

GOVERNMENT WILL FURNISH EQUIPMENT

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and control of the express companies. President Wilson will recommend to Congress that the railroads be guaranteed the average net income of the three years ending June 30, 1917, but any railroad may abide by its constitutional right and refuse to accept this basis of compensation. In that case the question will pass to an arbitrating body, the precise nature of which is to be determined by Congress.

Would Cut Big Salaries

The presidents of many large lines now receive salaries ranging from \$50,000 to \$100,000 a year and one of the first acts of the director general probably will be to cut these sharply. Ten thousand dollars a year is being discussed as a maximum.

The saving in salaries would be applied to raising the pay of members of the "round railroad brotherhoods, whose officers conferred today with President Wilson and also of other railway employes unorganized.

Under government control every effort will be made to interfere as little as possible with the personnel of the companies, but it is considered inevitable that some employes will be cut off.

The effect of government operation of the railroads is a question to be worked out, but it seems probable a large proportion of the employes will be considered to be in their present work to be drafted for fighting.

One of the immediate effects of the new plan will be the routing of much freight now passing over congested lines, particularly in the East.

New York, Dec. 27.—Almost without exception leading bankers and executives of railroads have expressed their approval of the action of President Wilson in taking over the country's railroad lines. Most of them are generally in agreement with the program as a whole meet their expectations.

In the financial district it was asserted that the President's statement regarding guarantee of compensation to the railroads will have the effect of reassuring holders of railway securities. It was generally agreed that in view of the financial phase of the problem Secretary McAdoo's retention of the Treasury portfolio was desirable.

LOCAL OFFICIALS TO GIVE LOYAL SUPPORT

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good. We are ready to do everything in our power to co-operate with the government. For some time we have been doing our best to help out and we are ready to do more in our power.

"What will come after the government takes charge will be announced by the higher officials. I do not look for anything but success when the new plans are in operation. Orders will be obeyed promptly. Just what it means to the Pennsylvania Railroad will be explained later. An editorial in the Press dispatch from Philadelphia says:

C. Stuart Patterson, a director of the Pennsylvania Railroad and a leading financier, approved the taking over of the operation of railroads by the government, saying in an interview to-day: "The President has acted wisely. He patriotically has done that which he deems best for the entire country." T. DeWitt Cuyler, another director of the Pennsylvania Railroad, said no change in organization would occur and that the railroads do not expect to incur any loss as a result of the transaction. "The railroads have for some time realized the prospect of the government taking over the lines. All will give the government the fullest cooperation and the advantage to be gained by the change is the surmounting of all legal obstacles, the suspension if necessary, of all arrangements the roads may have with each other and the operation of all the roads as one system."

What It Means

"With the taking over of the railroads every employe now in their service will become a government employe; every piece of operating equipment will become the government's equipment and all the terminals in this city will become the government's property and subjected to the same strict surveillance that surrounds all government buildings and plants. "Approximately 25,000 miles of railway trackage; 7475 locomotives of all types with tractive power of 72,602,530 pounds; 7085 passenger cars with seating capacity for 319,240 persons and 277,296 freight cars of 13,642,028 tons capacity, will be turned over to the government by the Pennsylvania Railroad alone. This is the Pennsylvania's main equipment, the remaining incidental items that also will be transferred aggregating several times the value of property that will be turned over by many smaller lines."

Christmas Season Is Observed at Masonic Homes

Christmas at the Masonic Homes in Elizabethtown was a memorable occasion in the history of the establishment. The beautiful growth of evergreens on the grounds provided a fragrant decorations for grand lodge hall, all guest houses, dining room and many other places in the big plant. The dining room was further embellished with the magnificent, marble-faced clock of the Elizabeth. Warner Hutchins, of Philadelphia. The Christmas celebration began ahead of time on Sunday afternoon with a song service, the feature of which was the recitation from memory of the Ten Commandments. The Twenty-Third Psalm, the Lord's Prayer and Adoration were read by the boys of the homes. Mrs. Harold L. Skirving, of Philadelphia, added greatly to the pleasure of the children by presenting them with a donation for their savings account. In the afternoon, Mrs. Skirving, Mr. Skirving gave fifty-seven gold flags, buttons and pins to the boys and girls. It would be impossible for members of the lodge to realize the joy of those young hearts in being transformed from indigent orphans to capitalist wards of the R. W. Grand Lodge of Pennsylvania. Christmas eve was devoted to the Red Cross. With a basis of 120 members a swift campaign of the Homes brought in 140 more, each paying his or her dollar. Christmas Day was ushered in with singing of carols by a chorus of boy guests, followed by sweet strains of a cornet and flute played by John A. Fisher and his two sons, of Elizabethtown. Every one of the 320 guests received a gift, each of the fifty-five children guests were permitted to write a letter to Santa Claus and tell what he or she most wished. The Boys' Home was furnished with 145 victrolas donated by George W. McCandless, of Pittsburgh. Santa Claus was impersonated by Louis Smith, an eighty-year-old guest of the home, who was accompanied by Isaac B. Smith, ninety years old, in making the rounds with handsome presents and candy.

