

Nixon Has

Faith in Budget Chief

Washington

The White House said yesterday that President Nixon has complete confidence in Roy L. Ash, his choice for director of the Office of Management and Budget, despite reports that Ash was allegedly involved in false manipulation of financial records 20 years ago.

Acting Press Secretary Gerald L. Warren said Ash discussed with the White House staff his previous business activities before announcement of his appointment to the key government post.

Warren declined to say if incidents described by the Washington Post yesterday had been discussed.

Asked if Mr. Nixon still has complete confidence in Ash, who will resign as pres-

ident of Litton Industries to accept the budget post, Warren said, "Of course."

The Post reported from Los Angeles that a libel suit filed in 1959, scheduled to be retried this spring, included testimony that Ash had juggled the books of Hughes Aircraft Co. in the early 1950s to obtain additional dollars from the Air Force on government contracts.

Ash, who was a top fiscal

officer for Hughes Aircraft at the time, has denied any wrongdoing.

The Post said an audit report of Hughes Aircraft claimed the company had overcharged the government, by \$43.4 million. The newspaper said the money was returned to the government after the situation came to light in an audit by the firm of Haskins & Sells.

The Post said Ash understated Hughes Aircraft profits on the Air Force contract through a series of book-keeping entries.

United Press