

Pentagon Asks \$192-Million More for Litton Ships

By RICHARD WITKIN

The Defense Department has asked Congress to appropriate \$192-million more for Litton Industries' cost-plagued \$1-billion program to build five LHA amphibious assault ships, Representative Les Aspin disclosed yesterday.

In a letter to Defense Secretary Elliot L. Richardson, the Wisconsin Democrat said:

"I am writing to you today to request that you reconsider this massive bailout of Litton Industries. Since you have publicly announced that you are carefully reviewing the defense budget and may make some significant cuts, the obvious place to start is with this first Litton bailout."

The Pentagon request was made in President Nixon's budget for the fiscal year 1974. The LHA item had not been disclosed previously because it was lumped without identification in a budget item called "auxiliaries and craft."

Mr. Aspin, who obtained the specific LHA figures from Navy sources, accused the Navy of being "deceptive" because it had "tucked away" the LHA cost increase in the unspecific catch-all "auxiliaries and craft" category.

But a Navy spokesman, in confirming the Congressman's figures, said the item had been

listed under a standard Congress-approved system for listing cost growth as distinguished from initial costs for weapons systems.

"The funds are shown where Congressmen who are familiar with the defense budget would expect to find them," the Navy statement concluded.

Representative Aspin is an economist who worked for three years as an Army official in the Pentagon's Office of Systems Analysis.

An aide said that, in any case, there had been no specific listing for the LHA in the budget as released.

Mr. Aspin's call for blocking a "bailout" of Litton came as the company and the Navy neared a month's-end deadline on long negotiations over the LHA contract. Litton has been pressing for hundreds of millions of dollars in claims and "equitable" cost increases above the original contract estimates.

The issue assumed political importance because Roy L. Ash, the new director of the Office of Management and Budget, previously was president of Litton. Several Congressmen and other officials have raised the question of a conflict of interest and Congress is considering a bill to require Congressional approval of directors

of the budget office.

Mr. Ash has taken steps to divest himself of any financial interest in Litton. But he has indicated that he has no intention of removing himself from consideration of Litton's financial problems with the Government.

Mr. Aspin, in disclosing the LHA budget request said:

"The Navy has finally acknowledged that it is willing to pay a 20 per cent cost overrun to Litton for their incredible mismanagement and inefficiency. In blunt terms, the Navy has been taken to the cleaners by Litton Industries."

Appropriations for the five-ship program in previous years have totaled about \$960-million.