

of the larger laboratories have either earmarked "discretionary funds" or have internal reprogramming authority which in effect gives them significant latitude to take initiatives.

Reprogramming authority is theoretically quite extensive in some cases. The "real" flexibility available to these laboratory directors probably averages in the range of 5-10 percent of their total budgets for in-house work.

The Defense Department, for example, operates somewhat more than half of the Federal laboratories. It provides earmarked discretionary funds to its laboratory directors ranging from 0% to perhaps 8% of in-house budgets, depending on negotiations between the directors and the Assistant Secretaries for Research and Development in the three Services. The laboratories performing research of a more basic character generally have smaller earmarked discretionary funds—the Naval Research Laboratory has none, for example—but provide relatively wide latitude to the director in program determination.

Question 9(b)-(c). Do any directors of contractor operated laboratories now have discretionary funds? Is the same reasoning regarding discretionary funds for the directors of Government operated laboratories applicable also to contractor operated laboratories?

Answer. I believe that the same general reasoning applies to both. Flexibility is provided in principle to the directors of many contractor operated laboratories (1) through provision for independent R&D as an allowable cost under the contract, (2) through the fee paid to the contractor—part of which can in some cases be used for independent research and development—or (3) through the management practices of the agency, which permit some internal shifting of funds at the director's discretion.

Question 10. What is your reaction to the DOD proposal to eliminate manpower controls on cross-agency work to achieve flexibility similar to that available to the AEC contract laboratories? If you agree, what action do you propose to take? If you do not agree, what is the basis for your position?

Answer. In general, I believe that laboratory directors can be most effective when they have reasonably wide latitude in internal allocation of financial resources made available to them. When controls or manpower or other resources are superimposed on dollar limitations, the effect tends to circumscribe the director's flexibility in ways which in some cases may be undesirable. Under the present system, manpower controls are applied by the Budget Bureau to entire agencies or departments, which must then reallocate these controls internally. Although this system theoretically provides internal flexibility within which an agency might be expected to meet newly arising needs for cross-agency work, the agencies have indicated that this flexibility is difficult to preserve in practice. I endorse the DOD proposal as an ideal solution, but recognize that we can not consider it seriously under the new restrictions on Federal employment. If future circumstances permit relaxation of the overall limitations, we will work with the BOB to see whether the DOD proposal can be adopted.

Mr. DADDARIO. Dr. Weinberg, do you have others with you whom you would like to sit at the table?

Dr. WEINBERG. No, just myself.

Mr. DADDARIO. You have come alone?

Dr. WEINBERG. Yes, sir.

Mr. DADDARIO. We are happy to have you.

Dr. WEINBERG. It is a pleasure to be with you here to talk to you on a question that has concerned me for many years.

STATEMENT OF DR. ALVIN M. WEINBERG, DIRECTOR, OAK RIDGE NATIONAL LABORATORY

Dr. WEINBERG. In spite of much talk about the necessity of re-deploying Federal laboratories, I shall begin my testimony with an admonition against premature redeployment. There are many urgent problems of the Federal Government to which large Federal establishments have devoted themselves for a long time. But simply because the problems are difficult, and progress is slow, does not mean that the