

Mrs. KELLY. You are acquainted with this paper here, I assume, on the Midwest Research Institute?

Mr. FOSTER. Yes.

Mrs. KELLY. Is this the same firm to your knowledge that wrote the report on private shipbuilding industries? Isn't this the same one?

Mr. FOSTER. I can't answer that.

I will have to find that out. I don't know.

Mr. GROSS. How many other contracts have they had with them?

Mrs. KELLY. With this one here? Private enterprise had a report made by the same report research group.

Mr. GROSS. Will the gentlewoman yield?

Mrs. KELLY. Yes.

Mr. GROSS. How many other contracts have you had with this Midwest Research group in Kansas City?

Mr. FOSTER. We have one other contract on BW-CW, bacterial and chemical warfare.

Mrs. KELLY. Did this institute prepare the reports and studies for private shipyards?

Mr. FOSTER. I will have to find that out, Mrs. Kelly. I don't know. They will work with a ship-operating company and this I answered.

Mrs. KELLY. I would appreciate if you find that out. As I understand, the scope of the Agency is supposed to look into the economic effect of these closings, and, therefore, since this institute, research institute, prepared a report for Government and also prepared a report for the private shipyards, I would like to know if their conclusions could be fair and sound.

Mr. FOSTER. We will find out whether they have carried out both.

(The information follows:)

SHIPBUILDING INDUSTRY STUDY (ACDA/E-66)

Midwest Research Institute (MRI) was selected by ACDA as a contractor for the shipbuilding study after receiving and evaluating 23 competitive bids. Approximately one-third of the cost of the contract is for a subcontract with the Matson Research Department of the Matson Navigation Co., San Francisco, Calif. The Matson Navigation Co. is primarily a shipping carrier.

The selection of MRI as the successful contractor was predicated upon the quality of personnel, the written proposal, and the contractor's lack of identification with any public or private shipyards. Personnel from Matson Research have had work experience in both private and public yards. For example, one of the Matson researchers was once general superintendent of a private shipbuilding company, and another was repair superintendent of the Philadelphia Naval Shipyard. The Midwest researchers are primarily economic analysts.

MRI and Matson Research have both advised us that they have not performed research for private shipbuilders, and that they have not been involved in the recent DOD installation closings.

The ACDA shipbuilding study is divided into two main parts:

(1) The technical capability of producing a nonmilitary product in a shipyard (mainly performed by Matson); and

(2) The feasibility of producing this product economically and competitively (mainly performed by MRI).

Full advantage will be taken by both Matson and MRI of all available material—especially within the Bureau of Ships, Department of Defense, Labor Department, Maritime Administration, and the private trade associations. These points of coordination and cooperation were established at the inception of the project and are continuing.