

WORLD'S BIGGEST RAILROAD NOW OPERATED BY M'ADOO

Continued from Page One Wilson hold him. A man favorable to the workers, it was pointed out, would be a tremendous asset in the operating job.

Intimacy with railroad priority would seem to point to him as logical choice for director of traffic, the post which will probably direct priority under the new system.

The personnel of McAdoo's proposed organization has not been determined, he said. This included what personal counsel he will gather about him. Judge Payne, counsel of the shipping board, may be slated for one of the posts in the new organization.

McAdoo smilingly turned to Payne and said, "We hope so."

Shortly after noon McAdoo's first economy stroke under the new regime was resumed—elimination of the war board publicity bureau. The three employees were notified of their dismissal.

The 'Creek committee on public information will handle the Government railroad publicity.

McAdoo's intentions, pending enactment of needed legislation by Congress, are to disturb present operation of the railroads as little as possible. He will direct through existing agencies temporarily. But meantime he is drawing plans for a highly centralized business organization, the fabric of which was officially outlined today as follows:

W. G. McAdoo, as director general and the single controlling head assuming all powers and all responsibility.

An assistant director general in a purely advisory capacity to the director general. This man will be a man of broad railroad and financial experience, though not officially connected with any railroad, to be a "buffer" between railroad interests and the Government.

Three chiefs on whose shoulders will fall the actual operation. These will be a director of operations, a director of traffic and a director of finance.

The director of operations will be the man told to get cars rolling in the most efficient, economic and practical manner, regardless of any interests except those of the public and the paramount one of winning the war.

The director of finance will handle the fiscal adjustments between the road owners and the Government under provisions of the legislation Congress will pass at the President's request.

In view of his duties this man, it was regarded as certain, will be some prominent, broad-viewed railroad operator.

Several, including Daniel Willard, president of the Baltimore and Ohio; Hale Holden, president of the Burlington; and Fairfax Harrison, president of the Southern, are mentioned.

The director of traffic, it is presumed, will regulate priority and direct movement of all freight, co-ordinating with the director of operations.

The director of finance will handle the fiscal adjustments between the road owners and the Government under provisions of the legislation Congress will pass at the President's request.

In addition to working out equitable compensation or "rental" the Government will pay the roads. It is presumed he will attend also to the payroll of the million railroad workers who will have a new boss in the Government.

Matters of investment of Government money in road improvements and aided rolling stock, and of disposing of any excess earnings the Government may make, also are expected to come under him.

Below these three subheads, highly centralized working organizations will

gradually be evolved, utilizing present railroad organization as far as is compatible with the plan of divorcing private interest from the management.

This plan, given as the "probable and logical" arrangement, it was emphasized, may not be wholly adopted at the outset.

UTILIZE EXISTING FORCES Director General McAdoo announced first steps will be taken cautiously to avoid sudden disadjustment of traffic.

Existing organizations, too, must be weighed that every positive force may be utilized in reconstruction.

Legislation to be asked of Congress immediately after the recess, besides defining the fiscal relationship of the railroads, will provide for transferring to Uncle Sam's pay roll the 1,000,000 odd railroad workers, for creating a wage adjustment board or director, and probably for prevention of strikes, it was stated.

McAdoo's plan to compensate railroads on a basis of the average net income of the last three years, the Government to retain all over this sum for maintenance, new projects and reasonable dividends to stockholders, will constitute the chief of the conference between railroad officials and McAdoo.

The railroads regard the Government's intervention primarily as a financial relief. The war board, at today's meeting with McAdoo, made pointed inquiries regarding the extent to which they can now count on his aid in obtaining needed funds to finance improvements.

A Government loan is not wanted, they stated, nor any appropriation from Congress for equipment. If McAdoo will appeal to the public to buy railroad securities as they buy Liberty Bonds, or if the Government will issue bonds to buy the securities, the railroads will finance themselves, the board stated.

The railroads predict that advancing expenses will necessitate the Government making good a deficit on most of the roads. Diversion of freight, pooling of equipment and other war efficiency measures will make some lines prosperous and reduce revenues of others.

The guarantee of net income, however, will protect all roads. In England the Government takes the surplus of the prosperous lines and uses it to make up the deficits on lines stripped of commercial freight for moving troops and munitions free.

McAdoo has power to order dividends out. As the guarantee merely covers net income, division of this income may be varied to provide more for improvements than in past years, just as stockholders have enjoyed different dividends in the past.

By general or special orders, the President's proclamation provides, McAdoo may do almost anything he deems necessary to run the railroads as a war machine solely for efficiency and victory.

The only guarantee the railroads have that he will not supersede present individual managements with a great Government bureau occupying several buildings here and with branches everywhere as assurance they are reported to have received from the President to the contrary.

In giving this assurance the President is reported to have said: "And, gentlemen, I believe I can control my deputies," which brought a general laugh of good feeling.

President Wilson is reliably reported to have told the railroads war board that McAdoo will function principally through them temporarily. In the midst of war the President said he did not desire to demoralize the greatest industrial plant in the world. The executives admitted to him their inability to cope with the present crisis under existing laws and with existing difficulties in financing.

Therefore Government intervention was decided on.

M'ADOO TO CUT MILLIONS FROM RAILROAD BUDGETS

Opulent Salaries of Officials Will Be Slashed Without Mercy, Elaborate Staffs Shot to Pieces and Costly Bureaus Wiped Out.

WASHINGTON, Dec. 28. Director General McAdoo of the United States railroad plans to slash millions of uselessly spent dollars from payrolls of that line. This is part of the economy program which he will eventually put into effect.

