

1—Gen. Smedley Butler takes over command of the marine base at San Diego, Cal. 2—Releasing wild elk on range near Middleboro, Mass., where 379 of them were shipped from Montana to be fattened for eastern market. 3—George E. Brennan, Democratic national committeeman from Illinois, announcing his candidacy for the United States senate.

## NEWS REVIEW OF CURRENT EVENTS

### Rejection of Nickel Plate Merger Is Factor in Collapse of Stock Market.

By EDWARD W. PICKARD

MERGER of the Nickel Plate, Chesapeake & Ohio, Hocking Valley, Pere Marquette and Erie railroads, as proposed by the Van Sweringen brothers of Cleveland, was disapproved last week by the interstate commerce commission, and those so-called wizards of the railway world will have to devise a new plan if they wish to try again to bring about the giant combination. Their work on the rejected scheme is said to have cost them between two and three million dollars. If it had gone through, according to those who opposed it, the brothers would have pocketed a profit of about \$100,000,000.

The commission based its disapproval of the merger on a disapproval of the financial structure of the proposed new Nickel Plate company, holding that the terms and conditions of the proposed acquisition of control by the new company of the other companies were unjust and unreasonable. The commission held that the merger would be in the public interest from the standpoint of providing efficient transportation, leaving the inference that it would have been approved had the financial provisions been above criticism.

"We cannot escape the conclusion that the plan was arranged with the intention of keeping control in the hands of its proponents, even though their interest is a minority one in fact," the commission said. "Such an arrangement is not in accord with sound railroad practice. The Nickel Plate is the only railroad of importance in the country in which preferred stockholders do not have the right to vote, and now it is proposed to extend this feature to over \$155,000,000 of new stock of a company comparable with the New York Central, Pennsylvania and Baltimore & Ohio."

IN FINANCIAL circles the immediate result of the Nickel Plate ruling was the biggest day's trading in the history of Wall street, with a perpendicular decline in prices that involved practically all stocks and in one extreme case reached 50 points. The stock market had been in a state of comparative collapse for several days, anyhow, and this was a staggering blow to the bulls. Trading eclipsed every former record, which had stood for years. The total for the day was 3,864,900 shares. The size of the market may be judged in comparison with the Northern Pacific panic market on May 9, 1901. On that day 3,072,305 shares were traded in.

Stocks had been technically weakened in seven previous days of drastic decline; the confidence of shareholders in the speculative shares had been shaken by loss of from five to fifty points or more in their holdings. Many margin traders had reached the end of their tether.

The excesses of the wild upward speculation in many shares which had continued over a long series of months since the election of President Coolidge were being corrected and brought down to a wholesome level by the market itself. Stocks were engaged in seeking their true market value, based on earnings rather than on merger prospects, or stock dividends, which this year and last have fanned the speculative flames.

The collapse of the stock market, which was accompanied by severe reactions in the grain and other speculative commodity markets, was described by experts as mainly a speculative orgy of powerful groups and professional operators. The general public was not caught to any great extent.

BY CLOSE votes the house military affairs committee junked all the pending army air service legislation, this including the bills for a separate air corps, for a unified air service, for the creation of a department of national defense and for the adoption of

the recommendations of the Morrow board. The committee then proceeded to write its own bill, using as a basis the \$150,000,000 five-year program submitted by Secretary of War Davis.

The new War department proposals contemplate appropriations of \$30,000,000 a year more than now is available for the air service during the five-year period. Of this \$7,500,000 would be spent each year in the purchase or construction of new planes. At the end of the five years, according to the Davis program, the air service would have 2,200 modern planes, 1,650 regular army officers, 500 reserve officers on active duty, 15,000 enlisted men, and 500 flying cadets.

According to Representative Morin of Pennsylvania, the measure was finally reported by the committee will embrace most of the major recommendations of the Morrow board. Secretary Davis said his program had been concurred in by the chief of staff and the chief of the air service.

FARM organization leaders of the middle western states, together with a number of governors from that region, gathered in Washington last week for a conference and let the congressmen know plainly that they wanted speedy action on legislation for the controlling of farm export surpluses so as to increase domestic market prices. In their statements were hints of a political revolt in the West unless their demands were heeded. A committee from the conference called on President Coolidge and on Secretary of Agriculture Jardine, and its spokesmen afterward said that the prospects for an agreement between farmers, legislators and the administration on the mechanics of necessary legislation were exceedingly bright.

