

of data processing and are now in various stages of consideration for adoption as Federal standards.

Our efforts to improve the management of automatic data processing equipment have received the full support of the President. On June 28, 1966, he issued a memorandum in which he directed all Federal agencies to (a) seek new and better ways for using computers to do a better job, and (b) to manage computer activities at the lowest possible cost. A summary report of the actions taken through December 31, 1966, in response to his memorandum was recently prepared for his information. A copy of the President's memorandum and a copy of our report is being made available for insertion in the record if the chairman wishes. (See p. 410.)

I should like to mention one other aspect of our work which has grown in importance over the last year. The growth of Federal assistance programs that involve cooperative efforts with State and local governments in such areas as education, housing, urban development, and transportation is creating a heavy demand for information to plan and administer these programs. Much of this information must flow among different agencies within each government and between the levels of government to coordinate the work properly. To facilitate this intergovernmental flow of information, there is a great need for attaining greater compatibility among the data required so that it can be exchanged more efficiently and can be summarized at various levels to permit useful comparisons and evaluations of program effectiveness. There are also possibilities for conserving scarce skills and resources by making good use of pilot systems development efforts and by the joint utilization of data processing facilities. In recognition of these possibilities, we have recently formed an Intergovernmental Task Force on Information Systems which has representation from the Advisory Commission on Intergovernmental Relations, the Federal Government and State and local governments. This task force is meeting periodically in an effort to recommend actions that could be taken at each level of government to bring about the improvements that are needed.

APPLICATION OF THE BUY AMERICAN ACT AND POLICIES THEREUNDER INCIDENT TO GOVERNMENT PROCUREMENT

Under existing regulations, all Government agencies apply a 6-percent differential (or 12-percent in certain cases) to the delivered price of foreign products, including duties, for comparison with prices of domestic products. The Department of Defense, for purposes of an alternative evaluation, adds 50 percent of the bid, exclusive of duties, to the foreign bid price, and uses the higher of the two evaluated foreign bid prices for comparison with prices of domestic products. For commodities with ad valorem equivalent duties of 41 percent or more, the 6-percent differential, including duties, results in a greater evaluated foreign bid price than the 50-percent differential excluding duties, and is controlling.

The DOD use of a second evaluation factor began in July 1962 under procedures calling for case by case review and application of differentials centering around 50 percent. In April 1964 the 50-percent evaluation factor was incorporated in the Armed Services Procure-