

GREAT CHANGES IN INDUSTRY ARE CITED

Hugh Chalmers Declares 1915 Can Leave No Other Than Most Optimistic View.

BIG PROFIT REPORTED PAST

In Consideration of Legislation to Regulate "Huge Returns" in Manufacture, New Conditions Are Pointed Out.

BY HUGH CHALMERS.
President Chalmers Motor Company.
Having just passed through a most prosperous 12 months, it is very difficult for me to take other than an optimistic outlook on the prospects for next season. I do not believe, however, that the public as a whole comprehends the great changes that have been wrought in the manufacturing and financial departments of the various companies engaged in the making of motor-cars.

In view of proposed legislation aimed directly at a business supposed to be earning dividends out of all proportion to the capital invested, I think a few plain statements on existing conditions will be of value at the present time.

In the first place, the automobile business as a whole is no longer one of big profits, only insofar as quantity production results in big profits. Today the profit to each car is a small item. Companies that have just accomplished a prosperous year have done so only through their ability to manufacture and sell in large quantities.

Returns Are Moderate.
Considering the great investment and risks involved, the returns to automobile manufacturers are not nearly so great as in businesses where less capital is required and where there is comparatively less risk.
Take the case of the Chalmers Motor Company as a single example. The manufacturing profit on a Chalmers car is about 5 per cent of its selling price. How many manufacturers of so-called staple articles would be satisfied with so small a margin of profit? Motor-car sales have increased tremendously, but if they had not car prices would still occupy the same plane as they did six years back. It would be impossible to incorporate improved features in motor-cars each season, reducing car prices simultaneously, without a corresponding increase in sales and production.

In practically every instance manufacturers have given the buying public the advantage that has come to them through increased production—in other words, the business has been placed on a profit-sharing basis. I venture the assertion that most standard automobile manufacturers today are making less money per car than at any time in their history, but the business continues big because the demand is big.

War Business Negligible.
In only a few isolated cases has war business figured in the record sales of motor-car manufacturers during the past year. On the whole, the season just closed has been one of healthy growth, and while the export market is temporarily crippled, the increased sales at home should more than make up for any deficit in this direction. The Chalmers Motor Company has sent out scattering shipments to Europe in the last 12 months, yet our volume of business has been greater than ever before.

Probably the most striking development of 1915 in the industry was the general revision of prices in the quality car field. Just a few years ago the six-cylinder car was regarded as a rich man's fad, exorbitant in price and expensive to operate. Today we find the six-cylinder machine in the utility class, at a price within the reach of a man of average means. The field at which the six can be manufactured in quantities without sacrificing quality of workmanship or materials has been definitely located, and manufacturers generally have recognized the fact by producing cars of this type to sell at or near \$1000.

New Equipment Installed.
Of course, it goes without saying that this revision in prices has not been accomplished without extensive preparations on the part of automobile manufacturers in the way of increasing production. Without quantity production, it is manifestly impossible to incorporate quality in the car of moderate price.

In the seven years of the Chalmers Company's existence there has never been a time when new buildings or additions were not in course of construction at our Detroit factory. In the past year we have added 125,000 square feet of manufacturing space.

Among the new buildings planned for the next year is a new office structure to house the rapidly-growing office forces of the Chalmers plant. As Chalmers production calls for 18,000 six-cylinder cars by July 1, we will probably require the present floor space of the offices some time in the Spring.

