

REAL COMPETITION SAVED \$10,000 A DAY FOR UNCLE SAM

How Navy Department Effectuated Saving of \$3,156,677 During Past Year by Enforcement of Competition Among Bidders for Armor Plate and Projectile Contracts and by Cutting Down Expenses in Every Possible Branch of the Service

WHEN the books of the Navy Department are balanced on the last day of this month in order to determine how the Government's money has been spent during the past fiscal year it will be found that the Department has saved \$3,156,677. That is a trifle over \$10,000 a day for each of the 310 working days comprised within the fiscal year, a record never before approached in this branch of the Government.

This has been effected by cutting down expenses in every possible branch of the service where such a policy would not entail decrease in quality. Requisitions were to be carefully scanned to discover articles which might be eliminated, markets were to be watched so that supplies might be purchased at the lowest price, inquiries were to be made as to the administration of navy yards and training stations with reference to the disposition of waste and real competition in bidding for all naval supplies was to be encouraged.

As the result of the application of these principles the books of the Navy Department show the following savings effected:

Projects	\$1,167,569
Battle ship, No. 39	795,394
Food, clothing and other supplies	509,000
Scrap metal, except copper	300,000
Copper reclaimed	150,000
Requisitions	143,423
Collars with fleet	75,000
Transportation of men and materials	50,000
Channel at Mare Island, Cal.	35,000
Total	\$3,156,677

how much one of the firms bid for any item of importance, the work was distributed among them at the price of the lowest bidder. This can hardly be said to be an inducement to any one of the competing companies to bid the lowest possible price, and, under the circumstances, I am surprised at the moderation of the bids, because I do not see that anything but modesty or the fear of a Congressional investigation kept them from putting their lowest price at, say, \$700 a ton.

"This practice was not confined to armor plate by any means. I have met it in practically every field of contract labor and contract bids I have investigated. Probably the most striking instance was when I examined bids for two complete conning towers, submitted by the Midvale and Bethlehem Steel companies and accompanied by the usual affidavits that the companies were not in any combination. Despite this fact and the collateral one that they were supposed to have worked on independent sets of figures, the two companies had arrived at precisely the same bid of \$43,062."

When therefore special treatment steel plates were needed for battleship No. 39 the matter was widely advertised and the contract was finally awarded to the Carbon Steel Company of Pittsburgh, which bid for 3,900 tons at \$187.04 a ton.

