

manufacturers themselves are making large overtones about as stated in the November 22, 1967, issue of the Wall Street Journal with the following statements quoted verbatim :

IBM's competitors don't want to comment publicly on the current Government investigation (neither does IBM, nor the Justice Department), but executives of three IBM rivals privately confess that they consider Government intervention to stimulate competition in the industry long overdue. At the very least, one rival would like to see the Government require IBM to charge customers for services it now provides free.

At least one IBM rival company, however, believes the computer business would become far more competitive if Federal trustbusters ordered IBM to quit providing certain free services to its customers—including preparation of computer programs and visits from IBM systems analysts who show customers how to adapt a computer system to their own needs. Competitors complain that they can't match the services that IBM provides for no charge beyond the lease or purchase price of its machines. If IBM had to charge extra for such services, one of its strongest selling points would be eliminated, some industry sources believe.

Further stimulants to the freeze of independents and even computer manufacturers by the Federal Government is expressed in procurement ethics of the U.S. Air Force as stated by the November 22, 1967, issue of the Wall Street Journal with the following statements quoted verbatim :

Some IBM competitors say that Government buying practices over the years also helped IBM gain dominance. The head of one rival computer maker claims that Federal "procurement specifications are written around IBM machines," a charge that Government purchasing men deny.

This computer executive also maintains that Air Force purchasing officers "want aerospace firms to stick to IBM machines" and, in some cases, have refused to allow aerospace companies to buy from other manufacturers on the ground that costly new computer programs would have to be prepared for non-IBM machines.

All the independent peripheral manufacturer is asking is to have an equal opportunity, on a competitive basis, to be considered for Government business on his own merits of price, delivery, maintenance, logistic support, reliability, reputation and performance.

Today this is no sure road to success since the major manufacturers are all dedicated to building their own peripheral equipment and, in effect, freezing out the independent manufacturer from this growing and important segment of the computer business which is right in the free enterprise system but to have the Federal Government literally lock out independents is not right. The main frame is becoming less and less the major cost item in the average computer system. The difference in performance between computer systems of the future may well rest in the efficiency and reliability of the input/output devices.

For the Government to obtain the most of its taxpayer's dollar in the electronic data processing field the Government must immediately recognize the fallacy in their current procurement methods involving the purchase of total computer systems from one manufacturer. The degree of sophistication of some Government users is increasing and today some scientific branches of the Government are actually purchasing computer systems and equipment, with hardware and software often coming from different sources, with even maintenance being supplied by a third party.

Some large industrial users are going this same route and the trend is definitely toward the acquisition in major computer user organiza-