

How much money did you pay Food Machinery altogether on this?

Mr. MULLINS. The total, we paid \$93,260.

Mr. HARDY. That included a drive line business which we have just been talking about, plus a design study?

Mr. MULLINS. That is right, a design study plus what work they had done to the time we closed it out on the electric drive line.

Mr. HARDY. Then this \$116,705 figure we have is a wrong figure.

Mr. MULLINS. That is not just for the overall study.

Mr. HARDY. Well, what is it for?

Mr. MULLINS. It is for the overall study plus the design of the electric drive line.

Mr. HARDY. But that finally didn't come up to about \$95,000.

Mr. NEW. Sir, maybe I can help on this.

Mr. HARDY. Please.

Mr. NEW. The original contract price was set at this figure you have before you, \$116,000. That called for two items of work, as just explained, one for the overall study, one for the electric drive system. When the first study was made, the 4-month study, it was determined that the mechanical drive should be adopted, so all work was ordered stopped on the electric drive. Therefore the original amount of the contract was reduced from the \$116,000 to the figure just quoted, \$93,000, which is the total amount paid or to be paid to Food Machinery.

Mr. HARDY. In other words, you amended their contract and stopped what they were doing on the electric drive line?

Mr. NEW. Yes, sir. And had they recommended the electric drive, we probably would have gone on through with the contract, but they said "We think the mechanical drive is better," so we stopped work on the electric drive.

Mr. HARDY. And so instead of \$116,000 you had \$90-some thousand that you actually paid them?

Mr. NEW. Yes, sir.

Mr. MULLINS. That is right.

Mr. SANDWEG. Well, then the figure we have is incorrect.

Mr. NEW. It is not incorrect, sir, for the contract as a whole. The contract was a combination; it covered two items.

Mr. HARDY. It was amended.

Mr. SANDWEG. It was my assumption that the figures in here were what was paid.

Mr. MULLINS. No, that is the original figures on the contract.

Mr. HARDY. Now did they also carry a recommendation that the contract for the production of this vehicle be negotiated with Food Machinery?

Mr. MULLINS. No, Sir.

Mr. HARDY. They didn't include that recommendation?

Mr. MULLINS. No, sir.

Mr. HEBERT. That is strange. That is the exception from the rule.

Mr. COURTNEY. Mr. New.

Mr. MULLINS. We are still waiting for that.

Mr. HEBERT. You will get it, don't worry.

Mr. SANDWEG. Have either of these companies ever built assault ferries before? Has anyone built them, of the nature you are speaking of here?