

MERCHANT FLEET MOST VITAL NEED, MADOO ASSERTS

Secretary of Treasury Wants Ship Purchase Bill Introduced

400 SHIPS FOR NAVY

Copyright, 1915, by the United Press. WASHINGTON, Oct. 12.—The reasons why, in his opinion, a merchant marine bill should be passed at the coming Congress were explained by Secretary of the Treasury McAdoo in an interview today.

Five fundamentally necessary factors require that the Government come to the aid of American shipping, the Secretary declared. These factors, he held, were:

First. Necessity for an auxiliary fleet for the navy—a measure of preparedness in keeping with the Government's plan of rehabilitating the nation's defenses.

Second. The necessity for an immediate relief of American commerce, so that American shippers and producers may not be dependent upon foreign flags and the exorbitant rates and insecure routes of an unregulated merchant marine.

Third. The hopelessness of private capital coming promptly and vigorously to the relief of American foreign trade.

Fourth. The Government is the only agency of sufficient strength and resources to give the quick assistance that is necessary.

Fifth. Delay means not only rejection of the full possibilities for expansion of trade, but neglect of the greatest commercial opportunity ever offered a nation.

IN THE LIGHT OF EVENTS.

"In the light of world events," the Secretary said, "the creation of a merchant marine under the American flag is the most vital economic problem facing the American people today. I hope and believe the President will recommend the passage of legislation at the approaching session. I hope that the shipping bill, altered as it may be to meet all the conditions of today, will become law. The fundamentals of the bill should be retained, but in view of the military lessons drawn from the European war, it should be so modified as not only to create an American merchant marine, but to provide a fleet of steamers responsive to the requirements of naval auxiliaries in time of war. In speeches which I expect to make on my present trip I will further explain my views on these changes."

The Secretary leaned forward to emphasize his earnestness, and went on with outstretched arm:

"There can be no difference of opinion as to the necessity for adequate naval auxiliaries and for the development of our navy homogeneously, so that all its parts will be sufficient and work in thorough cooperation. The acute situations that have arisen in our foreign relations have emphasized more than ever the necessity for an adequate navy—a navy not lopsided and unbalanced, but thoroughly developed and well balanced in all of its parts."

The Secretary turned to his desk to dig up figures from the Navy Department, showing the navy requires 400 merchant vessels for auxiliaries.

"It is common knowledge," he continued, "that this tonnage—1,172,000 gross tons—can only be supplied in part from the vessels now under American registry. Obviously, these naval auxiliaries, if built by the Government, cannot be left idle in our harbors."

ECONOMIC SIDE OF PROJECT.

"There are two paramount reasons why such vessels, if built, should be operated in commerce:

"First. If the real object is to create an efficient naval reserve, we must train and educate a sufficient body of American seamen to man these auxiliaries in time of peace and constitute in time of war the trained body of valiant men upon whom the country must depend for its protection.

"Second. We must operate these ships in commerce for the welfare and prosperity of our country, and while doing this keep the ships in first-class condition."

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tion, while at the same time earning probably I think, certainly a surplus. "How could such auxiliaries be operated?" the Secretary was asked.

"The best and most practical course would be to turn them over to a corporation in which the Government is the chief or sole stockholder, to be operated by that corporation under the general supervision of a shipping board—because:

"It is essential that the Government have power to establish routes for these steamship lines, and that these routes be selected with reference to the greatest development and expansion of foreign commerce and general welfare of the country."

"The rates must be subject to governmental regulation through the shipping board, so shippers may be certain they will get rates enabling them successfully to compete with European rivals in the world's markets."

"The service must be regular and reliable, and the routes, once established, be maintained for a sufficient time to develop the business."

"The quality of the service, character and speed of ships and rates must be such as to put our people on a parity at least with the European competitors in the world's markets."

"In order to establish and maintain this kind of service, large capital will be required, because it may take several years to develop and build up trade on a paying basis. It is imperative, moreover, in view of the conditions now existing throughout the world, that this shall be done with all the speed that ample capital and responsibility alone can provide."

POLL SHOWS CONGRESS FOR PREPAREDNESS

Sentiment Ten to One in All Parties for Increase in Forces

CHICAGO, Oct. 12.—A poll of both houses, taken by the Chicago Evening Post, indicates that Congress will overwhelmingly vote to support a measure looking to an increase in the military and naval forces of the United States.

The question propounded by the Post to every Senator and Representative in Congress was:

"Do you favor an increase in the army and navy for defense preparedness?"