PRESIDENT'S PROCLAMATION IN GOVERNMENT CONTROL OF U. S. RAILROAD PROPERTY

By the President of the United States of America: A Proclamation: "Whereas, the Congress of the United States, in the exercise of its constitutional authority vested in them, by joint resolution of the Senate and House of Representatives, bearing date April 6, 1917, resolved: 'That the state of war between the United States and the Imperial German Government which has thus been thrust upon the United States is hereby formally declared; and that the President be and he is hereby authorized and directed to employ the entire naval and military forces of the United States and the resources of the Government to carry on war against the Imperial German Government; and to bring the conflict to a successful termination, all of the resources of the country are hereby pledged by the Congress of the United States.' "And whereas, it is provided by Section 1 of the act approved August 29, 1916, entitled 'An Act making appropriations for the support of the army for the fiscal year ending June 30, 1917, and for other purposes,' as follows: 'The President, in time of war, is empowered through the Secretary of War, to take possession and assume control of any system or systems of transportation, or any part thereof, the exclusion of any such system or part thereof, for the transfer or transportation of troops, war material, equipment, or for such other purposes connected with the emergency as may be useful or desirable. And whereas, it has now become necessary for the national defense to take possession and assume control of certain systems of transportation and to utilize the same, to the exclusion of any other traffic thereon, for the transportation of troops, war materials and equipment, and for other purposes connected with the prosecution of the war. "Now, therefore, I, Woodrow Wilson, President of the United States,

under and by virtue of the powers vested in me by the foregoing resolution and statute, and by virtue of all other powers thereto me enabling, do hereby, through Newton D. Baker, Secretary of War, take possession and assume control at 12 o'clock noon on the twenty-eighth day of December, 1917, of each and every system of transportation and the appurtenances thereof located wholly or in part within the boundaries of the continental United States and of every system of transportation, owned or controlled systems of coastwise and inland transportation, engaged in general transportation, whether operated by steam or by electric power, including also terminals, terminal companies and terminal associations, sleeping and parlor cars, private cars and private car lines, elevators, warehouses, telegraph and telephone lines and all other equipment and appurtenances commonly used upon or operated as a part of such rail or combined rail and water systems of transportation; to the end that such system of transportation be utilized for the transfer and transportation of troops war material and equipment, to the exclusion as far as may be necessary of all other traffic thereon; and that so far as such exclusive use is not necessary or desirable, such systems of transportation be operated and utilized in the performance of such other services as the national interest may require and of the usual and ordinary business and duties of common carriers. "It is hereby directed that the possession, control, operation and utilization of such transportation systems hereby by me undertaken shall be exercised by and through William G. McAdoo, who is hereby appointed and designated director general of railroads. Said director may perform the duties imposed upon him, so long and to such extent as he shall determine, through the boards of directors and employes of said systems of transportation. Until and except so far as said director shall from time to time by general or special orders otherwise provide, the boards of directors, receivers, officers and employes of the various transportation systems shall continue the operation thereof in the usual and ordinary course of their business as common carriers, in the names of their respective companies. "Until and except so far as said director shall from time to time otherwise by general or special orders determine, such systems of transportation shall remain subject to all existing laws and orders of the Interstate Commerce Commission, and to all statutes and orders of regulating commissions of the various states in which said systems

