

cases. A lot of people are against this because they feel that the system would mushroom out of control. I don't personally believe this. I think Oak Ridge is an example where agencies other than the AEC have asked Oak Ridge to help them with some of their problems. I don't think Oak Ridge has grown out of control.

Another example is System Development Corporation which used to be a nonprofit organization for the Department of Defense, and a few years ago broke away from the Department of Defense at which time 100 percent of their work was for the Department of Defense.

Years later over 90 percent of their work is still done for the Department of Defense and they are in the private sector.

Mr. MOSHER. What sanction has Congress given to these manpower ceilings? Have we insisted on this or have we gone along with this implicitly?

Mr. GLASS. I think the feeling of the Congress is there must be manpower controls within the Federal Government. As long as the executive branch maintains controls such as these, there is no need for specific congressional action—I think that if there were no controls exerted by the executive branch that Congress possibly would institute such controls.

Mr. DADDARIO. Recognizing that this is a problem, and that the Congress does look at it this way, would you support the idea that rather than to have this as an overall policy that certain of them be given this authority?

Mr. GLASS. I think that would be a very good approach.

Dr. MACARTHUR. Yes. I think the best ones should be given such authority.

Mr. DADDARIO. You two gentlemen are quite candid about this. Everybody else seems to shy away from it. You both give the indication that this would not be too much of a job.

Mr. GLASS. I think we have to do it.

Mr. DADDARIO. It might not be pleasant.

Dr. MACARTHUR. We have been wrestling with it for sometime.

Mr. DADDARIO. You are saying we must develop the proper techniques through which quality judgments can be made and give laboratory directors the opportunity to compete for funds, and give some of them funding limits as you have proposed rather than personnel ceilings.

Dr. MACARTHUR. Yes. This is the attack we followed last year in the Department of Defense where we have laboratories which are clearly qualitywise above others. We give them a certain degree of flexibility. We don't give to every laboratory this. This comes back to incentives and awards. The ones who don't get it say, look, we better shape up, and I think it is a very good system.

Mr. DADDARIO. There is no doubt that it would have that effect.

Dr. MACARTHUR. Yes.

Mr. BROWN. Isn't the process we are talking about similar to, for example, the evaluation of universities. The universities which have the quality and the capacity are the ones that get the research grants contracts, and it is not impossible to evaluate where this capacity for excellence exists.

Now, at the same time we are seeking to stimulate the development of what we call centers of excellence to improve the quality of our