

tion between a specific agency and all other agencies. Such is the case with NASA, AEC, FAA, and the National Bureau of Standards.

There appear to be some constraints, however, resulting from a decision of the Comptroller General in 1954 concerning the addition of new plant and equipment to accommodate interagency services. While I don't believe this has affected us seriously, it could be somewhat of a deterrent. This question should be examined further.

Mr. DADDARIO. Why do you think it would be a deterrent?

Dr. MACARTHUR. I believe it could be a deterrent if this finding by the Comptroller General is literally interpreted where we are one agency and a laboratory from another agency could do some of our work but that work requires special equipment and special facilities. This interpretation says that you can't do that. As an example, if I am going to NASA asking one of their labs to do a special job for me because they have special expertise in terms of personnel to do the job or the task, but they have to acquire special equipment or special facilities to do it, I believe the interpretation that the Comptroller General put on it inhibits this.

Mr. DADDARIO. You support, as you seem to indicate here, the idea that there should be as much flexibility as possible between the agencies and when you find either personnel or facilities which may be suitable for you to perform some of your mission objectives, that you ought to take advantage of what exists?

Dr. MACARTHUR. That is right.

Mr. DADDARIO. Your theory is that we have a ruling which, if strictly interpreted, even though promulgated in the first instance to save money, and in the final analysis will not?

Dr. MACARTHUR. Yes; but I don't think it has affected us seriously.

Mr. DADDARIO. Continue, please.

INTERAGENCY TRANSFER OF LABORATORIES AND PROGRAMS

Dr. MACARTHUR. We have probably had as much or more experience than most agencies in the interagency transfer of laboratories and programs. I can recall two cases which are quite well known and from which we can gain some insight. A historical case in point is the transfer of fuze R. & D. from the National Bureau of Standards (NBS) to the Department of Defense in 1953.

During and after the end of World War II, NBS performed the R. & D. on proximity fuzes under the sponsorship of the military departments. NBS initiated action to have their ordnance division transferred due to the increasing magnitude of ordnance work being performed by the NBS, coupled with the apprehension that "the concurrent growth in applied engineering work might detract from the Bureau's main function in the broad areas of standards and standardization." These were considered compelling reasons for transferring the activity to the Department of Defense. This resulted in the creation of the Army's Harry Diamond Laboratory.

Thus, we must always be concerned with the balance of agency assignments and outside assignment in a given laboratory because the focus of a laboratory cannot be blurred if it is to remain a viable and productive organization.