

Memo Reports Poor Litton Productivity

By Morton Mintz
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A key unit in a Litton Industries shipyard with major government contracts was getting about one-third of a day's work for a day's pay, according to an internal "bulletin."

"We have to figure ways and means to improve" a daily productivity rate of "approximately .35 per cent," J. A. Mazingo, surface ship superintendent in the pipe department, said in the memorandum, dated Sept. 29, 1972. "Your job and our job depends on doing a better job."

The department is part of Ingalls Shipbuilding, a Pascagoula, Miss., division of Litton, whose president was Roy L. Ash until his appointment to head the federal Office of Management and Budget, became effective last December.

The quality of work in the department so distressed one of its employees, B. L. White, 57, a pipefitter, that he made bitter, written protests last year to, among others, President Nixon, Sen. John C. Stennis (D-Miss.), chairman of the Senate Armed Services Committee, and Rep. William M. Colmer (D-Miss.), whose district includes the Ingalls fa-

ctility as well as Litton's troubled "shipyard of the future" on the other side of the Mississippi River.

White, also a stockholder in Litton, alleged in papers obtained by a reporter that he knew of work on commercial vessels being charged to Navy contracts, named supervisors who ordered use of dangerous "sub-standard materials," and charged that signatures had been forged on quality-assurance reports.

Litton's Washington spokesman could not be reached. Mazingo, reached yesterday in Pascagoula, said the pipe department's productivity was on a par with other units of Ingalls Shipbuilding.

Asked about the 35 per cent rate existing last fall, he said, "That was the way it was for the whole yard."
"Had the rate improved?"
"We got it up to 45 per cent," Mazingo said.
The bulletin, obtained by the Washington Post, bore his typed name and signature, but for disputed reasons, only the typed name of G. E. Martin, the department's Navy surface superintendent Martin re-

couldn't recall why Martin's signature was missing.
The bulletin was addressed to department supervisors who, Martin said, were responsible for piping on four Navy ammunition supply ships that since have been completed.

The memo, whose subject was, "Guide Lines That Must Be Followed," said:
"Supervisor must insure that men remain on job until whistle sounds before lunch."
"Supervisor must insure that men report back on job from lunch by whistle time (12:30 p.m.)..."

"Supervisor must see that their men do not abuse the sandwich and coffee rules."
"a. No sitting down with sandwich and coffee."
"b. No two men to be idle talking to each other while eating a sandwich and getting coffee."
"c. No lunch spread out like a picnic..."

"Supervisor to figure, plan and think of ways to remain with crew and see that a day's work for a day's pay gets done."
"We must improve."
The papers involving critic White include a telegram sent to him by a "deeply shocked" Senator Stennis, who said he

had requested "prompt and full" investigations.

The next day, Feb. 19, 1972, the FBI interviewed White. A few days later, the Navy began what White said was a 30-day investigation in which he showed the investigators "defective piping," and "is which other Ingalls personnel were interviewed. He also made a sworn statement to the Navy."

In April he was re-assigned in what he interpreted as an effort to "punish" him.
In May, in an open letter to Congressman Colmer, White accused him of having tried to "shield... sharp practices" at the Ingalls facility with a speech praising its "quality." White said Colmer wrote to say he was sorry they disagreed.

The day after Christmas, White wrote Mr. Nixon to object to the Ash appointment, saying the former Litton executive was unqualified to run the OMB if he knew what was going on, and also unqualified if he didn't. The President did not reply, White said.

Yesterday, White said that since he began his protests some of those he criticized have been promoted, including the executive who headed the

Ingalls division. Otherwise, he said, "nothing has changed," except that early this month he quit for "a better job."

The Ingalls division has filed a claim for \$36.8 million "for alleged extra work performed during construction" of the Navy munitions ships, Comptroller General Elmer B. Staats told a congressional Joint Economic subcommittee last Dec. 18.

"The Navy has advised the contractor that it had reviewed the record relating to this claim and had determined" that only \$962,057 should be paid, the chief of Congress' General Accounting Division testified. Litton has carried its case to the Armed Services Board of Contract Appeals, which arbitrates such disputes.

Ingalls Shipbuilding also has referred to the board a \$37 million claim based on a charge that late delivery of government materials delayed construction of three nuclear attack submarines. Earlier, in July, Vice Adm. Hyman G. Rickover, a deputy commander of the Ship Systems Command, charged that the claim involved "misrepresentation, if not fraud," and the Navy said Litton was entitled to only \$3.8 million.

In an action it termed

"relatively rare," the Navy disclosed last month that it was filing counter-claims of \$16 million with the board, which, all told, has before it Litton which the Navy had offered to pay what Litton called an "inequitable" \$7 million.

Apart from the claims before the board, Litton, whose government shipbuilding contracts totaled \$4.4 billion as of last July 31, asked the Navy to pay it \$270.7 million in extra compensation on a contract amphibious ships (LHAs) being built for the Marine Corps. The Navy rejected the claim, and as of last month Litton had not appealed.

That facility was audited between Dec. 10, 1971, and April 28, 1972, by a team of Navy and Maritime Administration investigators, who found it pervaded by "poor workmanship and repetitive defects."

The LHA contract created a cash-flow problem for Litton, leading to a demand on the Navy that it delay implementation of a contract clause that would intensify the problem by switching the payment method from a costs-incurred to a work-completed basis.

Minutes of a June 6 meeting with senior Navy personnel show that Ash said he would carry the problem "on to the White House to explain" it. He has denied making any attempt to exert influence.