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## A Third Giant

By THOMAS H. GAMMACK

**A**T a luncheon table in a New York club, one of the most picturesque adventures in American financial history came to an end and another began. Clarence Dillon sold the Dodge Company to Walter P. Chrysler, or, to be more exact, these two gentlemen arranged for the acquisition of Dodge by the Chrysler Corporation.

The Dodge Company will retain its individuality as a manufacturing organization, but its days as a separate financial unit are numbered. Before the summer is over it will be a part of the third largest automobile producing company in the world, second only to General Motors and Ford.

A little more than three years ago Clarence Dillon, who had spent some of his youthful years as an art student in Paris, literally dazzled not only the financial community but the whole Nation by purchasing, for Dillon, Read & Co., the Dodge Brothers automobile properties for \$146,000,000, and then, after taking \$14,000,000 in cash from the company's treasury, reselling these properties to the public for \$160,000,000 plus a commission in stock. Many Conservative bankers had estimated that the properties were worth not more than \$120,000,000 at the outside, but the public disagreed, and the common stock shot up from its offering price of about \$20 a share to nearly \$50 within a few months.

But the Dodge stock turned out to be something of a "morning glory," as sporting writers call a young baseball player who is a Ty Cobb in April and a third-rater in June. Less than a year after it was offered its holders realized that they had been over-eager. Earnings began to shrink, and the price of the stock headed downward. Early this year it sold as low as \$16 a share.

In the meantime the old Maxwell Corporation, rechristened Chrysler, was making and selling cars in increasingly large numbers. In 1923 it stood twenty-seventh among American manufacturers in volume of production. At the time of Dillon, Read's acquisition of Dodge it stood fifth. In 1927 it moved up to third place.

The majority of automobile mergers are between companies whose products supplement each other. General Motors, whose success has been legendary, long ago adopted the slogan "A Car for

Every Purse and Purpose." All their cars are in different price fields. Since many of the Dodge and Chrysler cars compete directly, the merger came as a complete surprise, and many financiers and manufacturers cannot yet see the logic of the combination. They all, though, have the profoundest respect for the wizardry of Walter P. Chrysler, who started his business career as a railroad mechanic and who is now not only one of the great American mechanics but a marvelous financier, salesman, and organizer as well. They are waiting for him to show them the solution for the problem which they cannot see themselves.

Mr. Dillon was the target for a good deal of criticism at the time he purchased Dodge. (There were cries of "Water—water.") But the terms of the merger indicate that he did not charge an exorbitant price for the Dodge securities. The preferred and common shares were offered, as a unit, at \$100 a share. The holder of one of these units will receive one and one-fifth shares of Chrysler common, which were worth on the day the amalgamation was announced something more than \$100. Considering the fact that the company has been losing ground fairly steadily, the price which Mr. Dillon set on his securities in 1925 does not seem excessive. If Dodge had even approximated its promise of three years ago, they would have been distinctly under-priced. As it was, Mr. Dillon might have felt that he had been a little over-generous when he saw Dodge common selling on the Stock Exchange at a price nearly 150 per cent above what he had charged the public.

With that chapter ended, interest centers now on the Chrysler Corporation and its founder. No one doubts that the organization will retain its position in the van of automobile manufacturers. The question asked is—Will Chrysler become another General Motors, with seven or eight makes of cars, covering all the price fields? Such a development is far from impossible. Right now Chrysler is putting out a new car, the De Soto. It is conceivable that the new Dodge will be so changed as to put it into a different class from all the present Chrysler products. The building of another General Motors would be an adventure indeed.

Mr. Chrysler has been President of

the Buick Company, one of the General Motors subsidiaries, and if any man in the business is qualified to build another really comprehensive horizontal combination in the automobile business, it is he. Ten years ago it was the conventional opinion that a combination that even approached General Motors in size would prove unwieldy. Now, of course, the business world scans the horizon for another General Motors with the same expectancy that it watches for "the great American novel."