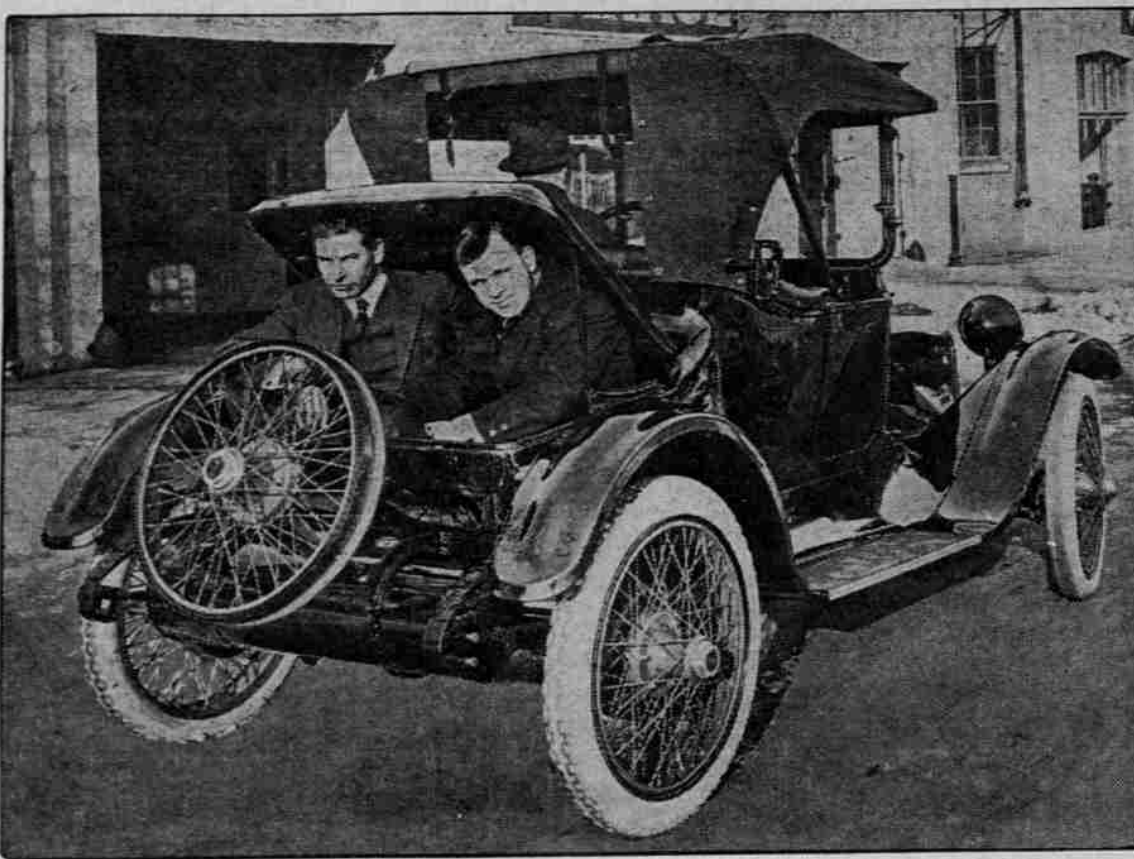
Summing up prospects for the coming year, it would seem that nothing save an upset of all present business forecasts or detrimental legislation can prevent the automobile industry from establishing new records in 1916.

PACKARD'S EXTRA DIVIDEND

Only Small Portion Is in Cash, as Earnings Go to Improve Plant.

After a recent meeting of the board of directors, Alvan Macauley, vice-president and general manager of the Packard Motor Car Company, announced that, in addition to the recent preferred dividend, the company has declared, payable February 1, a 10 per cent stock dividend on the common stock of the company and also a 1 1/2 per cent cash dividend.
"The company," said Mr. Macauley, "has decided that, having now substantially completed its programme of plant expansion, a reasonable portion of its earnings will be used to pay dividends on the common stock so long as conditions continue to justify so doing. We are declaring a stock dividend because, during the past five years we have devoted our earnings largely to adding extensively to our manufacturing facilities to be able to produce our highest grade cars and trucks in large quantities and at low cost without in any detail detracting from the quality that has always been Packard. We have accomplished that."
"Our plant is almost a mile long from north to south and averages nearly 1000 feet wide. There are more than 11,000 employees on our payroll, and this month, December, we have manufactured nearly \$3,000,000 worth of product."

ISNT THIS ENOUGH TO PROVE THAT THE DODGE ROADSTER HAS SPACIOUS COMPARTMENTS?