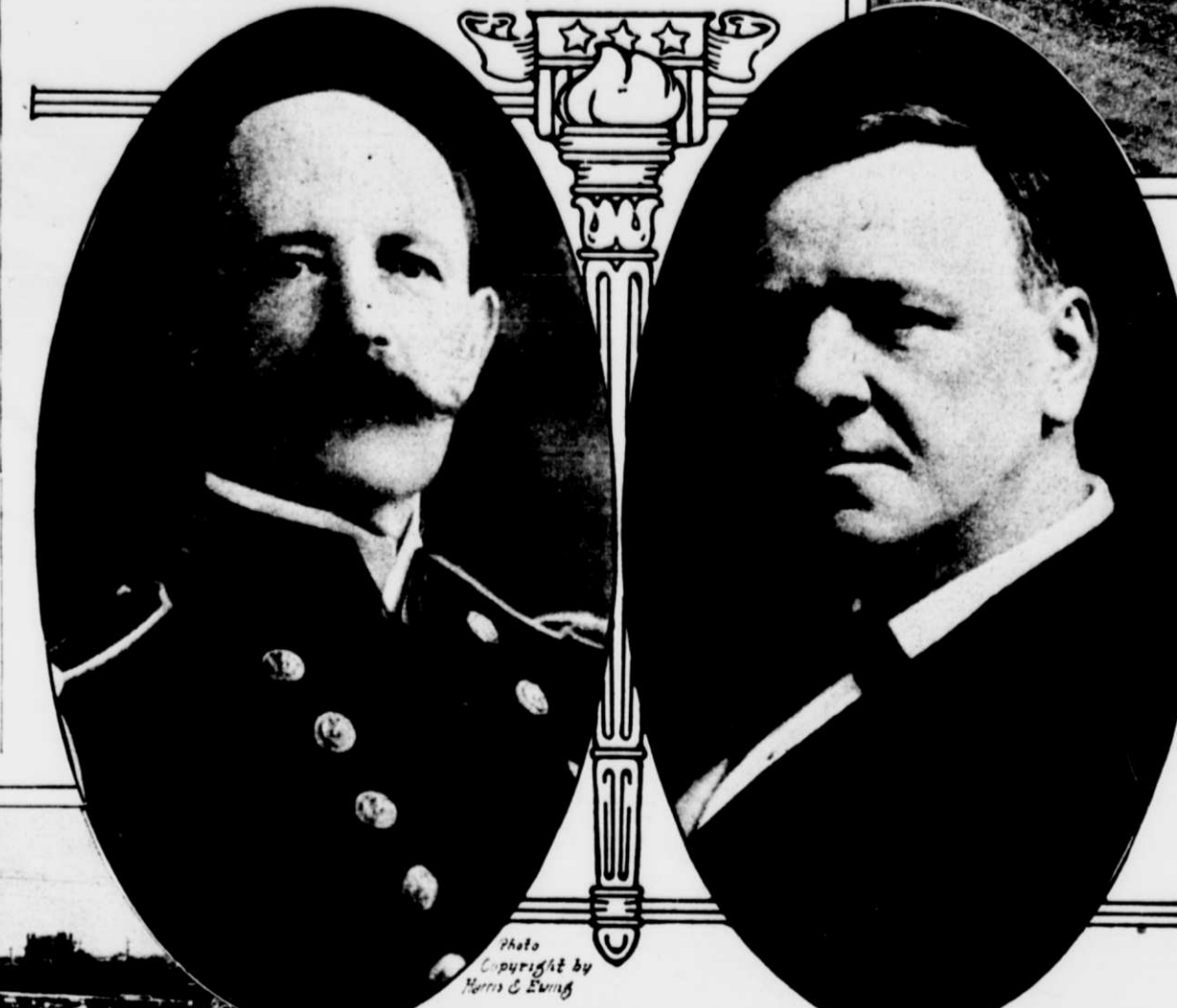
The last previous purchase of similar material was made in December, 1910, when 1,600 tons of special treatment steel plates were bought from the Carnegie Steel Company at \$294.03 a ton. The saving on the battleship 39 contract therefore amounted to \$96.99 a ton, or about 36 per cent of the previous price. The total saving on this contract was \$378,291.

advertised. Upon receipt of the new figures it was found that the Midvale Steel Company had cut its original price \$114 a ton on all classes of armor, and the entire contract was awarded to this firm at a saving to the Government of \$111,875.

The largest percentage saving on any

rotary drums, the contract for which was awarded to the Cyclops Steel and Iron Works of Sheffield, England, for 65 per cent. less than was named by either of the two American firms (the Bethlehem and the Midvale) which bid for the work.

As was to be expected there was a



Rear Admiral T. J. Cowie, Paymaster-General of the navy.

Secretary of the Navy Daniels.

protest from the American steel manufacturers against the letting of this contract abroad. Secretary Daniels replied that while he would much prefer to patronize home industries, the saving entirely justified his action in this case. The bid of the British firm was only \$57,436, as against \$169,368 and \$169,272 bid by the American companies. The Cyclops company also guaranteed to pay the duty on the drums, and the contract was immediately sent to England, with a resultant saving to the United States of \$102,836.

Real competition also resulted in a

has brought the total saved on the construction of this one dreadnought to \$795,394, divided as follows:

Special treatment steel plates	\$378,291
Forgings and shaftings	159,546
Armor plate	111,875
Turbine rotary drums	102,836
Medium steel plates	15,000
Steel castings	14,464
Steel bolts	6,160
Angles, bars, &c.	3,270
Total	\$795,394

A saving even greater than all the economy practised with regard to bat-

Boiler tubes and other scrap metals neatly piled and waiting a purchaser at Norfolk Navy Yard. Uncle Sam saved \$300,000 by salvaging scrap of this kind during the past year.

ing the present year. By enforcing free and open competition with regard to contracts for these shells the Department lopped off \$1,107,860 from the prices which prevailed during the previous year.

Bids for 3,500 14 inch armor piercing shells, 1,500 12 inch armor piercing shells and 30,000 4 and 5 inch common shells for the use of the navy were opened on January 3. Comparison showed that there was a decrease of \$88,825 in the bids for the quantities specified, or of \$1,107,860 if advantage were taken of the right to increase the orders 20 per cent. over the original contract. This right, it is stated at the Navy Department, will be exercised.

