

other departments, such as Agriculture and Labor, to provide for its most efficient utilization on a Government-wide basis.

Mr. Campbell, it is a pleasure to welcome you and to have this opportunity for obtaining an expression of your recommendations on H.R. 5171.

STATEMENT OF HON. JOSEPH CAMPBELL, COMPTROLLER GENERAL OF THE UNITED STATES; ACCOMPANIED BY EDWARD J. MAHONEY, ASSOCIATE DIRECTOR, ACCOUNTING AND AUDITING POLICY STAFF; AND JOHN W. MOORE, ATTORNEY, OFFICE OF THE GENERAL COUNSEL

Mr. CAMPBELL. Thank you. Mr. Chairman and members of the subcommittee, at your request we appear before you today to present our views on H.R. 5171, a bill to authorize the Administrator of the General Services Administration to coordinate and otherwise provide for the economic and efficient purchase, lease, maintenance, operation, and utilization of electronic data processing equipment by Federal departments and agencies.

In view of the extremely significant possible savings and of the great need for central coordination over procurement and utilization of this costly equipment, we favor enactment of the proposed legislation subject to the changes suggested to the chairman of the Government Operations Committee in our letter of May 15, 1963.

As you know, in recent years there has been a very sizable increase in the use of automatic data processing equipment in the Federal Government. Also, costs related to data processing equipment programs have increased greatly in the past 3 or 4 years. For example, according to the Bureau of the Budget's inventory report of such equipment in the Federal Government, at the end of fiscal year 1959, 414 computer systems were installed in Federal agencies at an annual cost of \$250 million. By June 30, 1963, it is estimated that there will be 1,169 computer systems installed at an annual cost of \$568 million. Total Federal Government costs for data processing equipment for fiscal year 1963, including costs for punched card equipment, will amount to \$688 million. These costs are exclusive of amounts for equipment installed for military tactical operations, intelligence, surveillance systems, and certain other classified activities of the Government.

Over the past several years our Office has made a number of studies in the automatic data processing field throughout the Federal Government so as to enable us to report to the Congress on the trend of development and use of these systems in Government operations generally. Our first Government-wide review was completed in 1958 and a special report, which summarized the results of our study, was submitted to the Congress on June 27, 1958. Our second overall report on this subject was completed in 1960 and a report entitled "Review of Automatic Data Processing Developments in the Federal Government" was submitted to the Congress on December 30, 1960.

These two reports were prepared for the express purpose of advising the Congress of the trend of development of this rapidly expanding field. Also, as a result of our regular accounting and auditing