More than 500 replies were received from Senators and Representatives.

The ratio of the replies was 10 to 1 in favor of an increase in the army and navy.

In a brief statement issued at his office just after he and Mr. Ford split Mr. Couzens said:

"I could not agree with Mr. Ford's public utterances on peace, the Allies' war loan and national unpreparedness. This has been brewing for more than a week. For some time I have disapproved of the manner in which Mr. Ford has been

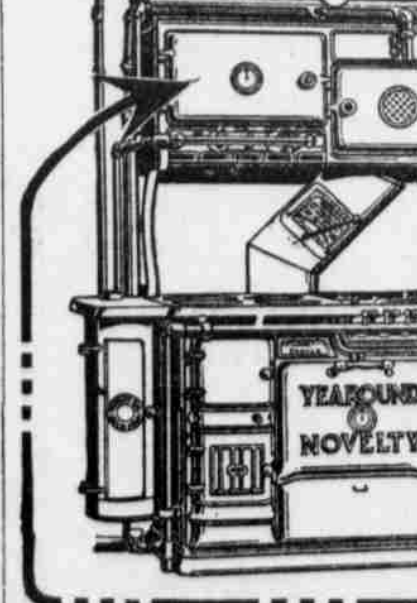


HOW about biscuits today for our luncheon? You know, it was partly my biscuits that made Jack promise me this range before we were married.

"I'm using gas again—it's too hot for coal. Did you ever think how this oven-door thermometer saves heat? As soon as the oven is hot I turn the burners partly down, and still run no risk of cooling the oven."

"Did you notice that gas lamp? Isn't it a great idea? It throws the light right where it's wanted."

"Now the biscuits are done. Aren't they lovely? Jack wants them nearly every day, and he swears he's getting fat. Do you wonder?"



HENRY FORD'S PEACE PLANS FORCE PARTNER TO RESIGN IN DISGUST

James Couzens, Vice President of Company, Quits as Result of Differences in Opinions

BOTH STARTED POOR

DETROIT, Mich., Oct. 12.—James Couzens, vice president and general manager of the Ford Motor Company, has unexpectedly resigned because, as he phrased it, he "could no longer agree with Mr. Ford's utterances on peace, the Allies' loan and national unpreparedness."

The action of Mr. Couzens closely follows that of John F. and Horace E. Dodge, of Dodge Brothers, who threw \$500,000 worth of Ford Canadian motor stock on the market last week following the unfavorable reception of Mr. Ford's interviews on the war loan.

Behind the resignation and its immediate consequences lies a tale of business romance. Ford and Couzens grew up together from poverty to be multimillionaires in less than a dozen years. Each has frequently credited the other with his measure of success.

Their activities have been so correlated that their combined fortunes of more than \$20,000,000 never have been separated, except when annual dividends were declared. Through these have been on a plethoric scale, the bulk of the fortune of each is tied up in the motor company.

Mr. Couzens' resignation means that the company will be forced to undergo a partial dissolution and complete reorganization.

In a brief statement issued at his office just after he and Mr. Ford split Mr. Couzens said:

"I could not agree with Mr. Ford's public utterances on peace, the Allies' war loan and national unpreparedness. This has been brewing for more than a week. For some time I have disapproved of the manner in which Mr. Ford has been

giving statements to the press. His stand on these and other matters has disgusted me. I told him so and we had it out."

ISSUES STATEMENT.

Later Mr. Couzens issued the following formal statement.

"What Mr. Ford has to say is considered by many to be of wide importance because the business of the Ford Motor Company has been built up to such a magnitude that the public eye is always on him. It was of so serious moment to me that I decided to break relations with him. The friendly relations that have existed between us for years have been changed of late. Our disagreements daily became more violent. I finally decided that I would not be carried along on that kind of a kite. He started in the automobile business 13 years ago, and it was through my efforts that the business of the Ford Motor Company was built up around one man—Henry Ford."

"I have never in my life worked for any man. Even when I was a car checker a few years ago I had no boss, but I was and am today willing to work with any man, I was willing to work with Henry Ford, but I refuse to work for him."

Although James Couzens has not attracted so much attention as his associate, Henry Ford, his connection with the Ford Motor Company has been of importance second only to that of Mr. Ford, and his personality is a most interesting one.

Mr. Couzens was getting but \$1800 a year as a clerk in 1902, when the Ford company made its small beginning, yet in 1914 his cash dividends totaled \$5,000,000 and his stock dividend \$5,000,000, an amount second only to the dividend of Mr. Ford himself, which was \$29,000,000.

