

Mr. GROSS. How much has been appropriated and transferred to the ACDA since it was set up? Do you have that figure at hand?

Mr. FOSTER. You mean transferred other than our own appropriations?

Mr. GROSS. Right.

Mr. FOSTER. The first year's operation, at the rate of a million—we had a million appropriated and \$831,000 transferred from the predecessor agency in the State Department.

Mr. GROSS. That is your only transfer?

Mr. FOSTER. That is the only transfer.

Mr. GROSS. How much of prior appropriations are unobligated as of this time?

Mr. FOSTER. \$1,000,669.

Mr. GROSS. You entered into a contract—

Mr. FOSTER. I am sorry, sir. That is authorization not appropriated.

Mr. GROSS. That is authorization but not obligated?

The ACDA entered into a contract with a Kansas City firm on December 31. This is the date of your propaganda sheet, which is numbered "Release No. 29, Research Contract for the Study of Industrial Conversion Potential in the Shipbuilding Industry." The contract calls for \$84,314 with Mid-West Research Institute of Kansas City, Mo., for a study of the shipbuilding industry.

What qualifies the Mid-West Research Institute as an authority on shipbuilding?

Mr. FOSTER. A good deal of experience of a subcontractor of that institute in ship transportation. The subcontractor is Matson Navigation Co.

Mr. GROSS. Am I to understand that the Secretary of Defense when he closed, for instance, the Brooklyn Navy Yard, did not take into account the impact upon the economy of that area; that you now have to go to the Mid-West Institute of Kansas City to obtain information I think the Secretary of Defense had available when he ordered the Brooklyn Navy Yard and other installations closed?

Mr. FOSTER. We believe this can identify what shipyards can best be used for, if they are changed in their activity. That is a competitive contract. We believe this is a choice which was based on the best personnel, best choice and best cost. The proposed study was coordinated with the Defense Department, Commerce Department, Small Business Administration, the Bureau of the Budget, Economic Advisers, NASA, AEC, CIA, and the President's Committee on Economic Development.

Mr. GROSS. As a cold matter of fact this is a typical bureaucrat release. I can't tell exactly what you are up to with this contract with the Mid-West Research Institute.

Mr. William Stevens in the Navy Bureau of Ships says he has furnished considerable data on this subject to Mr. Don Bradford, Director of the Office of Economic Adjustment, Department of Defense. And it is further interesting to note, Mr. Foster, that the Office of Economic Adjustment, Department of Defense, has six professional people, of whom at least two are supergrades, apparently engaged in some of the same work you are contracting out.

So they are supplying this information. When you were here the last time it was my opinion that you were duplicating all over the