

Drafted report
1:45 - 3:00 p.m.
June 8, 1965

Present: A. W. Bayer
R. L. Weidinger
J. V. Sullivan - Washington D. C.
W. J. Currall - Washington D. C.

Last two individuals listed were ~~members of the investigation committee~~ ^{as for}
~~headed by~~ Congressman Mahon - chairman

Committee on Appropriations
House of Representatives



Investigation regarding statement made by Mr. Hiller. He alleged that Mr. Bayer gave him information that cost data information on the Hiller machine was in the possession of Hughes. Mr. Hiller made this statement to the Army and to Congress.

Mr. Bayer suggested they get the tapes of the investigation which was conducted by the Army. They stated they would rather hear it from him personally.

Mr. Bayer then gave them the letter to Mr. Hiller and Mr. Rockwell which he had written after his meeting with Mr. Hiller. Also the Secretary of the Army letter which was written ^{During} after the Army investigation.

They asked Mr. Bayer about his interest in the LOH and he said that it had been purely academic.

They asked if Mr. Vidal was discussed or brought into the conversation which Mr. Bayer had with Mr. Hiller. Mr. Bayer didn't think so.

They asked if Mr. Bayer had any information except what was academic and concluded from hearsay - Mr. Bayer replied no. They asked if in the conversation with Mr. Hiller you had any ruling that the Bell had been

eliminated.

They asked if Mr. Hiller & Mr. Bayer discussed the decision on the LOH and what it would be. Mr. Bayer said they had discussed this.

Mr. Bayer then gave them a brief run-down on the following:

Was a Vice President for Hughes, left Hughes over management disagreement. When he left Stanley Hiller called him about going to work for him. They discussed this possibility and concluded that he had sold the program for Hughes and was very sold on the machine and they ruled out the possibility at that time.

They met again in Phoenix during the HAA Meeting in January of 1964. They at that time agreed they would talk again after the LOH was over.

October 15th, They (Mr. Bayer & Hiller) again met in Washington and discussed the consulting possibility on the Hiller aspect of Vertical Lift but definitely excluding Fairchild (because of Douglas). Mr. Bayer said that during the discussion he knew the conversation about the LOH was to have been brought up as 'incidentally, what do you think of the LOH? A.W. Bayer tried to be profound in his statements but said he really could have cared less.

Did your conversation with Mr. Hiller include price data? Not other than general speculation -- how would they approach being competitive. Mr. Bayer felt Mr. Hiller knew more than he did. They did not discuss any specifics.

What does Mr. Bayer feel Mr. Hiller's motive is ?

Mr. Bayer feels he is frantic. Fear of losing a program. Off his rocker. He maybe would like to confuse the issue.

Mr. Bayer stated that he would in no way profit from the program and then amended this statement to say that he did have 1000 share of Hiller Fairchild stock.

They asked about Rankin and von Kann - Mr. Bayer referred them to the Army statement but added that they had had dinner together regarding the short haul vertical lift program.

They inquired about Gene Vidal. Mr. Bayer gave them some history on his background.

They asked if Mr. Bayer had flown the helicopters - He told them and Mr. Hiller in his meeting with him that he did think the Hughes was better. Did Mr. Bayer in his meeting with Mr. Hiller say that the weight would make it more expensive. Mr. Bayer felt this was something neither one would have to say, it would just be understood. They asked if he had received any answer from Mr. Hiller on his letter - which Mr. Bayer replied no to. Did Mr. Hiller seem or look worried or concerned. Mr. Bayer said not particularly.

When was the first time Mr. Bayer was aware of the investigation - Mr. Bayer told them from General von Kann and secondly from the Army investigation.

Mr. Bayer stated that Mr. Hiller could have misinterpreted what Mr. Bayer had said. He may have oversold himself.

Asked again about price data. Mr. Bayer said in the conversation he may have given his views on how ^{he would} go about a pricing bid -

Did Mr. Hiller indicate that the hiller price was high - Mr. Bayer said he did not recall any great concern over that.

Mr. Bayer and General von Kann and Colonel Rankin did business before March 1, 1963 much the same as Mr. Hiller did .

The LOH program began about December 1959.

Told the questioners that He was retained by the Board of Directors of Hughes for a couple of months following March 1st, 1963.

Mr. Bayer then detailed the robbery. They asked Mr. Bayer if he knew who it was. Mr. Bayer said he would only guess - he did tell them about Fidelifax and after the robbery that Mr. Yorty left that next day for Washington. D.C.

Mr. Bayer then told them about his discussions with Secretary Ailes. The following questions again were regarding the meeting between Mr. Hiller and Mr. Bayer:

1. Any reference to 1000 units being procured under the loh program.
2. Did AWBayer prepare any record of their conversation or reconstruction of it? - *No*
3. The best record would be the tapes that the Army had - Their tapes may show inconsistencies but to the best of Mr. Bayer's knowledge they would be accurate.

3. Mr. Hiller said Mr. Bayer made the statement that the Bell was sluggish - strictly his own observation.

4. How did he happen to fly them? He was at Fort Ord and they allowed him to fly them. He had flown as a professional test pilot.

They were flown during the summer of 1963 -- Hughes and Bell.

Flown as a knowledgeable test pilot.

5. Hiller machine - Did Mr. Bayer say anything about maintenance of the Hiller machine. He may have said that it was a good machine, *maintained well,*

6. At the time of AWB's conversation with Mr. Hiller did AWB have any price data?

Only what he ^{may have} had as hearsay or speculations.

7. Did he recall - was it given to Mr. Hiller or did Hiller ask what specific numbers or time you knew about?

8. Hearsay - from whom? Any from the Army re cost data?

Mr. Bayer had the impression that it was a very properly run program. AWBayer knows of no specific, direct or accurate information.

9. Did AWB tell him that Hughes had their cost data information?

AWB can't visualize telling him that. He might have suggested his low price thinking ~~policy~~ *philosophy*.

10. Hiller says Hughes had price of Hiller machines.

12. Did the Hughes figure sound like a low figure?

Bayer told pricing philosophy *in his report*

13. Have you seen Mr. Hiller?

Only at stockholders meeting? Said hello!

14. Asked again about dinner with AJ Rankin, von Kann and

Vidal?

Same as in conversation given in letter by Army investigators.

They did however make a point of not mentioning the LOH program. Stayed away from it completely.

15. Did anyone from Hughes ever indicate that they had Hiller data on cost?