of any part thereof may be situated. But any orders, general or special, hereafter made by said director shall have paramount authority and be obeyed as such. "Nothing herein shall be construed as now affecting the possession, operation and control of street electric passenger railroads, including railroads commonly called interurbans, whether such railroads be or be not owned or controlled by such railroad companies or systems. But subsequent order and proclamation, if and when it shall be found necessary or desirable, possession, control or operation may be taken of all or any part of such street railway systems, including subways and tunnels, and by subsequent order and proclamation possession, control and operation in whole or in part may also be relinquished to the owners thereof or any part of the railroad systems or rail and water systems, possession and control of which are hereby assumed as such. "The director shall as soon as may be possible after having assumed such possession and control enter upon negotiations with the several companies looking to agreement for just and reasonable compensation for the possession, use and control of their respective properties, and to the annual guaranteed compensation, above accruing depreciation and the maintenance of their properties, equivalent to the average net operating income therefor for the three-year period ending June 30, 1917, the results of such negotiations to be reported to me for such action as may be appropriate and lawful. "Regular dividends hitherto declared and maturing interest upon bonds and other obligations, and such regular dividends and interest may continue to be paid until and except so far as general or special orders determine, and, subject to the approval of the director, the various carriers may agree upon and arrange for the renewal and extension of maturing obligations. "Notwithstanding the prior written consent of said director, no attachment by means of process or an execution shall be levied on or against any of the property used by any of said transportation systems in the conduct of their business as common carriers, but suits may be brought by and against said carriers and judgments rendered as hitherto, until and except so far as said director may, by general or special orders, otherwise determine. "From and after 12 o'clock on said twenty-eighth day of December, 1917, all transportation systems included in this order and proclamation shall conclusively be deemed to be in the possession and control of said director without further act or notice. But for the purpose of accounting said possession and control shall date from 12 o'clock midnight on December 31, 1917. "In witness whereof, I have here-

unto set my hand and caused the seal of the United States to be affixed. "Done by the President, through Newton D. Baker, Secretary of War, in the District of Columbia, this twenty-sixth day of December, in the year of our Lord one thousand nine hundred and seventeen and of the independence of the United States the one hundred and forty-second. "WOODROW WILSON, "NEWTON D. BAKER, "Secretary of War. "By the President: "ROBERT LANSING, "Secretary of State."

WILSON GIVES REASONS FOR DRASTIC ACTION IN TAKING OVER RAILROADS

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President Wilson's reasons for taking over the country's transportation systems are as follows: "I have exercised the powers over the transportation systems of the country which were granted me by Act of Congress of August 29, 1916, because it had become imperatively necessary for me to do so. This is a war of resources no less than of men, perhaps even more than of men, and it is necessary for the complete mobilization of our resources that the transportation system of the country should be organized and employed under a single authority and a simplified method of co-ordination, which have not proved possible under private management and control. "The committee of railway executives who have been co-operating with the Government in this all-important matter have done the utmost that it was possible for them to do, with great ability; but there were great difficulties that they could neither escape nor neutralize. Complete unity of administration in the present circumstances involved upon occasion and at many points a serious dislocation of earnings, and the committee was, of course, without power or authority to rearrange charges or effect proper compensations and adjustments of earnings. "Several roads which were willingly and with admirable spirit accepting the orders of the committee have already suffered from these circumstances and should not be required to suffer further. In mere fairness to them the full authority of the Government must be substituted. "The Government itself thereby will gain an immense increase in efficiency on the conduct of its services and the innumerable activities upon

which its successful conduct depends. "The public interest must be first served and, in addition, the financial interests of the Government and the financial interests of the railroads must be brought under a common operation. The financial operations of the railroads need not then interfere with the borrowings of the Government, and they themselves can be conducted at a greater advantage. "Investors in railway securities may rest assured that their rights and interests will be as scrupulously looked after by the Government as they could be by the directors of the several railway systems. Immediately upon the reassembling of Congress I shall recommend that these definite guarantees be given: "First, of course, that the railroad properties will be maintained during the period of Federal control in as good repair and in complete equipment as when taken over by the Government, and, second, that the roads shall receive a net operating income equal to the average net operating income of the three years preceding June 30, 1917, and I am entirely confident that the Congress will be disposed in this case as in others to see that justice is done and full security assured to the owners and creditors of the great systems which the Government must now use under its own direction or else suffer serious embarrassment. "The Secretary of War and I are agreed that, under the circumstances being taken into consideration, the best results can be obtained under the immediate executive direction of the Hon. William G. McAdoo, whose practical experience, ability, ability for the service and whose authority as Secretary of the Treasury will enable him to co-ordinate as no other man could the many financial interests which will be involved and which might, very systematically directed, suffer very embarrassing entanglements. "The Government of the United States is the only great government now engaged in the war which has not already assumed the conduct of its sort. It was thought to be the spirit of American institutions to attempt to do everything that was necessary through private management, and it is not until now that the necessity of a government takeover has been demonstrated, and it is demonstrated and to use without reserve the great authority reposed in me. "A great national necessity dictated the action and I was therefore not at liberty to abstain from it. "WOODROW WILSON."