The greatest cut in prices on any one item was made by the Bethlehem Steel Company, which secured contracts for 4 inch common shells last year at \$9.50 each and this year offered to take the entire lot of the same shells at \$5.46 apiece, or a little more than one-half of last year's price.

In commenting upon the sudden drop in the prices of projectiles, Secretary Daniels said: "The decrease in the price of armor piercing shells is all the more remarkable in view of the increased severity of the test demanded by this year's specifications, which require a higher grade shell than has ever been insisted on before."

Some \$150,000 was saved to the navy within the past year by means of the reclamation of copper. The scrap metal which accumulates so rapidly at every navy yard contains a considerable percentage of copper. Formerly the scrap metal was either sold outright at a fraction of its real value or it was turned over to refineries which were supposed to extract the copper and return it to the Government. About 20 per cent of the metal was returned as copper while this method was in use.

Within the past year it was decided that it would be more economical for the Government to extract its own copper and thus insure full value. Experiments with scrap metal showed that the return of copper, when the extracting was done under Government supervision, amounted to about 60 per cent of the gross weight.

Under present conditions no copper bearing scrap is turned over to outside firms, but it is all treated by the Government and the returns have been so great that the Navy Department has not had to buy any copper during the past year. As the amount of copper annually used by the navy was well in excess of 1,000,000 pounds at 15 cents a pound the saving by the present method is considerably over the \$150,000 listed in the summary.

The saving in metal scrap (except copper) has been effected mainly through expert supervision of the disposal of the scrap and the efforts of the Navy Department to place the metal on the best possible commercial basis.

"The scrap heaps at the different navy yards," said Rear Admiral Cowie, Paymaster-General of the Navy, in explaining this economy, "formerly were composed of all kinds of different metals—steel, lead, copper and iron all mixed together in a heterogeneous mass, upon which bids were asked as a whole. The bidder naturally had to take a chance upon the value of the entire lot

and bids were correspondingly low. "Under the advice of a metal expert the Department set out to alter the conditions. The yards were ordered to separate the scrap of different varieties and to list them according to recognized commercial standards. The bidders thus knew exactly what it was they were expected to buy and the prices jumped several hundred per cent."

"Our yards are now so organized that the bidders do not even take the trouble to inspect the metals advertised for sale. They know that the scrap will accord with the accepted standards and they are able to make their bids without moving out of their offices or going to the expense of sending a man to investigate the metals. In this manner we are certain of the best possible price on each lot, instead of disposing of an entire heap of heterogeneous material at the price of the least valuable of the metals, as formerly."

"Another saving is effected by loading the scrap ourselves. The purchase would formerly load it with his own men and it was found that as high as 25 per cent. more metal would find its way out of the yards than had been paid for. The new system stops this loss and also enables us to get better prices for the metal, as we are able to load it at about one-third the cost that the purchaser would have to pay for the same work. A considerable saving is therefore effected both on the metal itself and on the purchase price."

This saving, according to experts in the office of the Paymaster-General, amounted to at least \$300,000 during the fiscal year just past.

The \$500,000 saving credited in the summary to "food, clothing and other supplies" was effected by closely watching the markets and buying in large quantities when the prices were low. For example, \$20,000 was saved on cloth in a single contract and \$5,000 on a purchase of sugar.

Scarcely a week passes without a saving being effected on some item. While it is not possible at this time to give the exact figures with respect to the saving on food and clothing within the past twelve months, as the detailed reports on this subject are not drawn up until after the close of the fiscal year, it can be stated upon the authority of the paymasters in charge of the work that at least \$500,000 has been saved on these items alone.

Through the medium of the same careful watching of all expenditures by the Atlantic fleet during its European cruise last fall saved the Government \$75,000. It had formerly been the custom of the Department to purchase coal at the various ports where the fleet called. This naturally resulted in raising the price of coal in anticipation of the arrival of the ships, and the experiment of having colliers accompany the ships was so successful that the old method will not be reverted to.

The other two savings noted in the summary, the transportation of men and materials and the channel at Mare Island, Cal., were the direct result of the policy of substituting real competition for the kind formerly in vogue. Both the railroads and dredging companies made reductions in their final estimates when it was found that the Department was determined to award the contracts to the lowest bidder and not to split the difference.

During the coming fiscal year every effort will be made to establish a new record for economy in the navy, but it is doubtful whether the most searching inquiries and careful examinations will suffice to bring to light savings in excess of the \$10,000 a day record already established.



The old scrap iron yard at Norfolk Navy Yard before the cleanup was ordered.

