufactures push-button, key, locker and rotary switches for consumer and industrial equipment manufacturers.

As part of the merger, ITT will de-emphasize keyboards that were part of the ITT Datanetics product line, von Harz said.

The Fountain Valley facility will remain open to complete work on existing contracts.

ITT Datanetics will pay employees severance pay and all accrued fringe benefits and will continue to provide medical insurance for an unspecified period of time, according to von Harz.

The company is also assisting employees in finding other jobs, either with ITT or other companies, he said.

Datanetics grew from 13 employees in 1967 to 321 before the first layoffs more than a year ago, a company source said.