General Motors units have derived many benefits from their combination. Among the most valuable are the pooling of engineering skill and the efficiency of the dealer organization. General Mo-

tors, for instance, is the only company with a complete proving ground, on which not only G. M. C. products but those of competitors as well are tested exhaustively. Probably no other company except Ford could afford such an expenditure. As for the dealers, it is obvious that, in small communities, they will usually be more satisfied and more alert with a wide variety of cars than with only one make.

Members of the Chrysler organization have denied casually that any more acquisitions are being considered for the moment. Probably the absorption of Dodge will require all the company's attention for some time to come. Mr. Chrysler, though, has never denied any

of the many published predictions that it will not be many months before some other company, perhaps a body concern or an accessory builder, will come under his banner. And he has never set any limit for the growth of his company.

Three groups—General Motors, Ford, and Chrysler—now control about eighty per cent of the country's automobile production. The last five years have seen the number of automobile makes reduced from 650 to less than sixty. The rich manufacturers have been getting richer and the poor poorer. Sociologists may regret the elimination of the smaller manufacturers, but the automobilist, who has profited so greatly by the efficiency of the big units, is well satisfied.

## How the *normal* risk in sound investment is minimized to-day



WITH the most careful selection, there still remains a normal risk in investment—that which inheres in all human affairs. It must be recognized, but it need not deter from sound investment any more than the normal risks of everyday life discourage living. The investor should distinguish between normal and abnormal risks, avoiding the latter and realizing that modern safeguards protect him from the former, as never before.

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## I Change My Mind on Prohibition

(Continued from page 254)

sent to women, and I cannot help but feel that when the result was published in the press it surprised the majority of the people who read it. I can understand this, because the women who favor prohibition are organized—such as the Woman's Christian Temperance Union and the Law Enforcement League. They have tremendous publicity; they appear before hearings of the various Legislatures and Congress and do not hesitate to state that "they speak for the women of America." This, I know, is not the fact. It may be that they speak for a great many, but their number is steadily diminishing, and, in my opinion,

as soon as the women who are opposed to prohibition organize and become articulate they will be able to do more towards bringing about a change in the conditions which exist today than any organization composed solely of men.

It is interesting to note that those who favor prohibition put that issue ahead of all others. I find this particularly true among women. In almost every instance the woman who is a so-called "dry" judges a candidate entirely upon his stand on that one issue; she will support a man who is a so-called "dry" without even taking enough interest to question his stand on other matters, such as National defense, immigration, tariff, and taxation, all of which are of vital importance to our country. She has what some of us call a "one-plank

mind." Some men and women even go so far as to accuse those who have the courage of their convictions and are willing to jeopardize their political futures by advocating a change of seeking to nullify the Constitution. They forget that the Bill of Rights assures to every person in the land the enjoyment of freedom of speech, that the right of free and open discussion is essential if we are to solve our problems, that if one citizen is justified in urging the enactment of a law, another citizen is equally justified in urging its repeal if he has reached the honest conviction that the law is evil.

On the other hand, I have never seen a woman who was opposed to prohibition refuse to support a candidate who favored prohibition if his record on other issues was commendable.

Another curious thing about some women who favor prohibition is that they sometimes support men who they know personally break the Prohibition Law but who they feel they can count upon to vote to sustain it.

At this time a serious burden rests on the men and women who have political responsibility. I believe the time has come to state frankly one's attitude in regard to the Prohibition Law. The whole question is befogged in insincerity. Men and women who know in their hearts that prohibition has not been and cannot be enforced, who know that it is breeding contempt for our Constitution, making hypocrites of many people, and costing our Government millions of dollars, are unwilling to commit themselves publicly because they are fearful of antagonizing or afraid of offending some element of public opinion.

I have a wholesome respect for the consistent "dry" who believes in the Volstead Act, and lives up to it.