The principal savings to the credit of the Department arose primarily through the enforcement of competition among the bidders for the armor plate and projectile contracts, a competition never before attained to the same degree and which resulted in a cut of nearly \$2,000,000 in these items alone. The result is thus explained by Secretary Daniels.

"Theoretically," he says, "in conformity with an act of Congress, the Department advertises generally for bids on armor plate. Theoretically, the information that the Department wishes a large quantity of armor plate is spread broadcast the length and breadth of the land in order that every manufacturer may bid. Theoretically, no competitor is allowed to bid who is engaged in any competition to keep up prices. When the bids are received they are opened, and it is, I believe, the general impression that the lowest bidder in what has been an open contest receives the award of the contract."

"Now let us see what was actually done in the case of the contracts for 8,000 tons of armor plate to be used on the new battleship Pennsylvania, which will cost the Government in the neighborhood of \$3,500,000.

"The advertisement for this contract actually appeared only in a notice one inch long, in the smallest of type and in one paper only. The advertisement read: 'Sealed proposals for furnishing armor for vessels will be received at the Navy Department at noon, February 18.' The advertisement contained no hint of the amount of the plate needed and bids were received from three plants—the Carnegie Steel Company, the Midvale Steel Company and the Bethlehem Steel Company.

"Each of these bids was accompanied by the usual affidavits, required by act of Congress, that the company submitting the bid was not in combination with any other company and that there had been no collusion in the determination of the prices named.

"It would be natural to suppose that the lowest bidder would receive the award. But such was not the case, nor has it been for a long time back, and here is where the whole trouble lies.

After advertising for bids for the armor plate for the same battleship and receiving three identical estimates, the Department requested a conference with the representatives of the Bethlehem, Midvale and Carnegie companies, "with a view to learning by what process of mental telepathy they had arrived at the identical figures in their bids."

After this conference, which was reported to be highly unsatisfactory to both sides, the Secretary of the Navy said: "The identical bids of the three great steel companies speak more eloquently than any explanations which may be offered. They prove conclusively that 'competition' for this enormous amount of Government business is a farce."

Accordingly the three bids were ordered thrown out and the contract re-

material connected with the construction of the new battleship, however, was in the purchase of the turbine

shaftings for battleship 39, and the addition of a number of smaller items

of battleship 39 was effected in connection with the award of contracts for the projectiles to be used by the navy dur-



Battleship 39, latest and greatest of the United States superdreadnoughts, on which the Department saved \$800,000 by care in awarding contracts.

AN AMERICAN BARBER'S EXPERIENCE IN ENGLAND

If you are a tonsorial artist, a knight of the shears and razor with a few hundred dollars in your possession and a desire to go abroad for the purpose of accumulating a fortune by shaving and clipping the subjects of King George V, curb your ambitious instincts for a few moments while you think the matter over and then make up your mind to stay at home. Because they do not take kindly to American barbering methods in Great Britain and an attempt to introduce them is likely to meet with a snubbing and result in the loss of your small capital.

Not that, judged from an American viewpoint, the ways of British barbers do not need reforming. They need it just as badly as they do improvements in many other things, according to progressive Yankee notions.

The average British barber, professionally speaking, is as clumsy and sloppy a creature as can be discovered on this terrestrial sphere. But no Englishman can be found in his own country who is frankly willing to admit this fact. What was good enough for his great-great-grandfather is good enough for him, and don't you forget it. Therefore, sheltered behind the bulwark of conservatism, the cockney barber mutilates his victims at pleasure, secure in the knowledge that Britannia rules the waves and Americans and all other foreigners don't count for anything in the universal rating.

The American tourist operated upon for the first time by an English barber is a person sadly in need of sympathy. Instead of the skilful manipulation he has undergone at home when his beard or hair needed attention he finds himself delivered into the hands of a cheerful fiend whose sole object appears to be the hurried scraping of the customer's face with an instrument every stroke

of which carries with it hitherto unknown possibilities of torture.

In most of the shops there are one or two apprentices whose duty it is to put the preliminary touches on the customer by lathering his face. This is a process which is conducted in an aggravatingly slow fashion. The probationer approaches you with mug and brush, slaps a layer of suds upon your countenance and then steps back a pace to observe the effect. As he is returning to the attack the head barber usually summons him to assist another customer with his overcoat, and you lie back patiently in your chair while the lather congeals upon your face.

