on with the higher national objective of full employment and the full use of industrial capacity.

I would raise the additional question: Can we expect to have a higher rate of economic growth and full employment when corporations in the concentrated sectors of the economy gear their own operations to a level substantially short of that?

The rest of my paper indicates the manfestations, if you will, of these particular policies, in terms of: How will they price? What will be their production policies?

I concentrate, in the latter part of the paper, on this question of pricing. The panel is emphasizing, today, the matter of more imaginative pricing, which I would stress.

I take as purely an illustration, the chemical industry. I have utilized some of the data of a report of this committee last year on identical bids, and have attempted to illustrate what results in an industry which, as Professor Kahn in one of his studies on the chemical industry has pointed out, is a very highly concentrated industry.

Concentration in this industry has persisted at a high level. You have in this industry today what you have had in the past—collusive behavior of various sorts.

The identical bidding that we have witnessed in the chemical industry persists. I have here a couple of tables which the committee staff have reproduced, if you are interested. The committee might like to have these available for the discussion period, since they show in detail the identity of bids by chemical companies under the sealed-bid procedures for a period of 5 years—1955–60.

Senator Bush. On Government contracts?

Dr. Lanzillotti. Yes, Senator.

You will find that this industry, which I took as an illustration, because it happens to be one that is very important in the economy, and where we look for innovations of various types, has a long record of identical biding. Specifically, this industry is characterized in sealed bid procedures (which are supposed to be competitive bids) of virtually identical prices over the period 1955 to 1960, as published by this committee. You will find that out of a total of 73 calls for bids, identical bids cropped up in all except 5 cases. I invite the committee to examine the tables in detail.

Could I request the chairman to have this exhibit inserted in the record?

Senator Proxmire. Yes. Without objection, this will be printed in the record. It is only three pages.

(Tables referred to follow:)