I have little respect for the person who believes prohibition to be a failure and is afraid to express his honest convictions.

I have no respect for the person who votes one way and lives another. Unfortunately, I know this practice exists among many of our public officials.

I have little respect for the person who, because he is able to purchase all of the alcoholic beverages he may need for his personal use, is too lazy or too indifferent to make it possible for one less fortunate financially to obtain the same product at a reasonable figure.

I am convinced that, eventually, there will have to be a meeting of minds so that the Prohibition Law may be amended in some manner so as to bring about the temperance which is desired by every one. And this can only be accomplished by complete tolerance of one another's point of view.

## What of the Religions?

(Continued from page 253)

When a church organization establishes a settlement and provides workers to teach the denizens of the slums the rudiments of housekeeping, of thrift, of cleanliness, it is not, in so far, making use of a religious method. It would be doing so only if the workers were instructed to point to faith in God and Christ and to reliance on prayer as the means of achieving the desired transformation of individual and of social habits. So-called social work and education, which constitute an increasingly large part of the activity of the churches called progressive, is a non-religious method.

The teaching in Sunday schools of ethical principles and ideals by means of the lives of great and good men, or even with the help of the beautiful parables of the Gospel, is no more a religious method than any of those in current use in the secular schools. Only in so far as the virtues are presented as of transcendental nature and in so far as it is sought to implant them in man by the direct action of a social God, can one speak of the method of the religions.

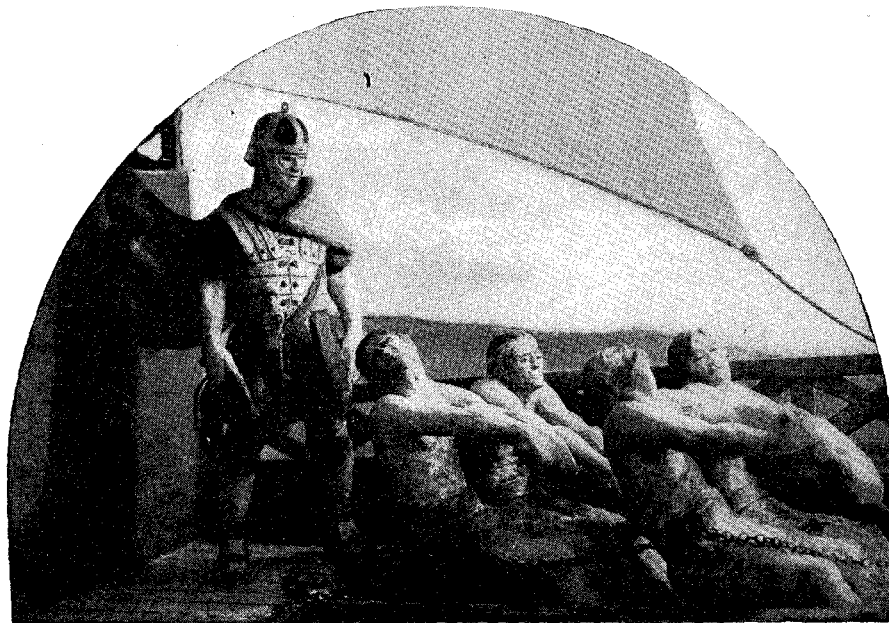
One cannot very well refuse to admit that the churches usually regarded as progressive and effective are those which make the widest use of the secular and the least use of the religious method.

**T**HE problem before the disabused world is not to find out what religion really is or should be; that is a misstatement. The problem is how best to live; it has two main parts:

1. The determination of the goal to be reached, of the *summum bonum*, as the ethical philosophers say. To be adequate the goal should satisfy both the head and the heart; it should call forth enthusiastic allegiance. This part of the problem is one of the foremost tasks of philosophy. A perfect solution of it would come only with perfect knowledge and wisdom; but solutions sufficient to direct and sustain human effort may be had at a lower level.

