

procurement of Federal, State, and local governments in order to discourage future submission of such bids.

And second, to make more effective the enforcement of the anti-trust laws by insuring that the Department of Justice shall have information which may indicate any conspiracy in restraint of trade.

Assessment of the effectiveness of the publication of identical bids in discouraging identical bidding of future procurement must of course, await the reaction of identical bidders and procurement officials to this report.

The effect of such exposure will, of course, be measured by the reduction of the volume and the frequency of identical bidding in public procurement subsequent to the issuance of this report.

Such evaluation will, of course, be present in future reports to be issued under the Executive order. Although I do not have any sound grounds for saying that this must be so, I have a personal intuitive feeling that the relatively small percentage of identical bids reported herein is at least in part the results of the activities of this committee and of the Executive order and of the reporting system.

These activities and the issuance of the Executive order were well publicized substantially in advance of when the reports were to be gathered, therefore, there was time for a deterrent effect to be felt and this may be in part the reason for the relatively low incidence of identical bids.

It is premature to evaluate the results of the program in achieving the second objective of the Executive order. The relatively short period of time that the program has been in operation makes truly objective evaluation difficult.

However, it is well established that identical bid reports provide a stream of current market intelligence which is a valuable aid to anti-trust enforcement.

In the recent past a number of significant investigations in antitrust cases have had their genesis in identical bid reports.

Just since July 1961, identical bid reports affecting 15 product categories have shown sufficient indica of collusion after analysis to warrant further investigation.

In addition to forming the basis for leads to investigations, identical bids are used extensively as aids to investigations already underway. They are used to provide information in the preparation of cases for trial or settlement, and they are used to observe the effects of and compliance with decree provisions in litigated and negotiated judgments.

In time, it is contemplated that the vast record of price information accumulated and organized as a consequence of the operation of the Executive order, will provide an historical background against which to compare shifts in price behavior in a large number of markets ranging across the entire spectrum of the national economy.

Such information is extremely valuable for antitrust enforcement purposes at the Federal and State levels. It is further contemplated that these records will be made available to State and local governments to aid them in the prosecution of cases which may indicate violations of State laws and in correcting abuses at the local government procurement level which may restrain competition and increase the cost of government.