



LITTON CHIEF ROY ASH
Personal fortune is unknown

New Duties

White House's Money Manager

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New York Times Service

Beverly Hills

Roy L. Ash took up his new duties as the White House's new money manager December 11 fully aware that his reputation as a businessman genius had been tarnished in some quarters and thoroughly convinced that the criticism was unjust.

In a wide-ranging interview in his last days as president of Litton Industries, Ash vigorously defended his business record and asserted he would have no problem as a former defense industry executive and being objective as director of the Office of Management and Budget.

On the eve of becoming one of the most powerful members of the Nixon Administration, he discussed his dislike of big brother government, of the limitations of applying business practices in government and how being very rich did not prevent him from sharing political philosophies with less affluent citizens.

CHAIRMAN

Litton Industries, which Ash co-founded in 1953 with Charles B. Thornton, chairman, grew spectacularly in its first 14 years from a small electronics company into a conglomerate with sales of \$2.5 billion a year on products ranging from frozen foods to ships, microwave ovens to aircraft guidance systems, typewriters to medical equipment.

The company was the darling of glamour stocks during the era of conglomerates when Wall Street was enthralled by the Thornton-Ash concept of applying modern technology and management to form a multi-industry company that would be recession-proof. When one segment of the economy was off, other Litton enterprises would provide growth.

Wall Street's enchantment with Litton ended abruptly in 1968 when the company announced that it would report its first quarterly decline in profits in its history.

PROBLEMS

Litton had encountered problems in its office equipment division and its new highly-automated shipyard operations, problems that were still with them last year when profits fell to \$1.1 million from \$50 million in the preceding year. The price of Litton stock, once about \$120 a share, now fluctuates in the mid-teens.

With that background, Ash's appointment by President Nixon as overseer of government spending priorities, was greeted by some with snickers couched in the question, "if he can't run Litton, how can he manage the massive federal budget?"

Ash, interviewed in his office in the white brick colonial mansion that is Litton's

headquarters in Beverly Hills, was ready for the question.

Look at it in perspective," he said. "Litton is one of the greatest industrial accomplishments. Look at the last 18 years, we produced a half a billion dollars in profit and created one of the biggest corporations in the world."

Ash cited the record of several Litton divisions, all big companies in their own right, and finally the original Litton base. "We're the world leader in navigation guidance systems. We started from scratch and now do \$350-million in sales. Who else has done even that alone?"

FLAWS

Born in Los Angeles on Oct. 20, 1918, Ash could not attend college during the depression and was holding down a clerical job at the Bank of America when he enlisted in the Army during World War II.

He was selected to join the Army Air Corps, statistical control service, where a group of vigorous young officers, including Robert S. McNamara, later to become secretary of defense, and Thornton, were revamping military procurement along business lines.

Later, when McNamara and Thornton, as members of the "Whiz Kids" young management team ran the Ford Motor Co. which until the post war years had been a family enterprise, Ash — although without a college degree — was accepted to the Harvard University's graduate school of business. He finished first in his class with a master's degree in business administration.

Then when Thornton was running the Hughes Aircraft Co., he recruited Ash as his chief financial officer. Then, in 1953, with \$1.5 million in borrowed money, the two men founded Litton.

Ash is considered by some former associates as "a numbers man," not sufficiently sensitive to the human factors in business.

Business has made Ash a very rich man. How rich he declines to say. He describes estimates that his personal fortune totals \$9 million as "slightly exaggerated."

His Litton holdings alone represent \$3.5 million at market value and he has extensive holdings of Nevada cattle land acquired through a controversial exchange with the Federal Government of land he owned in the West Coast.

Spokesmen for Ash say it is unlikely that his personal holdings ever will be revealed.

A proponent of adopting business management techniques to Government, Ash nonetheless says it is "an over-simplification" to say Government should be run like business.