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Navy Reinstates Rule to Old Post

Procurement Director Had Scored Ash Appointment

by Richard Witkin

Gordon W. Rule, the Navy procurement expert who was shifted to a minor assignment in December after assailing the White House appointment of Roy L. Ash and then refusing a demand that he resign, was returned to his old job yesterday.

The order was handed to him personally by Adm. Isaac C. Kidd Jr., chief of the Naval Material Command.

It was Admiral Kidd who went to Mr. Rule's sickbed and tried to get him to sign resignation papers the day after the senior-civil servant had told a Congressional committee that President Eisenhower "must be



Associated Press

Gordon W. Rule

twitching in his grave" over the appointment of Mr. Ash to head the Office of Management and Budget.

Mr. Ash had resigned as president of Litton Industries to take the post. And because Litton was involved in hundreds of millions of dollars worth of

contract disputes with the Navy, Mr. Rule thought it a gross mistake to name him to a top budget post. He recalled General Eisenhower's warnings against the power of the "military-industrial complex."

Mr. Rule, in an interview from his Washington office after hearing the news from Admiral Kidd that he was to return to his old post, said, "I was happily shocked."

"I was happily shocked," Mr. Rule said in an interview from his old Washington office after receiving the news from Admiral Kidd.

"We had a damn fine meeting for an hour and a half on what needs to be done about Navy procurement," the official added. "He wants me to tell him what's wrong and what to do about it."

At the end of the session, the admiral simply handed Mr. Rule a formal Navy order notifying him that his temporary assignment was complete and that he was to assume his regular assignment as director of the command's Procurement Control and Clearance Division. In that top-level \$36,000 position, he annually reviews billions of dollars worth of Navy contracts.

A spokesman for the Material Command was asked whether the action indicated any change in the official Defense Department position that the Admiral had "lost confidence in the judgment of Mr. Rule" — the original explanation for demanding his resignation.

"This action has nothing to do with Admiral Kidd's confidence or lack of confidence in Mr. Rule," the spokesman said.

He added that the civilian expert had simply been detailed for a particular job and that, since the assignment had been completed, he was being returned to his normal duties.

Mr. Rule was reported to have been fearful that he would be sent from one "temporary detail to another and never get his top post back. He had initially protested the "temporary" assignment, indicating his belief that he was being punished.

There was no authoritative explanation for what might lie behind the Navy's action in restoring Mr. Rule to his regular job. But it appeared, from the cordiality of the Kidd-Rule session, that the Navy saw no gain in continuing a public squabble with Mr. Rule.

There were a combination of reasons for the Navy's initial anger at Mr. Rule's testimony, delivered before a Joint Economic Subcommittee.

Before his testimony on the Pentagon's Procurement policy, he is reported to have been cautioned against discussing not only the Litton shipbuilding disputes but also other Navy disputes with the Grumman Aerospace Corporation on its contract to build F-14 Tomcat fighters. The Navy reasoning was that this might prejudice delicate Navy negotiations with both companies.

Despite this caution, Mr. Rule did discuss both issues when questioned by committee members, and he did so in blunt terms that showed he felt the Navy should be tough in forcing manufacturers to hew to contracts.

Perhaps worse than that, in the eyes of officials, was the criticism of the White House appointment of Mr. Ash, who had been Litton's president, to head the O.M.B. And the final straw, it appeared, was the reference to President Eisenhower's "twitching in his grave."