President Coolidge expressed his sympathy with the aim to stabilize agricultural conditions and let it be known he would favor any legislation unanimously agreed on by the Department of Agriculture, the farm organizations and the various agricultural committees in congress.

THE Watson-Parker bill, abolishing the railroad labor board and providing for the settlement of rail labor disputes by direct conference between railroads and their employers and on mediation and voluntary arbitration, was passed by the house by a vote of 381 to 13. The measure has been favorably reported to the senate and its early enactment into law is expected. The board has before it cases involving approximately \$80,000,000 in wage increase demands and doesn't know what to do with them, as the Watson-Parker bill makes no provision for disposition of the pending disputes.

Executives representing about eighty western railroads met in Chicago and selected a committee of twelve to conduct the wage conferences with conductors and trainmen. These workers ask a raise of 7 per cent and the managers have gone on record as opposed to this boost.

SECRETARY OF STATE KELLOGG sent a new note to the Mexican government in reply to its latest communication concerning the new land and oil laws, and while not revealing its contents, he told the senate committee on foreign relations that he hoped it would end the controversy. Presumably the administration has toned down its demands a little. Some of the senators, however, were not satisfied and Mr. King of Utah was preparing a speech on the subject.

The Mexican government has notified all foreign Protestant ministers in that country that they are in the same category with the Catholic priests and must get out. The first of the expelled Catholic clergy to reach the United States arrived in New York on a steamer. In the party were ten priests, one nun and four Marxist brothers. They were penniless, stating they were not given time to take even their breviaries. The states of Vera Cruz and Tamaulipas have issued laws limiting the number of priests. Vera Cruz allows one priest in communities of 10,000, two in communities of 30,000, four in communities of 60,000, and a limit of six in larger communities. Tamaulipas provides only one priest for each community, with the exception of five.

AT THIS writing the prospect is exceedingly lively and that the net result

will be that Germany alone will be given a permanent seat in the council. The probable compromise plan is for the holding of a second session at which it will be proposed that Poland be given a non-permanent seat. In this way Germany, through Doctor Stresemann, would be enabled to participate officially in the council's action. It is likely that a special committee will be named to study the question of a re-organization of the council.

According to a London correspondent, Premier Mussolini, with the aid of Spain and the Vatican, has formed a Latin-South American bloc in the league by which he hopes to control it. The first demands of this bloc will be for permanent seats in the council for Spain and Brazil and another temporary seat for another member of the group. The story says that the bloc is prepared, if it does not get its way, to leave the league and form a new association of the Latin states of Europe and America.

With only 71 votes in opposition, the French chamber of deputies ratified the Locarno treaties, giving Premier Briand a splendid endorsement. The approval of the senate is assured. The Polish diet also ratified the pacts.

Our State department last week officially notified the secretariat of the League of Nations and 48 governments that the senate had voted for adherence to the World court. Copies of the reservations were enclosed in the letters. Department officials said they expected these reservations would be accepted, although jurists of several European countries had favored their rejection.

FIERCE fighting for the control of Peking marks the progress of China's civil war between the national armies, directed by Marshal Feng Yuxiang, and that general's opponents, who include Marshal Chang Tso-lin of Manchuria and Marshal Wu Pei-fu, who heads a Hupei army. The names and localities do not mean much to the average American reader, but the result of the conflict probably will be that the government will fall into new hands.

IN MOROCCO the French and Spanish armies are preparing for a great offensive by which they hope finally to crush the Rifians. But Abd-el-Krim is alert and already has started the fighting himself, attacking the French and certain tribes that are unfriendly to him. Both sides are trying for strategic positions from which to negotiate peace.

POLITICS in Chicago has reached a stage where it not only amuses the rest of the country but in a way becomes of national interest. Strange combinations of Republican factions are fighting bitterly and one result has been a request that congress investigate crime conditions in the Illinois metropolis. Naturally, the Democrats are happy and hopeful. George E. Brennan, the astute Democratic national committeeman from Illinois, has announced his candidacy for the senate seat held by Mr. McKinley of Champaign, and for which Frank Smith is a Republican contender against the incumbent in the primaries. Mr. Brennan says his platform has only two planks—modification of the Volstead act to permit light wines and beer, and home rule for Chicago. The coming election, he says, will be a referendum in Illinois on Volsteadism.

