

Senator SPARKMAN. Well, I may say that my thought regarding this, perhaps, was stimulated by the recent acceptance by the General Electric Co. of an agreement that had been worked out.

Mr. LOEVINGER. Yes, sir.

In the civil damage cases?

Senator SPARKMAN. Yes; in the civil damage cases.

Mr. LOEVINGER. That was not——

Senator SPARKMAN. That was not handled by your division, was it?

Mr. LOEVINGER. Yes, sir; it was.

Senator SPARKMAN. Was it handled by your division?

Mr. LOEVINGER. Yes, sir; I personally handled the negotiation of the final agreement.

Senator SPARKMAN. Oh, yes, the first settlements were with the Federal Government.

Mr. LOEVINGER. Yes, sir.

Senator SPARKMAN. And then I believe they turned to certain cities to whom they had sold equipment and either settled with them, or are in the process of settling with them.

Mr. LOEVINGER. The second announced agreement was with the New York State Power Authority.

Senator SPARKMAN. Oh, yes. I think I have seen in the press they were extending that out generally to all of the agencies and individuals, I suppose, with whom they had done business.

It seems to me that the bigness of that coverage was such as to emphasize to the ordinary person that it was quite widespread.

I hope that your work on this has had some good effect. Certainly it should have.

I notice in the news release that some successful methods to discourage identical bids are suggested by the report.

I am wondering if most of those bids were not negotiated bids in the beginning or invited in such a way that there was not the feeling that there was really the competition that ordinarily comes with bidding.

And I wonder if some invitations to bid go to only a selected group or if they were thrown open so that everybody including small business was invited to come in to bid.

The Senate Small Business Committee, which was set up in 1950, has filed a report every year since then, starting in 1951, and I believe in every single report we have come out with the suggestion that if all of the Government bidding was on a competitive basis small business would have no complaint, because it knew it could come out all right in the field of free, open, competitive bidding.

And I wonder if, after all, that is not the best method of discouraging identical bids: open, competitive bidding where small business and big business can all bid alike, but with the understanding that the contract will go to the successful low bidder.

Mr. LOEVINGER. I think there is no question that this is a desirable, and in most cases the most desirable, method of procurement, Senator.

I am sure that we favor this, that we advocate it. We have worked for it in many respects.

I believe that what we are talking about as bidding situations here, are so-called advertised bids where everyone is permitted to bid.