

Senator MCKELLAR. Do you think it ought to be by sealed bids or not?

Mr. SNYDER. Well, I think that sealed bids would be a fair way.

Senator MCKELLAR. Then assuming that they are sealed bids, do you think it is fair to have as the purchasing agent of the Government an officer who has formerly been connected with the largest institution making these articles?

Mr. SNYDER. I think that is not fair.

Senator MCKELLAR. Have you received any of these Government orders?

Mr. SNYDER. Not a dollar.

Senator MCKELLAR. Have you ever been asked to bid?

Mr. SNYDER. Not that I know of.

Senator MCKELLAR. What is the capacity of your concern?

Mr. SNYDER. Probably \$400,000 to \$500,000 a year.

Senator MCKELLAR. What would be the effect on your firm if, after the 1st of January, a supply of iron is denied you?

Mr. SNYDER. From the manufacturing standpoint?

Senator MCKELLAR. Yes.

Mr. SNYDER. Out of business.

STATEMENT OF MR. CHARLES F. ARROTT—Resumed.

Senator MCKELLAR. Now, Mr. Arrott, I want to ask you if you have any knowledge of the letting of contracts at Nitro, W. Va.?

Mr. ARROTT. The Standard Co. received the order for the plumbing fixtures required at Nitro, W. Va. Among other items there was a purchase of 2,500 water-closet combinations, consisting of a porcelain bowl, wood tank, and wood seat, and the only part of this outfit which they made was the porcelain bowl. The tanks and seats were purchased by the Standard Co. from the C. R. James Manufacturing Co., of Canton, Ohio; although Mr. James was not able to sell direct to the Construction Division, nor to get a satisfactory interview with Maj. McCubbin. It is the expressed policy of the Government to buy from the manufacturer direct, and not from the jobber, but in this case the purchase of these goods was actually from a jobber.

Senator MCKELLAR. Is there anything else that any of you gentlemen have in mind?

Mr. MOORE. I remember this point that Mr. Arrott made to you in conversation about these 1,000 flush tanks that he received an order for on May 23 and could not get shipping instructions for. I think that is rather pertinent. In the meantime the Standard was shipping stuff out by express, and Mr. Arrott could not get his tanks out.

Mr. ARROTT. I have here a rather unfinished communication of mine that I drafted yesterday that I will be glad to leave with you, Mr. Chairman. These were my unwritten views before I came here.

Senator MCKELLAR. I think I would like to have that.

(Thereupon, at 1 o'clock p. m., the subcommittee adjourned subject to the call of the chairman.)

(A statement submitted by the witnesses present, and Mr. T. R. Barnes, is here printed in the record in full, as follows:)

STATEMENT OF CERTAIN MANUFACTURERS.

Manufacturers of iron enameled ware.—There are approximately 14 distinct companies, located in various parts of the country. The largest company, the Standard Sanitary Manufacturing Co., a corporation of the State of New Jersey, with general offices in Pittsburgh, Pa., produces from 50 to 60 per cent of the total output of the country.

Curtailed production.—Acting presumably upon the request of the War Service Committee of the Enameled Ware Sanitary Manufacturers' Association, to which practically the entire industry belong, the United States Fuel Administration has restricted the fuel consumption to one-half the average for the years 1915-1917. This request and ruling were made prior to the authorization of the Government's housing program.

With the further restrictions recently made by the War Industries Board covering expenditures for general building improvements and repairs, the present market for Sanitary Enameled Ware is virtually confined to the Government's requirements; and to meet these ultimate requirements, were the business equitably distributed, all of the plants producing enameled ware would be permitted to live.

Capital invested.—Many thousands of dollars are invested in enameled ware factories. The equipment is altogether peculiar to the business and does not lend itself to utilization for other work. Similarly the training of men in the work is difficult and expensive.

The Government's policy as to the distribution of orders.—It is confidently believed that the administration does not countenance the placing of orders for a product exclusively with one manufacturer, especially when it will result in the practical annihilation of the other manufacturers of that product.

The placing of enameled ware orders in the Quartermaster's Department of the Army.—To date practically the entire business has been placed with the Standard Sanitary Manufacturing Co.

In this connection the following may be of interest: Maj. John C. McCubbin, acting under Brig. Gen. R. C. Marshall, jr., was formerly an employee of the Standard Sanitary Manufacturing Co., serving in the capacity of promoter—that is, calling on the various architects in his territory and soliciting the specification of his product. He operated under Mr. George Herth, with headquarters at Washington, D. C.

The relations between Mr. Herth, who is still in charge at Washington for the Standard Sanitary Manufacturing Co., and Maj. McCubbin have been and are most cordial and intimate—so much so as to seriously embarrass the other companies.

The Construction Division, as far as known, does not advertise for bids and no publication is made of awards of enameled sanitary ware.

In a peculiar way, Mr. Theodore Ahrens, president of the Standard Sanitary Manufacturing Co., acknowledged at a meeting held in Pittsburgh on September 19, having entered into a verbal contract with Maj. McCubbin covering a large amount of enameled ware, to take care of the Construction Division up to January 1, 1918.

We have been told that this company has an order for 25,000 bathtubs alone, aggregating approximately \$500,000.

Mr. Ahrens stated last week that his company has shipped via express from 12 to 15 carloads of enameled ware, this year, same applying on Construction Department orders.

Contrast the above with the following: Maj. McCubbin placed an order under date of May 23 for 1,000 flush tanks for water-closets with the United States Sanitary Manufacturing Co., and although this company requested shipping instructions of Maj. McCubbin, under date of July 26, and its New York representative, Mr. Fred W. Broatch, called upon him in person and asked for shipping instructions, same were not received until September 21.

It is confidently believed that the Standard Sanitary Manufacturing Co. received shipping instructions from Maj. McCubbin on orders placed since the above-mentioned order and at prices in excess of those on the above-mentioned order.

It is quite singular that the United States Sanitary Manufacturing Co. could not receive shipping instructions for so many months but did receive same two days after the meeting of manufacturers above referred to in Pittsburgh on the 19th instant.

F. H. CALDWELL.
CHARLES F. ARROTT.
W. G. MOORE.
GEORGE M. SNYDER.
T. R. BARNES.