THE WHITE HOUSE

WASHINGTON

June 28, 1966

MEMORANDUM FOR

HEADS OF DEPARTMENTS AND AGENCIES

I want the head of every Federal agency to explore and apply all possible means to

-- use the electronic computer to do a better job

-- manage computer activity at the lowest possible cost.

I want my administration to give priority emphasis to both of these objectives -- nothing less will suffice.

The electronic computer is having a greater impact on what the Government does and how it does it than any other product of modern technology.

The computer is making it possible to

-- send men and satellites into space

-- make significant strides in medical research

-- add several billions of dollars to our revenue through improved tax administration

-- administer the huge and complex social security and medicare programs

-- manage a multi-billion dollar defense logistics system

-- speed the issuance of G.I. insurance dividends, at much less cost

-- save lives through better search and rescue operations

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-- harness atomic energy for peaceful uses

-- design better but less costly highways and structures.

In short, computers are enabling us to achieve progress and benefits which a decade ago were beyond our grasp.

The technology is available. Its potential for good has been amply demonstrated, but it remains to be tapped in fuller measure.

I am determined that we take advantage of this technology by using it imaginatively to accomplish worthwhile purposes.

I therefore want every agency head to give thorough study to new ways in which the electronic computer might be used to

-- provide better service to the public

-- improve agency performance

-- reduce costs.

But, as we use computers to achieve these benefits, I want these activities managed at the lowest possible cost.

At the present time, the Federal Government

-- uses 2,600 computers

-- employs 71,000 people in this activity

-- spends over $2 billion annually to acquire and operate this equipment, including special military type computers.

Clearly, we must devote our best efforts to managing this large investment wisely and with the least cost.

I approved a blueprint for action when I approved the Bureau of the Budget "Report on Management of ADP in the Government."

The Congress recognized this need when it enacted Public Law 39-306 (the Brooks Bill) last October. This legislation provided specific authorities to

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-- the General Services Administration, for the procurement,
   utilization and disposition of automatic data processing
   equipment

-- the Department of Commerce, for the development of data
   processing standards and the provision of assistance to
   agencies in designing computer-based systems

-- the Bureau of the Budget, for exercising policy and fiscal
   control over the implementation of these authorities.

These agencies are seeking actively to put into effect ways for improving
and reducing the cost of this huge and complex operation.

In my Budget Message for 1967 I told the Congress of my intent to make
sure that this huge investment is managed efficiently.

The Federal Government must give priority attention to

-- establishing better and more effective procurement methods

-- making fuller use of existing facilities through sharing and
   joint-use arrangements before acquiring additional equipment

-- re-utilizing excess equipment whenever feasible

-- achieving, with industry cooperation, greater compatibility
   of equipment.

I expect all agencies to cooperate fully with the Bureau of the Budget,
the General Services Administration, and the Department of Commerce
in accomplishing these objectives.

I want the Director of the Bureau of the Budget to report to me on
December 31, 1966, and every six months thereafter, on the progress
that is being made throughout the Federal Government in improving
the management of this very important technology.