

# Kidd Testifies, Denies Harassing Gordon Rule

By Morton Mintz 1-11-73

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Adm. Isaac A. Kidd denied yesterday that he had harassed or intimidated Gordon W. Rule for criticizing the performance of Litton Industries and President Nixon's appointment of its president to head the Office of Management and Budget.

Kidd, chief of the Navy Material Command, also denied that it was a demotion to move Rule, a top procurement official, to a Navy logistics school to "update the curriculum."

Sen. William Proxmire (D-Wis.) told Kidd, the Navy's fifth-ranking admiral, that he was "insulting the intelligence of this committee, the press and the public."

Rule, seated a few feet from Kidd, began his own testimony

by apologizing for having said that "old Gen. Eisenhower must be twitching in his grave" over the choice of Litton president Roy L. Ash to head the OMB.

"I was guilty of a verbal excess," Rule told Proxmire's congressional joint economic subcommittee. "I meant no disrespect." Proxmire agreed he hadn't, and offered an apology of his own: he had erred in saying that Kidd had "sent Gordon Rule" in his stead to the hearing on Dec. 19 at which Rule testified.

The apologies were almost aberrations in a 2½-hour hearing marked by bitter exchanges and possibly some of the saltiest language ever

See RULE, A5, Col. 1

## RULE, From A1

used in a Senate hearing room. Among the highlights:

- Proxmire called for President Nixon to "personally" investigate the Rule case, because it "goes to the very heart of . . . the ability of Congress to obtain information on the activities of the Executive Branch," and because of the irony that Mr. Nixon, as a senator in 1951, introduced a bill to make it a criminal offense for a government official to intimidate public employees from testifying on Capitol Hill (the Senate passed the bill, but the House did not act).

- Proxmire charged that, because Litton Industries is seeking more than a half-billion dollars from the Navy in claims and other financial disputes, Ash has an "explicit, direct conflict of interest" in dealing with Navy budgetary matters. Kidd, disagreeing, said, "That thought never crossed my mind." Proxmire rejoined, "That was the first thought that crossed my mind."

- Kidd said he was forewarned, on leaving the Sixth Fleet to take over the Material Command, that he would have three principal problems: Litton; Grumman Corp.,

which is refusing to build 48 F-14 fighter aircraft unless the Navy pays an extra \$500 million (a sum matching the "buy-in" with which it underbid a rival for the contract, according to Rule), and Rule himself.

- "I hope," Rule said of Kidd, that "he's not as screwed up in the negotiations with Litton and Grumman as he is with me."

- Rule said Kidd "probably thinks I'm a burr up his ass, and he wants me out." Rule traced this alleged hostility to his blocking of a \$151 million claim made by Avondale, a Louisiana shipyard, for a cost overrun on destroyer escorts. Backing Avondale were five leaders of the Louisiana congressional delegation, including Chairmen F. Edward Hebert of the House Armed Services Committee and Russell B. Long of the Senate Finance Committee.

A central issue yesterday was the previously disclosed minutes of a June 6 meeting between Roy Ash and high Navy officials, including Kidd, occasioned by a cash-flow problem at Litton. The minutes show that Ash, proposing what Rule termed "a bail out," said he would go "on to the White House to explain the problem." He also said then-Treasury Secretary John B. Connally had told him that a plan to keep Navy shipbuilders afloat should be "positively presented," on a scale sufficiently "grand" to be "bigger than the Congress."

Initially Kidd did not oppose putting the document into the hearing record. But later he tried to give it an on-the-spot security classification, claiming that "proprietary" information it contained could not be released without violating the criminal code.

Rule said the paper contained not "proprietary" trade secrets but information the public should have. Kidd accused Rule of having given him inconsistent accounts—"tampering with the truth"—about how he had gotten the minutes. Rule flatly denied the charge. Finally, accusing Kidd of trying to withhold information from Congress, Proxmire put the minutes into the record.

Rule and Kidd agreed at least as to the background of the dispute. Rule, who holds Civil Service Grade GS-17, won the Navy's highest civilian award in 1971 for, among

other qualities, his "judgment." Only a few days before his Dec. 19 appearance—cleared by Kidd and Navy Secretary John W. Warner—he had a "satisfactory" fitness report. On Dec. 20 Kidd came to his apartment to pressure him to resign. Rule refused. Next day Kidd detailed him to the curriculum mission in Anacostia. The key points at issue:

Kidd, who is participating in the Grumman and Litton negotiations, ordered Rule not to discuss them. Rule said he didn't, and couldn't have, because he had no role in them. In answering Proxmire's Dec. 19 questions he was dealing only with his mission of challenging questionable contracts, Rule said.

- Kidd, who made a last-minute decision to testify, said he had been losing confidence in Rule for 13 months, partly because he would "go outside the system."

Rule said Kidd had violated Civil Service Commission regulations requiring specific written charges—and produced a letter from the commission saying he remained "the incumbent" in his procurement job, although Kidd has barred Rule from his Crystal Plaza office.

Commission Counsel Anthony L. Mondello indicated concern with Navy's handling of the case. Under questioning, he was unable to specify a case in which the commission had "gone to bat" for a federal employee who has incurred an agency's displeasure with congressional testimony.