2. The determination of the way, the method, or technique for reaching the goal. This part of the problem concerns the sciences; the physical sciences tell us how to control the physical universe; and the biological, psychological, and social sciences how to control the forces manifested in man so that he may move towards the desired goal.

The religions claim to have solved these two vital problems; they have set forth goals and they have offered a method of attaining them. Their solution, fruit of alleged revelations in times



## GALLEY SLAVES

**W**ITH ACHING BODIES, stung by a whip-lash, the galley slaves forced their clumsy boats along. A tragic picture!

And today, by contrast, the electric motors of one American electric ship have the combined energy of a million men and drive thousands of tons of steel through the water at amazing speed.

Three hundred galley slaves, pulling hard on the oars, could generate power. Yet one G-E thirty-horsepower motor would have moved the ship faster. There are General Electric motors that wash and iron clothes; that sweep floors; that turn tiny lathes or mighty machinery. Look for the G-E emblem on electric equipment—it is a guarantee of service.



## GENERAL ELECTRIC

of ignorance, is no longer acceptable. What may take their place is a question beyond the scope of this paper. Many signs point to the application of the term to something very different from the traditional religions. Whether or not the word shall remain when the present form of worship shall have passed away, matters extraordinarily little. What matters is that, instead of letting ourselves be bewitched by the magic of ancient words, formulæ, and institutions, we should face with an open

mind the great double problem: Where shall we go? What method of progression shall we adopt?

**I**N order to check a clamor of mistaken objections, I beg permission to repeat that I have not spoken of everything which may be included under "religion," but exclusively of the method characteristic of the religions—*i. e.*, of the attempt to enter into a social relation with transcendental beings in order to secure their assistance.



# Speaking of Books

Edited by FRANCES LAMONT ROBBINS

## Bad Girl Yourself

WE have had the distinction of causing the cancellation of one subscription to *The Outlook*. It is a dubious pleasure, as we are by nature conciliatory and like to be liked; but it is one which provides an opportunity for a few plain words on the whole duty of a reviewer. Plainly, then, his duty is to give a brief outline of the subject-matter of the book in hand and to make such critical comment as he is capable of upon its setting, characterization, treatment, and manner of presentation. It is no part of his duty to recommend books. We agree. Our comment on "Bad Girl," by Viña Delmar, was ill received in one quarter. Because we praised this book and recommended it to young men and women we were found unfit to review books at all.

There is some mistake here. Most people when they say of a novel that it is good or bad speak actually of the subject-matter—that it is or is not acceptable to them. In no other field of literature is this so. If you do not like books on Arabian adventure or Finnish statesmen, you do not read them. If you do, you read and say it is well done, or it is not. But you read a novel, no matter what it is about, and then proceed to criticise it on its subject-matter, thereby choosing the one entirely illegitimate basis for criticism. Of a novel you may say, as of any other book: The author attempted to do this or that; he did or did not succeed. Or you may say: It is a story of young love; I do not like young love, so that story is no good. The first is the foundation of all proper reviewing. The second is the foundation of most chat about novels and is nonsense. However, you may eschew criticism and still recommend. You may say: Read this because it deals truthfully with something about which it is useful for you to know. This has nothing to do with reviewing. It partakes of the irresistible impulse to guide, direct, or lead. When we wrote about "Bad Girl," we obeyed that impulse.

THIS list is compiled from the lists of the ten best-selling volumes sent us by wire by the following book-shops each week:

New York—Brentano's;  
Rochester—Scrantom's Inc.;  
Cleveland—Korner & Wood;  
St. Louis—Scruggs, Vandevort, & Barney;  
Denver—Kendrick Bellamy Company;  
Houston—Teolin Pilot Company;  
San Francisco—Paul Elder & Co.;  
Baltimore—Norman, Remington Company;  
Kansas City—Emery Bird Thayer;  
Atlanta—Miller's Book Store;  
Los Angeles—Bullock's;  
Chicago—Marshall Field & Co.;  
Cincinnati—Stewart Kidd.

