

GFE or GFM coming into a contractor's production line, we may ship one of the items that is integral to the further assembly, and we may stack up a large quantity of material that the contractor cannot employ because of failure or lateness of delivery of something else. He may or may not have to incur additional charges to store and handle that. I don't know if it is a particular contract clause, but in equity it is certainly a basis for claim against the Government by having put him to this. It may be the issue here. I don't know. We have experienced that.

(The following information was furnished for the record:)

In the matter of unincurred freight costs on fairings allegedly accepted by the Navy, we were unable to resolve this matter completely prior to Justice Department action. We had, however, had some discussion with Chromcraft on the subject and received an indication that if the contract was reopened to consider some \$51,800 unincurred for freight costs, the contractor was prepared to counter by claiming \$154,000 it had failed to include in its cost computation.

Mr. HOLIFIELD. I regret we are going to have to adjourn the meeting at this time because of other obligations.

Mr. ROBACK. I suggest, Mr. Chairman, that we can excuse the Secretary, and that all the other witnesses return tomorrow and we will continue on, and then try to wind up the other part of it tomorrow, also.

Mr. HOLIFIELD. Thank you, gentlemen. I am sorry we were delayed in getting started. We are not as far along as we thought we could get this morning, but we will gather tomorrow morning.

Mr. Secretary, it won't be necessary for you to be here.

The meeting is adjourned.

(Whereupon, at 12:03 p.m., the subcommittee was adjourned, to reconvene at 10 a.m., Friday, June 21, 1968.)