Jack Crittenden and Ollie Hemphill, of Covey Motor Car Company, Playing "Jack-in-the-Box" in Space 40 inches Wide, 40 inches Long and With Depth Varying from 8 1/2 to 19 1/2 inches.

NAME LOSES RATING

Price-Cutting and Quality Depreciation Are Causes.

SEARCH IS FOR VALUE

Insides of Car Now Are Taken as Index of Price to Be Paid Rather Than Whom It Was Manufactured By.

"The year of 1915 witnessed such astounding price cutting and quality skimping of cars that the prudent buyer no longer allows the name of a manufacturer to pass as a convincing argument," says A. S. Robinson, of the Portland Kissel Kar branch. "He wants to know the hidden insides of the car regardless of who built it."

"At no other show will quite so many

visitors ask about motors and axles, their composition and construction. Never before has such interest been displayed in gear ratios, manifolds, bearings, housing and the like. Metals, their relative strength, and the details of heat treatment are common inquiries from men who do not pretend to be experts.

"The search is for value. The price must not be too high, but above all it must represent, part by part, a return for every dime of the figure."
"Kissel Kar individuality is substantially due to the fact that the Kissels plan and build their own bodies for Kissel Kars only—no other bodies are just like them."

"And this individuality extends to the mechanical units of the car. It has a Kissel-built motor—a motor as flexible and powerful, with ignition and carburetion so perfect—that a short time ago a woman drove across the continent without having to raise the hood."

"And the axles—they, too, are Kissel-built. It costs Kissel a lot more to make these axles than to buy them, but where most other cars have axle trouble, it is practically unheard of in a Kissel Kar."

"The metals used are of the best raw material obtainable for the purpose and they are heat-treated in Kissel ovens—right at the factory. In brief a Kissel Kar possesses throughout that superiority only obtained where every important structural operation is under the same expert supervision and personal direction."

Trip to Auto Show Is Trump Play.

Sister's Beau Takes "Brother" to See Display and Wins Everlasting Friendship.

(In submitting this article, W. J. LaCasse, Northwest zone manager for the Maxwell Motor Sales Corporation, impersonates the small boy at the motor show and tells how sister's beau made a home run hit by taking "brother" to the show.)

I used to make me awful sore when sister's sweetheart came to call. As soon as he'd get in the door he'd sort of linger in the hall and stutter out "How are you, Nell?" just like a parrot's apt to do, and Sis would blush and say, "I'm well—I'm feeling dandy—how are you?" It made me mad to see him stare when Sis would take him by the hand and lead him to a parlor chair. I simply couldn't understand how any one with common sense could act the way that fellow did. (I know'd I'd never be so dense, and I'm only just a kid.)

They'd talk for hours at a time, yet really never say a word—an' then he'd bribe me with a dime if he just thought I'd overheard the things he told her. Hully gee! How all the boys in school would laugh when I'd tell how he treated me—the poor, unfortunate giraffe. But still I never got him right. I'm glad now sister has a beau. My views of him changed last night—he took me to the motor show.

I guess it was a frame-up sure. When Sis went out to find her coat, he called me in and said, "It's purely bunk that I should get your goat. I'm going to be your brother soon. Come, promise to be friendly, son. I phoned your Sis this afternoon and said to count you in the fun."

So off we went an', on the square, I never saw such cars before like those that people looked at there, all decorated, on the floor. An' Sister acted same as when I was a grown-up half so tall an' Ma would go down town an' then bring Sis another bran' new doll, an' Romeo (I heard that name when Sister studied literature)—why, Romeo got in the game as if he felt that he would surely spend a million quick as "scat" to buy the best car he could find, just like I'd buy a baseball bat or something. Sister thought it wise, she said, for him to save the cash, but say! You should have seen her eyes and watched her grin when he got rash an' bought a Maxwell all complete—the slickest auto at the show—an' now you'd think he owned the street.