Perhaps by this time another hapless wretch in search of a shave has entered and deposited his form in a chair. The lathering graduate at once turns his attention to the newcomer and bestows upon him the same delicate attention of which you have been the recipient. Meanwhile the two or three barbers who are busily engaged in flaying their respective victims put on an extra spurt and scrape right furiously. One of them wins by a neck, and having delivered the final gash hastens triumphantly in your direction. You observe with surprise that his patient's face is still tastefully decorated with smears of lather, and wonder vaguely if the razor wielder has forgotten him.

Nothing of the kind. The scraped one arises from his chair, walks over to a wash bowl and proceeds to cleanse his face. The barber's task has ended with the removal of the beard and it is up to the newly shaven man to remove all traces of his handiwork, if he so desires. If he doesn't, that is his own affair; it is purely a matter of personal liberty and nobody will interfere with him.

steps to your side, contemplates thoughtfully your visage with the cold soapuds adorning it and yells to the boy to bring more lather. In his pride of race and profession he would probably prefer to die before administering that preliminary touch himself; he has risen from the ranks, gained his commission in the barber brigade, as it were, and such menial offices are far beneath his dignity.

Finally he gets to work and as the rough but faithful razor yanks stubborn bristles out by the roots reminiscences of the day when you went eighteenth in the Chicago stockyards and watched the hogs scraped by machinery arise in your mind. But it is best to endure silently and eschew remonstrance. Should you inform him that the razor pulls horribly he will gaze upon you with a supercilious British stare, smile pityingly and inform you that "there isn't another razor" like it in the "ouse."

If you agree with this statement, but nevertheless insist upon a change of blades, he will comply, but you will be none the better off for the switching of the instruments. In the words of Holy Writ, "The last state of that man will be worse than the first."

About six months ago a New York barber who had a fairly successful business on Seventh avenue took it into his head to visit England and start up a shop in Liverpool. And in less than twelve weeks he was back home, richer by a generous fund of experience and poorer by the sum of \$500 which he had invested in the venture.

bank about the sale at all, he was just sick, had to quit and go live in the country for his health.

"But I didn't get his customers, although some of them had been coming in that shop for years. They nearly all went and patronized an Englishman in the next block. From what I could make out of it they didn't like to see an American taking an Englishman's place. Those shops over there are in a great many cases handed down from father to son and the sons of the customers like to give their trade where the old man did.

"And the few that I did get didn't care for anything like shampoos, massages, having their hair trimmed at the temples and the like. Just shave them and let it go at that; they'll attend to the rest. Why the first fellow whose face I tried to wash off acted as though I wanted to pick his pocket.

"'Wotcher tyke me for?' says he. 'Hi ain't no bloomin' kiddy as cawn't wash its own face. You oughter 'ave a job in a Turkey bath, where you could slop around to your 'eart's content. Call yourself a barber!'

"Another funny thing is that nobody except workmenmen such as coal heavers, dock wallpayers and hod carriers ever want to have their necks shaved. On my first day there I had a couple of men come in who were working on the dock and both of them asked me to shave their necks. Then along came a well dressed old chap with gold eyeglasses who I could see by a look at his chin was in the habit of shaving himself. When I got through with his beard I asked him if he wanted his neck shaved, and you never saw anybody fly into such a passion.

what do you mean? Do I look like a laborer?"

"I had a hard time trying to convince him that I didn't mean to insult him, and he left the shop with his head in the air muttering something about 'beastly Yankee.'

"The shaving prices over there are twopence and threepence (four and six cents in American money), with hair cutting at expense by the present method (twelve and sixteen cents in our coinage). Maybe you'll say that the British couldn't very well expect extra touching up for such small charges. But you must remember that a nickel goes twice as far there as it does in Uncle Sam's country in purchasing power, and, anyway, that has nothing to do with the question.

"If they had to pay double the prices in vogue they wouldn't want to be treated any different. They simply don't know a good thing when they see it, according to my view of the matter. And they're so set in their ways that they refuse to let you educate them. This town's good enough for me; I don't seem to want any more English in mine."

British barbers who come to this country with the intention of following their trade find themselves up against a hard proposition. Their American colleagues put them on a level with graduates from the barber schools who have learned the gentle art of chin scraping by free practice upon hoboes. Occasionally one of them finds employment in a cheap shop where he becomes gradually initiated into the mysteries of the craft as practised in the land of the free. But he is sternly barred from the better class of shops and learns that his only hope of success is to begin at the bottom of the ladder and work his way up.