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12 British Ships Sunk in Week; Is Drop of 5

London, Dec. 27. — The losses to British shipping show a material decrease for the past week. According to the admiralty report to-night eleven British merchantmen of 1600 tons or over were sunk during this period by mine or submarine, as well as one merchantman that tonnage and one fishing vessel. "The Government of the United States is the only great government now engaged in the war which has not already assumed the conduct of its sort. It was thought to be the spirit of American institutions to attempt to do everything that was necessary through private management, and it is not until now that the necessity of a government takeover has been demonstrated, and it is demonstrated and to use without reserve the great authority reposed in me. "A great national necessity dictated the action and I was therefore not at liberty to abstain from it. "WOODROW WILSON."

DIVIDENDS ASSURED BY WILSON'S ACTION

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TO BOOST TAXES AND LET ASH CONTRACT

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ones existing before the last reduction enough money will be raised to release the funds which can be used for the ash collection work. Mayor Keister opened the session last night by explaining in part the problem facing Council in providing for the needs of the city for 1918, and said that he and the other commissioners would be glad for an increase from the Chamber of Commerce or Municipal League. Andrew S. Patterson, president of the Chamber of Commerce, told Council that the Chamber only intended to poll the sentiments of its entire membership of 850 about the proposed increase in city taxes to meet additional expenses incurred by increasing the police force. The increase is required he said in order to give adequate protection. "Crime Decreasing Mayor Keister in reply said he believed Council would provide for some additional patrolmen in the budget. He then said that crime was on the decrease in the city, due chiefly to the decrease in the sale and use of liquor, and also attributed to the decrease in lawlessness to which it was a factor because of increased wages and plenty of work. After the question of the need of additional patrolmen was discussed Mayor Keister called attention to the ash situation. Commissioner Keister in a short explanation said the Council never had decided to give up private contract is let again regular contracts will be passed which will require both the householders and the contractor to meet certain requirements, and providing a penalty in case of violation of the rules. J. Horace Keister, secretary of the Municipal League, represents that organization at the Council session. He told how the cost of city maintenance in Harrisburg was \$1 per capita a year, while Pittsburgh the next lowest city, is paying \$1 per capita each year. He called attention to the larger amount of paved streets in Harrisburg in comparison with other cities, mentioned parks and the pure water supply, and then criticized the residents of the city who demand up-to-date services but are unwilling to pay for them. He pointed to the protests against increasing tax rates as an example. "Urges Collection David E. Tracy, ex-president of the Chamber of Commerce, was another speaker who urged Council to raise enough revenue to provide for ash collections, telling of the hardship it will work on the poorer classes if they are compelled to pay for ash removal. Failure of residents to co-operate was condemned and the commissioner said provision would be made to compel householders to do the share to make private collections successful.

Lives, Pomeroy & Stewart

The Year's Last Friday Sale Brings Many Extraordinary Values

Advertisement for Lives, Pomeroy & Stewart featuring various goods on sale. Items include: No Friday Specials, Cotton Dress Goods, Men's Gloves, Children's Gloves, Nut Crackers, Children's Table Sets, Toys At Half Price, Men's Furnishings, Traveling Bags, Fire Extinguishers, Men's Gift Sets, Children's Gloves, Colored Dress Goods, Black Dress Goods, Men's Gloves, Men's Shirts, Men's Handkerchiefs, Girls' Caps and Scarfs, Silk Specials, Lamps, Candle Shades, Lining Materials, and Percals and Prints. Each item is listed with a description and a special Friday price.

Advertisement for Books That Were Hurt or Soiled During the Holiday Season. The ad promotes 'Books of Fiction and the War' and 'Diary For 1918'. It states that books damaged during the Christmas season are being sold at reduced prices. 'Books of Fiction and the War' are sold at one-third to one-half price. 'Diary For 1918' is a 126-page diary with personal memoranda, priced at \$1.25. The ad also mentions 'Reduced Kodaks' and 'Christmas Stationery Reduced'.