

Chairman PROXMIRE. That is an amusing sentence.

You mean there is a terrific computer density in Anchorage?

Mr. KNOTT. That is right.

Chairman PROXMIRE. It certainly has nothing to do with the population. It must, of course, have to do with the Defense Establishment.

Mr. KNOTT. Yes, sir.

Chairman PROXMIRE. That startles me.

Mr. KNOTT. In fiscal year 1967, ADP sharing under the program resulted in an estimated cost avoidance of \$28 million, an increase of some \$2 million over the previous year.

Government-owned ADP equipment declared excess to the needs of owning agencies having an acquisition cost of \$80 million was reutilized in fiscal year 1967 by Federal agencies, or donated to State agencies for educational purposes.

ADPE inventory and planned use information required for the ADP management information system has been received by GSA from designated Government agencies in accordance with Bureau of the Budget direction of April 20, 1967, in their Circular A-83, and it is now being assembled, edited, and processed. We expect to issue the printed inventory and 35 related management reports during the third quarter of fiscal year 1968.

Chairman PROXMIRE. Do you have adequate funds and facilities to conduct this program to the optimum?

Mr. KNOTT. Yes; we think we have enough, certainly, to get it moving.

This is a program that will succeed or fail in large measure depending on the extent to which we are able to sell agencies on the benefits that flow from their cooperative efforts. It is not a heavy cost program.

We would like to get further into buying equipment, and we have the initial installment on a revolving fund this year. We will be buying some equipment that we feel ought to be purchased rather than leased.

But we could not, under the present budgetary situation, purchase all of the equipment where economically we would be justified in buying it.

ROLE OF SMALL PRODUCERS IN SUPPLYING ADPE

Chairman PROXMIRE. I understand that small manufacturers have complained that they often sell a component cheaper than the big companies, but are not able to get the business. We have a witness coming in tomorrow to testify on this. I hope that you will have a man here in the audience so that you can be able to comment on his testimony.

Mr. KNOTT. Yes, sir; we will.

Chairman PROXMIRE. Are you aware of this complaint and this problem from the small manufacturers?

Mr. ABERSFELLER. No, sir.

Chairman PROXMIRE. You have not been made aware of it.

Maybe we can perform that service tomorrow.

I have an article here from the Wall Street Journal which says:

Honeywell says U.S. will ease computers. Honeywell said it has been notified in a letter of intent by U.S. Defense Supply Agency of its plan to lease 22 Honey-