Every atom of extra spending on the railroad dollar sign will be clipped off. Prolific railroad presidents' salaries will come tumbling down or disappear altogether.

Millions used to elaborate staffs of freight solicitors will be lopped off. Expensive passenger traffic tickling departments will be done away with.

Expensive administrative forces at great terminals will be stopped. "Rigid economies" will be effected as soon as I get my hand more firmly on the problem," said the director general today.

"Until then it is useless to speculate on precisely what I shall do further than to say that this great enterprise will be run with a minimum of expense and a maximum of adequate service."

Financial geniuses, elected presidents of railroads for their money-getting and money-handling powers, will be useless now that Government control unifies the roads' credit power. Many of these men will either step out of the railroad

or become "dollar-a-year" men for the Government. Other officials made unnecessary by Government control later will drop out or be transferred to other work.

General and division officers of American roads during 1916 received \$2,500,000 in pay checks. All other employees received \$1,412,575,199, or an average of \$568.69 per person per year.

Big railroad presidents' salaries range from \$25,000 to \$75,000. Four are reported to receive \$75,000 each, ten others \$50,000 each and the remainder scale on down.

Several million dollars tied up in expensive national railroad advertising campaigns and other millions spent by the individual roads in merchandising themselves to the public will be clipped off when the director general gets around to it.

It is not likely that any large number of clerks will be put out of jobs, by so-called national railroad advertising campaigns and other millions spent by the individual roads in merchandising themselves to the public will be clipped off when the director general gets around to it.

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Food Shortage Laid to Carriers

Continued from Page One These two inventories, combined with what is known of the food consumption in this country, will enable the Government to plan ahead for crops in an intelligent and foresighted manner, he said.

"The Government has done wonderful work. At best the food question is a tremendous one. If it had not been for the sugar administration I am confident we would now be paying fabulous prices for sugar. The grain corporation has done great work in keeping down the price of wheat."

"The Administration has been somewhat handicapped by lack of arbitrary powers. The task has been a staggering one, but it has done wonders."

The food report, required from every grocer in the country, is divided into ten main classifications. They are grains and seeds, grain food products, meats and meat products, fish, animal and vegetable fats, dairy and related products, canned goods, fruits and vegetables, sugar and starches and dried fruits, nuts and peanuts. Under these ten classifications are eighty-six items.

Opposite each item there are three columns for the report. The first for stock on hand December 31, 1917; the second, stock on hand December 31, 1916; and the third, estimated quantity in transit from the dealer on December 31, 1917. Following this are seven questions as to the general business done by the firm or individual reporting.

These reports must be returned to the Government within ten days of receipt of blank. The penalty for failure to make report or making false answers, is \$1000 fine, one year imprisonment, or both.

McFall Kerby, of the United States Department of Agriculture, addressed the Wholesale Grocers' Sales Company, at the Bourse yesterday. He explained the operation of the food survey and its object.

Taylor Again Attacks Lease

Continued from Page One communitated, will bring about a political revolution in Philadelphia, after the damage has been done, which will smash the contractor-controlled political machine which has the temerity to thus outrage the people.

TRANSIT LEASE TO PASS COUNCILS BY JAN. 3 The ordinance embodying the city administration's proposed lease of the transit system has been automatically reported to Common Councils and is scheduled for consideration by that body next Monday. There is every prospect for its passage at that time, and according to present plans it will be called up and passed by Select Council on January 3.

Copies of a brief in favor of the lease prepared by Dr. William A. legal adviser to the city, have been distributed to members of Councils. The brief sets out the advantages to the city of the lease, and emphasizes the importance of the Frankford elevated at the earliest possible moment, the elimination of the exchange tickets, the efficient supervision of surface lines and the extension of the surface system to meet the growing needs of the city.

Vigorous opposition to the lease has been expressed by a number of business men's associations, but indications are that this opposition will be disregarded and that the ordinance will be put through according to schedule.

Aside from the reporting of the transit ordinance the passage of the city and county budgets was the only business of importance transacted at the meeting of Councils. The general appropriation bill was taken up and read, but by the time this process was completed so many of the members had left the chamber that there were not enough left to pass it.

Advertisement for Lucky Strike cigarettes, featuring a pack of cigarettes and the text 'A new cigarette flavor Toasted tobacco - the real Burley cigarette'.

Advertisement for Peirce School of Business Administration, featuring the text 'Women of Thirty Without Training' and 'Guaranteed by The American Tobacco Co.'.

Large advertisement for Cadillac automobiles, showing various models including the Victoria, Landaulet, Town Landaulet, Limousine, and Imperial Limousine. Text includes 'Enclosed cars are ready for delivery NOW;' and 'AUTOMOBILE SALES CORPORATION 144 North Broad Street'.

ANTHRACITE MINERS WILL WORK JANUARY 1

Pango New Year's Holiday to Contribute Patriotic Gift to Country

MAHANOY CITY, Pa., Dec. 28.—Mine workers throughout the anthracite region are virtually a unit in declaring that they will work on New Year's Day in order to contribute their patriotic gift to help the country by producing the much-needed coal.

The men have been appealed to by Coal Administrator Garfield, by Cardinal Gibbons and Archbishop Prendergast to work on holy days and holidays in order to contribute to the nation's efficiency.

Negro Boy Held as Footpad

John Watkins, a negro boy, of 4232 North Eighteenth street, was held with a hand ball by Magistrate Pennock in the Germantown police station charged with highway robbery and assault and battery. Watkins was implicated in the kidnap of George H. Roach, 2218 North 22nd street, early Wednesday morning at Wayne Junction.