

on their own accord and give us a better price than we could obtain through going to Chromcraft.

Now it may seem unusual. I agree with you there. And it so happened that we did get a better price going back to Chromcraft.

Mr. ROBACK. Chromcraft won the award and gave it to Western Molded, which will make a profit on it, presumably, which made a profit on it, so did Chromcraft. And yet the price that Western Molded bid was higher than the one that Chromcraft bid.

It is a little confusing, and it is not really competitive. Molding had to do it at the price that Chromcraft bid?

Mr. TASSIN. I would say, Mr. Roback, that the forces of competition were at work here. There was a matter of let's say a number of dollars having to be expended, should Western Molded get the contract, they would have to expend this for additional tooling in order to fabricate the fairings.

Now with that element in play, the forces of competition could have and may have forced Chromcraft to quote a lower price than they would have quoted had this not been true. As it turned out, Chromcraft actually quoted less than did Western Molded, possibly due to these same reasons. And in addition to that, my chief negotiator here informs me that we took another \$10,000 out of the contract in the negotiations after we received the Chromcraft quote, reducing it then, the differential, to some \$27,000.

Now I do feel—

Mr. HOLIFIELD. It could be assumed that then Chromcraft, going back to Western, made their own arrangement with them, and could it be further assumed that Western did manufacture the fairings for a lesser price because of the Chromcraft lesser bid than it would have under its original bid?

Mr. TASSIN. I do not know that they would manufacture them for let's say a lesser cost. Yes, sir, at a lesser price.

Mr. HOLIFIELD. Yes.

Mr. TASSIN. But in that circumstance, since Chromcraft did go back to Western, and since Chromcraft owned some of the production tooling that was in Western's hands, it is entirely reasonable that it should have cost less, sir.

Mr. HOLIFIELD. In other words, Western's bid was not predicated upon using the Chromcraft machinery, but was predicated on getting their own machinery of that type?

Mr. TASSIN. Yes, sir.

Mr. ROBACK. Did Western Molded Fiber ever become a competitor after that, or did they become a subcontractor?

Captain McMorries. I think they could reasonably be categorized as a subcontractor.

#### 1967 CONTRACT FOR FAIRINGS

Mr. ROBACK. You no longer gave them an opportunity to compete on fairings after that?

Mr. TASSIN. On 67-0621 contract, they did quote, Western Molded did quote on the fairings, sir.

Mr. ROBACK. They were one of the competitors?

Mr. TASSIN. That is right, sir, when we again sought to get competition on the fairings.