

competitive market. The Panel's subsequent analysis and recommendations were adopted by the Council and submitted to the President in a two-part report entitled "The Competition for Quality". The portion bearing on salary reform was used in developing the administration's legislative proposals and was submitted to the Congress with relevant statistics on July 12, 1962. The analysis of nonsalary factors which could be effected by administrative action was transmitted by the President to department and agency heads on May 13, 1962, with a publicly released directive for implementation.

During 1962 the Panel also submitted recommendations to the Federal Council on improved utilization of the Government Employees Incentives Awards Act of 1954.

Mr. DADDARIO. At the top of page 3 you speak of the Panel looking at problems affecting the assigned responsibilities of Federal laboratories. Are you talking there about duplication or are you talking about internal management of those organizations?

Dr. ASTIN. We are talking about the organizational and procedural problems which interfere with getting the job done.

Mr. DADDARIO. How do you bring the individuals together and how do you allow the people who are involved in the Federal laboratories to participate? Yesterday we had some testimony on the need to do this more often than we do, not only because you can get different points of view, but also because laboratory directors would find out more what was going on and they could improve their own management activities.

Dr. ASTIN. Well, it is my feeling that every laboratory manager or director should have some responsibility for formulating at least a portion of his program. In general the laboratory supports the mission of the agency, and to be effective, it has to be responsive. But if the program is to be dynamic and effective, then formulation of some portion of this program has to be under the control of the laboratory manager.

At the same time it is desirable, I think, for him to have mechanisms for seeking advice from experts in the technologies involved. In general advisory committees to laboratory managers have proved very helpful.

Now, this essentially means first of all, that the laboratory director should have some significant input into the program he is concerned with.

Second, he must have the necessary resources, freedoms, and flexibilities to manage the program that is assigned to him.

We have been concerned with both aspects of this problem; that is, with the manager's need for some role in defining his program content, and second, with the authorities which he needs to have in order to effectively manage the program assigned to him.

Mr. DADDARIO. What kind of discretionary authority are you talking about and what amount of funds percentagewise would you allow him, in order to develop this capability that you are talking about?

Dr. ASTIN. I would think that the amount of funds or resources at his disposal would vary some with the nature of the mission. I would guess, in general, it could run from a low of 5 percent up to perhaps 20 or 25 percent of his total resources. This would depend on the