

above the figure of \$623.3 million in our interim operating plan. As you know, the reduction of the authorization of "Administrative Operations" to \$603.2 million came in floor amendments, first in the House as one of several amendments directed at reducing the total amounts for NASA recommended by the committee, and subsequently in the Senate in an amendment to conform the bill to the House figure.

The legislative history relating to "Administrative Operations" this year indicates that there are two aspects on which the Congress as a whole may not have been entirely clear.

First is the point which we made very strongly in our testimony and which I am sure is understood by the committees in both the Senate and the House; namely, that this appropriation does not cover only "administrative" expenses in the usual sense. It pays the salaries of all NASA personnel—engineers, scientists, technicians, managers, and administrators—responsible for carrying out the total NASA program, plus maintenance and operation costs of the NASA capital plant. It is not an overhead account—it covers the direct costs of operating NASA laboratories, research centers, development centers, and launch centers. I hope we can change the name of this account to something more descriptive next year, so that Members of Congress who do not have the opportunity to hear the testimony will not mistakenly assume that it is an overhead-type administrative account and will understand that it is just as essential to our program as the Research and Development appropriation.

The second point is one which we feel in retrospect that perhaps we did not make clearly enough in our appearances before this committee and the other committees concerned. I refer to the fact that most of the workload each fiscal year under the "Administrative Operations" account is not directly related to the size of the NASA R. & D. budget, or of the total NASA budget, in the same year. Over a period of years, of course, the requirements in "Administrative Operations" can be expected to follow the same general trend as the total "Research and Development" budget. But in any given year the work to be done under "Administrative Operations" is very largely of two sorts that are not related to the size of the research and development budget in the same year:

First, the largest portion of our work under "Administrative Operations" is in the testing, modification, checkout, launch, and operation of launch vehicles and spacecraft developed and procured with Research and Development funds provided in previous years. This is the nature of almost all of the work at centers like Kennedy, Houston, Marshall, and Goddard. For example, our funding requirements in "Research and Development" for Apollo hardware are declining in fiscal year 1969, but the hardware itself is moving through our test centers to Cape Kennedy for test, checkout, and launch in greater volume than ever before. The fact that in our \$3.85 billion program we have a lower amount for "Research and Development" than in fiscal year 1968 and do not have as much as we asked for in fiscal year 1969 for new work, does not reduce significantly the basic load on these centers in fiscal year 1969.

Second, a significant portion of the Administrative Operations workload is research and development work done by NASA people