REPRESENTATIVE HILL of Maryland was re-elected chairman of the unofficial committee of congress on modification of the Volstead act and was instructed to appoint a committee of five, called a "temperance board," to outline a program for the dregs. This board will begin hearings on March 31, preliminary to drafting a bill for revision of the prohibition law. All congressmen and private citizens will be given opportunity to express their views on prohibition and its success or failure.

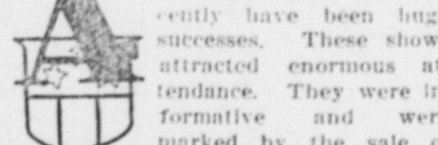
THEODORE and Kermit Roosevelt have returned from their adventurous trip to central and southern Asia, bringing back many fine specimens of the animals which they went to get. Theodore refused to talk politics when he landed in New York, but there were indications that he would again be a candidate for some office, perhaps the governorship of the Empire state.

# Motor Car and Good Roads



Reflections Suggested by Recent Automobile Shows

By JOHN DICKINSON SHERMAN



UTOMOBILE shows in several big American cities recently have been huge successes. These shows attracted enormous attendance. They were informative and well-marked by the sale of many cars of all kinds. They were especially informative for the reason that they showed what has been accomplished in the quarter of a century during which the automobile industry has grown up from an exceedingly modest beginning to its present enormous proportions. Reading between the lines of the facts brought out at these shows, it is to gasp with amazement at the changes that have been wrought in the industry itself and in American life through the motor vehicle—the automobile, the motor truck, the motor bus. It was approximately twenty-five years ago—as I well remember and doubtless many of you do—that the first automobile made a journey by highway from Detroit to New York City. And what a trip it was! There were no service stations, no a complete set of replacement parts was carried. The tires usually deflated at 15-mile intervals. Horse power often had to drag the car from mudholes. And it took a whole week to make the trip! Today the same trip is made comfortably in three days.

The other day a car—no; never mind the make, this is not an advertising story—was driven from New York City to San Francisco—3,423 miles—in exactly 102 hours and 45 minutes—elapsed time, not running time! This was within 6 hours of the fastest train schedule. The route was over the Lincoln Highway—a highway that 25 years ago was not in existence.

The point of the foregoing is that motor cars and good roads are inseparably bound together.

Everywhere the traveler with eyes sees the truth of this. Take the scenic West as an illustration. It was only a few years ago that the tourist traveled by railroad and then got into a horse-drawn vehicle—the old stagecoach was the thing. Now the scenic West is alive with motor cars from every state in the Union—and with public motor buses. There were 308,212 private cars admitted to the national parks last season. Everywhere are seen road gangs in the mountains, which were only foot and horse trails before. Rocky Mountain National Park has a highway over the Colorado Continental Divide that climbs up to 11,507 feet. The cog road up Pikes Peak used to be considered a marvel; now there is an automobile road to the very summit. New York City has a breathing space in the Interstate Park Highway after highway on both sides of the Hudson has been constructed to take care of the motor traffic—and even a suspension bridge over the

Hudson, Wisconsin, Minnesota, Michigan—state after state—have fallen in line in the making of good roads to attract tourists as well as to take care of business. They are reaping an annual reward of many millions of dollars. Illinois, a state of black soil, has literally lifted itself out of the mud by its bootstraps—through the construction of 5,575 miles of hard roads—and had 1,278,111 motor vehicles on its registry last year.

In short, there were approximately 20,000,000 motor vehicles under registry last year in the country. Our highway program appears to be stabilized at about a billion dollars a year. We have today about 3,000,000 miles of highways, ranging from mere trails to the highest type of improved road. A central system of highways has been established—the federal 7 per cent system of about 200,000 miles. The federal appropriation for the fiscal year beginning July 1, 1925, is \$73,125,000 for federal aid roads; 10,000 miles of such roads were built in 1925.