A. Y. Malcolmson, a coal dealer, who was Henry Ford's original partner in the automobile manufacturing business in the world, was Mr. Couzens' employer, and it was through him that Mr. Couzens had the opportunity to buy Ford stock.

He had saved \$400 out of his salary and Mr. Malcolmson gave him a \$500 bonus. He borrowed \$100 from a sister to make an even \$1000 and bought his first block of stock in the new and struggling company. He gave also a note for \$100 to make up his initial investment of \$500, the smallest, by the way, of any of the present Ford stockholders.

GIVEN BIG POSITION.

The former \$1000 clerk was made secretary and business manager of the Ford company, of which Henry Ford was vice president and general manager. At once he began to display that talent for business detail that aided so remarkably in making the enterprise a success and that soon made him its business manager.

"I remember riding up the street with Henry Ford in that car of his," said Mr. Couzens later, in telling of those times, "and talking over what salaries he should get \$3000 a year and I \$2000. I started out with a one-armed stenographer, and finally got a bookkeeper. I wrote the first annual statement out in longhand with an indelible pencil."

The company under the joint management of Ford and Couzens was an immediate success and paid a 2 per cent. dividend when five months old, a 10 per cent. dividend when six months old and

when it was nine months old a 25 per cent. dividend.

It was at Mr. Couzens' suggestion that Henry Ford bought out Malcolmson's stock in 1906 for \$75,000 because of differences between the two original partners. Ford and Couzens indorsed each other's notes for the amount, which was paid when due. It was this purchase of stock that gave Mr. Ford his first control of the company.

Mr. Couzens had already bought for \$25,000 the stock of Andrew Starlow, an original investor, who became interested in gold mines. About that time, too, began the payments to Mr. Couzens' sister on her loan of \$100, payments which have totaled \$47,000 in dividends and \$50,000 stock.

Yet for all his remarkable success in business Mr. Couzens' name has seldom appeared in print in connection with the Ford company. The Ford profit-sharing plan is directly in line with Mr. Couzens' idea and was partly planned by him. It was Mr. Couzens, in fact, who announced the decision to try the plan.

When the street railway company of Detroit refused to accede to the city's demand for eight tickets for a quarter and a payment of back rentals and taxes, and threatened to stop its cars, Mr. Couzens immediately came forward with a promise to run 3000 Ford cars in place of the street cars. The company came down; then Mr. Couzens engineered a compromise.

Mr. Couzens has served as president of the Board of Commerce, and is still a member of the Street Railway Commission. He is also president of one bank in Detroit and director of two others and a trust company.

Seriously Injured in Motor Accident

Harold E. Ecker, of Belmont avenue and Levering road, is in the West Philadelphia Homeopathic Hospital in a serious condition as a result of a collision between a motorcycle on which he was riding and an automobile on Belmont avenue, near the Methodist Home, last night. The automobile was driven by John Crist, of Narberth. The force of the collision demolished the motorcycle. Ecker was hurled ten feet in the air to the asphalt pavement.

A Big Asset This City Should Not Overlook

By E. J. Berlet

President of the Walnut Street Business Association, Director Poor Richard Club, Past President Rotary Club of Philadelphia, chairman of the committee which brought the Army and Navy football game back to Philadelphia and head of the movement for a Municipal Stadium.

Our business men should respond to the opportunity afforded them in securing for Philadelphia the Ice Palace at 33d and Walnut streets. If they do not, they admit that there is something radically amiss in the basic structure that supports true commercial progress in this city.

Whatever adds to our city, draws to it. New York has a big asset in its floating population which supports the hotels and places of amusement. This incidentally leaves thousands of dollars in its wake. Philadelphia should do everything possible to bring from nearby towns and cities the thousands who would gladly come to enjoy what is denied them at home.

In this matter the business men would certainly benefit. I am heartily in favor of the Ice Palace. It would bring to our metropolis thousands who would otherwise stay at home, and from these visitors we would reap a substantial advantage. Observation shows that the prosperity of a city may be told by the number and quality of its amusements.

Subscriptions for stock of the Philadelphia Ice Skating Co. are now being received by Chandler Bros. & Co., 1333 Chestnut Street, or Geo. A. Huhn & Sons, 1418 Walnut Street. Detailed prospectus and full information, showing how earnings will be made, sent upon application to

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Because of inability to secure electric power for our big presses in time, the first issue of the Colored World will be on Thursday, October 21st.

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