### Fiction

"The Bridge of San Luis Rey," by Thornton Wilder. Albert & Charles Boni. This beautifully written and moving study in the working of God's providence, and of love, the bridge which joins the living and the dead, deserves its popularity. Reviewed January 4.

"The Closed Garden," by Julian Green, translated by Henry Longan Stuart. Harper & Brothers. This insistently harrowing story of an hysterical French girl is interesting particularly because it brings to the general reader's attention a new talent in French letters. Reviewed May 30.

"The Greene Murder Case," by S. S. Van Dine. Charles Scribner's Sons. Plenty of bloodshed, and more than enough persiflage by Philo Vance. Van Dine enthusiasts like it.

"But—Gentlemen Marry Brunettes," by Anita Loos. Boni & Liveright. Lorelei Lee turns authoress and writes to warn girls "what they should stop doing." Funny; and if you enjoyed the first one, you will like this—almost as well. Reviewed last week.

"Bad Girl," by Viña Delmar. Harcourt, Brace & Co. This is the story of the courtship, first married year, and baby of a boy and girl, earnest, anxious to "be good," "dumb," and foolish—the well-known backbone of America. It is truthful and moving, distinguished by honesty of purpose rather than by beauty of style. Reviewed herewith.

### Non-Fiction

"Disraeli," by André Maurois, translated by Hamish Miles. D. Appleton & Co. This strangely romantic figure is touched vividly into life by Maurois's hand. You will find this excellent reading. Reviewed February 22.

"Strange Interlude," by Eugene O'Neill. Boni & Liveright. This play, in which the dramatist steals some of the novelist's best psychological thunder, is as good to read as to see; perhaps better. Reviewed in "Lights Down," February 22.

"Safari," by Martin Johnson. G. P. Putnam's Sons. The interesting and often exciting diary of four years spent in a wild-animal paradise; with wonderful pictures.

"Poems in Praise of Practically Nothing," by Samuel Hoffenstein. Boni & Liveright. If you appreciate light verse, you will find this the very best.

"Mother India," by Katherine Mayo. Harcourt, Brace & Co. This account of some aspects of Indian society is furnishing Americans with lively, if not accurate, information. Reviewed June 22, 1927.

We should like to give the story of "Bad Girl" in greater detail than we have in these columns, but it has already been allowed more space than its literary value warrants. We do not find it notable in literary quality. Viña Delmar has a retentive memory; her book bears strongly the mark of autobiography. She has a fine selective sense which enables her to choose the universal elements in her particular experience, forthright honesty, and a warm humanity which enriches her simple story. We do not see that her creative talent is greater than that of plenty of other young people articulate and impelled to write. We quite frankly recommended her book on subject-matter, and touched only lightly on its literary worth. We believed, and still believe, that it is a good book for young people to read. It deals honestly, hopefully, and purely with what will, if they are fortunate, be the greatest thing in their lives. Our angry client would have been entirely right if she had said that we, as a reviewer, had no business to recommend any book. And she is more than right in rejecting our recommendation.

We are always urging readers to take no one's say-so for books; and we were recently enraged by a kind friend who recommended Temple Bailey's books to our daughter. But our erstwhile client, not approving our recommendation, damned us as a reviewer. She told us, furthermore, that five out of seven members of the Literary Guild's board of judges had resigned when "Bad Girl" was chosen for the subscribers. Of that we know nothing. Being obstinately determined to choose our own books, we have no traffic with guilds-of-the-month. But if they did, how should that affect our judgment? We have disagreed with judges before now. If the judges had resigned in a body and left the job of selling books to the booksellers, we should still maintain that "Bad Girl" is not a Bad Book. So we repeat, "Bad Girl" is average in form, admirable in content. But we do not recommend it. Hereafter we review only, we never