

Shipbuilding

TRUMAN COMMITTEE
Senate Office Building
Washington, D. C.

FOR IMMEDIATE RELEASE

November 4, 1943

Senator Harley M. Kilgore (D. W.Va.), Chairman of the Subcommittee on Shipbuilding of the Truman Senate Committee, made the following announcement today:

"The Subcommittee on Shipbuilding of the Truman Committee of which I am Chairman held a private hearing this afternoon at which Rear Admiral E. L. Cochrane, Chief of the Bureau of Ships, informed the Subcommittee of the removal of Rear Admiral William G. DuBose (Retired) from active management in the Cramp Shipbuilding Company yard at Philadelphia, Pennsylvania.

"This action came as a result of an investigation conducted by Rear Admiral E. L. Cochrane. Previously on October 22, the Subcommittee had held a private hearing at which a number of the representatives of the union at the Cramp Shipyard had presented evidence, a transcript of which was turned over to the Bureau of Ships of the Navy Department, so that it would be able to make a full and complete investigation. The union representatives appeared before the Subcommittee at the request of their union membership, following a walk-out at the Cramp Yard on October 15. The walk-out was not authorized by the union, but came about because of alleged grievances and wasteful and inefficient practices in the construction of cruisers and submarines.

"The Cramp Shipyard is an old-line shipyard which once had a great reputation for shipbuilding and ceased operations in 1927. After this war broke out, a group headed by Rear Admiral William G. DuBose, who was a former Chief of the Bureau of Construction and Repair in the Navy Department

reorganized the Cramp Shipbuilding Company and obtained contracts on a cost-plus basis to build cruisers and submarines for the Navy. These contracts total nearly \$300,000,000 of which \$65,000,000 has been completed. They also obtained approximately \$20,000,000 of government funds with which to construct facilities. Even on the basis of their own valuation of the real estate and other assets of Cramp, the government was contributing four-fifths of the investment in the project.

"Under these cost-plus contracts, the new management would have obtained as fixed fees \$13,584,741 on an investment valued by them at \$4,442,937.79. The government was extremely liberal in this case and had a right to expect good management. There seems to be no question but that the management was not equal to that of our better Naval Shipyards. I believe that the removal of Rear Admiral DuBose as Chairman of the Board from actual managerial duties in the yard and various other steps outlined in the private hearing, will result in a substantial improvement.

"The Bureau of Ships should be complimented for having taken prompt action to investigate this and to make the necessary changes."