

Mr. HOLIFIELD. If there was only one buyer, presumably the builder, the manufacturer of the rocket might have also been in a position where he wanted some business. A sole source producer for a sole buyer, you are both in a pretty good bargaining position, particularly if you have already bought the basic drawings, and the manufacturer sees a little improvement he can make on it, it is at that point that you should bargain rather than surrender; is it not?

Mr. STEIN. This is certainly a negotiating matter, yes.

Mr. HOLIFIELD. But it was not negotiated?

Mr. STEIN. I cannot answer that.

Mr. HOLIFIELD. Is there anyone that can?

Mr. TASSIN. There have been drawings purchased from the Chromcraft people and delivered from the Chromcraft people on three launchers, the 3/A, the 32A/A and the 3A/A.

Now on those launchers it was so stated yesterday that the Government has the necessary drawings to procure these competitively.

Mr. ROBACK. Just do not have the time?

Mr. TASSIN. Time permitting.

Now there have been adaptations of these basic launchers on which the Navy does not have the information relating to the improvements or adaptations that have been made.

Mr. ROBACK. But at that point did you not sleep upon your rights but, not having an understanding at that time, you either at that time bargained that they are making an improvement on something which you have the basic rights on, and therefore if it is a matter of value, you pay for it, and if it is not a matter of value, of course you give it up. When you do give it up, you surrender your rights that the original drawings you paid for gave you.

Mr. TASSIN. Your assumption is very correct, but I cannot say that we slept upon the rights, sir. Perhaps we did not pay the man the money at the time to procure them, and now when we try to procure them he is still putting a price on them.

Mr. HOLIFIELD. Was it a matter of discussion? Now he comes and he says "I have your basic drawings here and I suggest that we put a little different gadget on here," and at that point I suppose the buyer says "Well, that is a good idea. I think we would like to have it that way," and that is the extent of the negotiation, is it not?

You did not say at that time "All right, we will give you an order for 9,000 more launchers, providing you sign over your rights to this, to the Navy"?

That sort of a negotiation did not take place.

Mr. TASSIN. It is not normally a part of the contractor price negotiations, sir. I am not personally aware of those discussions, if any took place. I am not personally knowledgeable of them.

Mr. HOLIFIELD. Can the committee assume that they did not take place in the absence of testimony that there was an interest at that time in negotiating when you were at the point of advantage of disadvantage?

Mr. TASSIN. Yes, I am aware that in the 1967 procurement, that provisions were put into the contract asking for what was called new and revised drawings pertaining to certain of the launchers which