Do you remember how solemnly and forebodingly the automobile manufacturers and the financial experts and the general public used to talk about "the saturation point" in the industry? Apparently "there ain't no such animal," as the farmer's wife said when she first set eyes on a hippopotamus.

As a matter of fact the automotive industry has been greatly astonished more than once by developments. First, by the increasing demand for automobiles; next, the tremendous popularity of the motor truck; now the spectacular development and ramifications of the motor bus service. On top of this last surprise comes the export last year of 550,000 American cars.

There is, however, a saturation point in the general situation, as most big cities of the country know to their perplexity, and that is the inability of the roads to furnish the room for the automobile traffic. This almost paralyzing congestion obtains at all business hours, and is worst of course in the business centers.

Chicago has just put into effect a new system of traffic control lights and calculates that it makes a theoretical "economic saving" of \$100,000 a day in the saving of time. New York estimates its daily economic loss at a much larger sum.

This congestion of traffic obtains not only in the business centers but also on approach roads. Many residents of the big cities have given up week-end auto trips because the patience of Job himself would be inadequate to the task of getting back home Sunday evening.

In 1925 the motor truck industry had its most successful year, with the manufacture of 292,000 units, an increase of 100,000 over the previous

record. The volume of business in dollars also set a new record of about \$500,000,000. The development of the foreign market is rapid. Fifty-one American railroads are now using motor trucks as a part of their shipping service, as compared with 23 in 1924.

The automobile industry, directly and indirectly, provides a living for 3,200,000 persons. About 350,000 are actually engaged in the manufacture of cars, trucks and buses. Over 9,000,000 gallons of gasoline were consumed in 1925 in American cars. The total public investment in automobiles today is about \$18,500,000,000. According to present rate of production and replacement seven seasons will be required to replace the 20,000,000 now in use.

In January of 1925 American automobile manufacturers foretold an output of 6,000,000 for the year. About 3,750,000 cars were made. This year they are estimating the demand at from 4,000,000 to 6,000,000. They count on the steady increase of wealth in the country, the increase in road roads; the extension of the automobile's usefulness; the tendency of the well-to-do to own two cars or else invest in a better car; the desire of every family to own a car and travel.

The motor-bus business is sprouting up like a mushroom. One hundred thousand are predicted for 1926. You can get in an enclosed bus de luxe in almost any large city and go almost anywhere on regular schedule. The city streets are full of great double-deckers.

The foregoing outstanding facts of the automotive industry, together with others that might be mentioned did space permit, seem to indicate that the developments of the next ten years will be exceedingly interesting as well as of national importance. For example:

Organized society will have to take a definite stand as to the respective rights of motorist and pedestrians. The appalling needless loss of human life must be stopped.

The fuel situation is ridiculous. There is energy in a gallon of gasoline converted 100 per cent into mechanical power to propel a light car 450 miles.

How far can the practice of time payments on cars be carried? Shall we have perpetual license plates?

Shall we have federal control of through highways?

Shall highways provide for express, local and freight traffic? Shall we have double-deck roads at congested points?

One thing seems to be certain: Upon the permanent roadways will depend the extent to which the motor vehicle may be operated for pleasure and profit.

## Wise Old Mahomet

"If the mountain will not come to Mohammed, Mohammed must go to the mountain." This well known phrase is often used of one who, being unable to have his own way, bows to the inevitable and does the best he can under the circumstances.

The saying originated with the prophet himself near the beginning of his career. The Arabs wanted a proof of his miraculous powers, whereupon

he ordered Mount Safa to come to him. Of course the mountain stayed where it was, but equal to the emergency, Mohammed announced, "God is merciful. Had my command been obeyed it would have fallen upon us and we would all have been destroyed. Instead, therefore, I shall go to the mountain."

**Dirigible Is Success**  
A successful flight of the giant semi-dirigible RS-1 was recently made by a crew of nine officers and

men of the American army at Scott field, near Belleville, Ill. The shape of the ship takes the form of a heart with a depression on the upper surface. It is capable of attaining a speed of 70 miles an hour.

**More Chance**  
"You say that Miss Agely is desperate for a man?"  
"Yes. She had twin beds put in her room, so she'd have twice as many to look under."—American Legion Weekly.