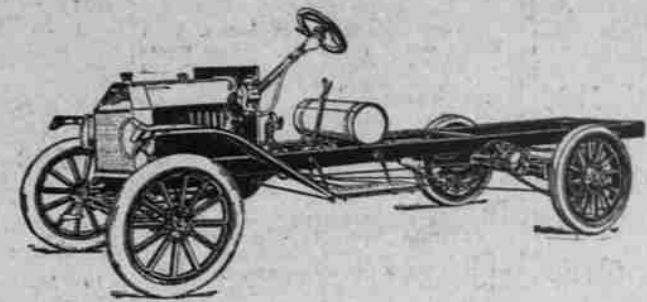
I tell you, fellers, he's some beau!

Dressing-Room on Wheels.

It matters not to Miss Beaulieu Eyton where "locations" for filming operations are placed. She drives to the scene in her Maxwell cabriolet, makes up in the interior of the car and emerges, ready to pose for the millions of admirers who watch for her name on the movie theater boards, with hearty enthusiasm.

Belmont Buys Maxwell.

Among the many residents of Greater New York who bought Maxwell cars during the recent National show was August Belmont, Jr., 43 Exchange Place.



A Dependable One-Ton Motor Truck for \$795

Here is a properly designed, sturdy, well-built, economical-to-operate motor truck at a price that is a revelation to truck users. The

One-Ton ROTHWEILER Truck

Shrewd men in every line of business have proven for themselves that motor trucks are more economical, more efficient and far and away more satisfactory than horse-drawn vehicles.

With the prices of horses steadily advancing—the cost of hay, grain and stabling increasing every year, the horse and wagon is becoming a luxury that few businesses can really afford.

The upward tendency of the cost of doing business—the demand for better service, has made it imperative that service be increased and overhead costs decreased.

Here is your opportunity—manufacturing establishments, retail stores, wholesale houses, dairies, bakeries and transfer companies have found the Rothweiler One-Ton Truck an ally that is helping them to cover more territory and more customers—to increase the volume of business, and to materially decrease the cost of delivering.

On long hauls or short hauls, with any kind of loads, the Rothweiler Truck is more economical than horse-drawn vehicles or other types of motor trucks. It is the lowest priced REAL motor truck on the market.

It will pay you to investigate the application of this truck to your business.

We will be glad to have you call at the salesrooms and see it for yourself, or if you will telephone we'll send you YOUR copy of facts and figures on deliveries that are of interest to every business man.

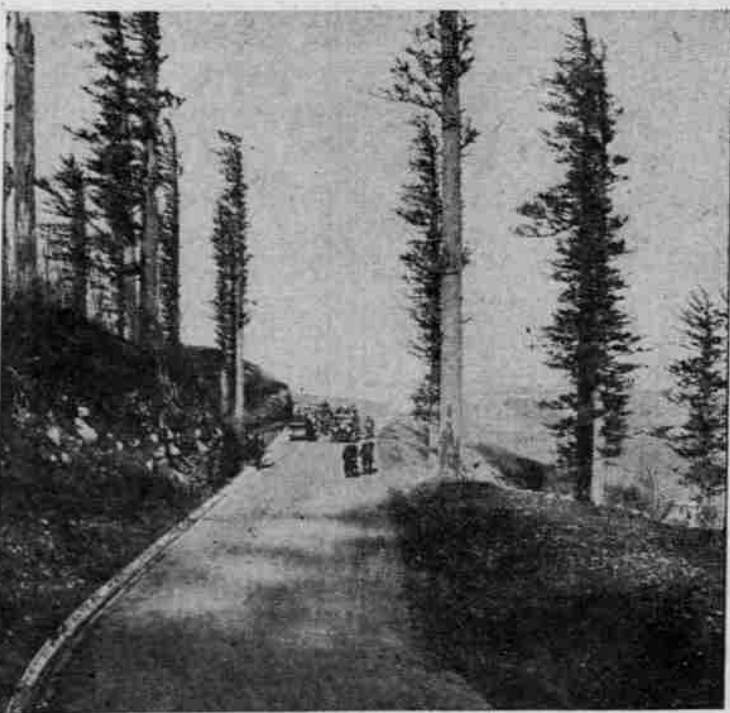
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