

STATEMENT OF HON. LEE LOEVINGER, ASSISTANT ATTORNEY GENERAL IN CHARGE OF ANTITRUST DIVISION, DEPARTMENT OF JUSTICE; ACCOMPANIED BY LEWIS MARKUS, CHIEF, ECONOMIC SECTION, ANTITRUST DIVISION, DEPARTMENT OF JUSTICE

Mr. LOEVINGER. Yes, sir.

Thank you very much, Mr. Chairman, for your kind comments.

You are quite correct in saying since this was a new venture, involving the handling of a mass of new data and its arrangement in a new way that we were, perhaps, a little slower than we might otherwise have been. That accounts for the delays in the issuance of the report which we had thought might have been available earlier, but for the difficulty in handling the data and insuring accuracy in the report.

It would not be fair to present this report to the committee or to the public without giving full credit to this committee and to its distinguished chairman, Congressman Patman, for the report itself.

The initial idea for the kind of reporting system upon which this identical bid report is based came from the Joint Economic Committee, which on March 14, 1961, adopted a resolution recommending that the President issue an Executive order relating to this subject matter.

Following a White House conference 2 days later the President authorized the chairman, Congressman Patman, and Senator Douglas to announce the President's intention to issue such an Executive order.

The Executive order, in fact, was issued on April 24, 1961, and the reporting system thereafter was instituted pursuant to the Executive order by the Department of Justice in cooperation with the Defense Department and the General Services Administration.

This report is the first report of its kind under this Executive order, and as I say is due, in large extent, to the interest and the stimulation of this committee and its chairman.

In presenting the report it probably should be noted also that it is not meant to say that identical bids are always necessarily illegal.

However, it is suggested that identical bids can serve as warning signs of collusion that may be violative of the antitrust laws.

We feel that the submission of identical bid reports gives the Department of Justice broader sources of information on which to base investigations of possible collusive bidding as well as indicating other areas in which there may be a lack of competition even though there is no actual collusion.

The program of reporting identical bids pursuant to the Executive order was actually initiated by the Federal agencies on July 15, 1961.

The actual reports, as is indicated in the text accompanying this report, were, of course, received later than that.

The Department has also invited purchasing officials from more than 2,000 State and local government units ranging from States to school districts to participate in this program beginning November 1, 1961.

The Executive order requires the Attorney General to consolidate the information furnished under the order in a report to the President and the Congress.

The first report is being released this morning at this time. Copies of the report have been made available to the committee, and I might mention a few of the highlights.