

Mr. DADDARIO. What percentage of those funds are you talking about?

Dr. PICKERING. In the 5- to 10-percent area of discretionary funds.

Mr. DADDARIO. What would this do in your opinion to the quality of your Laboratory?

Dr. PICKERING. It would improve the quality because Laboratory morale is related to the enthusiasm and support which people have for the work they are doing. It must be work they believe in.

In general, of course, the people at the Laboratory would not be there unless they believed in the total mission of the Laboratory. With reference to the research areas represented by seed effort, when people at the Laboratory who have good ideas which they would like to work on, in areas which are not directly supported under the contract, but which nevertheless in the judgment of the Laboratory Director would be appropriate areas to work in, an opportunity to do so would obviously help the morale of all the professional people at the Laboratory.

Mr. DADDARIO. It would help the morale and increase the quality of your Laboratory. It would allow you to do some of the seed work that could lead to directions you are not even aware of now. If you were to take 5 or 10 percent of your funds for discretionary work, wouldn't you with the remaining 90 percent, because of the increased quality of the work and the morale in the Laboratory, actually do better work with less funding?

Dr. PICKERING. I believe it would, but obviously this is just a matter of speculation. It would be difficult to prove.

Mr. DADDARIO. I understand it would be difficult to prove, but we have had laboratory directors here before and from whom would we get a better judgment than from you people who are involved in it? You seem to be unanimous in this regard.

Dr. PICKERING. I think it is an important factor.

Mr. RUMSFELD. How much is 5 percent?

Dr. PICKERING. \$5 million. Excuse me, let me make it clear. I am talking about 5 percent of the total administrative operations type of funding for the Laboratory, and may I just interject that our Laboratory being operated under contract is not AO funded, it is funded through the R. & D. funds, but a fraction of about 70 percent of our funds goes out to contract.

Mr. RUMSFELD. What is the dollar figure you are talking about?

Dr. PICKERING. \$5 million.

Mr. RUMSFELD. Your work is on specific contract?

Dr. PICKERING. Yes. At present we have a contract on which our work is provided by tasks.

Mr. RUMSFELD. It is all with the Federal Government?

Dr. PICKERING. All with NASA.

Mr. RUMSFELD. I know of institutes that do 98 percent of their business with the Federal Government, 95 at the minimum; between 2 and 5 percent with private sector; and use the profits in their private contracts as discretionary funds.

Dr. PICKERING. Well—

Mr. RUMSFELD. I am not suggesting it is necessarily applicable here, but this is a procedure that I know is being used.