

McADOO'S REPORT ON THE RAILROADS

So Much Interest, Not Only by Railroad Officials and Employees, but by All Citizens, Attaches to the Future Handling of Transportation Lines That the Observer Herewith Prints the Reports on Railroads Made by Hon. W. G. McAdoo. The Report is Long and Will Appear in Daily Installments, Giving Every Observer Reader a Chance to Study Carefully the Contents of a Document Which Promises to Have Deep Bearing on Our Country's Future.

(Continued from Wednesday)

Financial

From the reports of operations for 10 months ending October 31, 1918, and with November and December estimated, the net operating income of the roads under Federal control will be less by approximately \$136,000,000 than the standard return or annual rental which under the law the government pays for the use of the railroads. This deficiency is remarkably small in the circumstances because the increase in freight and passenger rates were in effect for only a little more than 6 months of 1918, whereas increased wages and increased cost of fuel and all other railroads supplies were in effect for entire twelve months. If the increase in freight and passenger rates had gone into effect January 1, 1918, or at the same time that the increased wages and cost of fuel and supplies went into effect, it is estimated that there would have been a substantial surplus for the year of at least 100 million dollars to the government.

For the year 1918, with all wage increases granted in 1918 operating for the entire 12 months and upon the assumption that the traffic for 1919 is substantially the same as in 1918, and that the cost of fuel and supplies went into effect, it is estimated that there would have been a substantial surplus for the year of at least 100 million dollars to the government.

For the year 1919, with all wage increases granted in 1918 operating for the entire 12 months and upon the assumption that the traffic for 1919 is substantially the same as in 1918, and that the cost of fuel and supplies remains the same, it is estimated that there should be a surplus to the government over and above the standard return of approximately \$100,000,000. It is to be expected, however, during the year 1919 the cost of material and supplies may be reduced and it is also reasonable to expect that with improved operation, under normal conditions, relieved of the intense pressure and excessive cost incident to the war necessity, and with a general improvement in operations and use of facilities and equipment that may be reasonably expected in peace time, many more economies can be effected. Since the subject of the government should be at all times to operate the railroads not for profit, but at cost, and to render at the same time the best possible service, it is confidently believed that it will be possible during the year 1919, or certainly by the end of the year 1919, to effect a considerable reduction in rates unless the traffic for 1919 should be much less than it was in the year 1918.

Inland Waterways

Hundreds of millions of dollars have been expended by the nation, the states, and citizens for the pur-

pose of developing our inland waterways and for the construction of canals. Thousands of miles of rivers, canals, lakes, and bays are ready to assist in moving our products. These waterways, with the exception of the Great Lakes, are not being extensively used.

With the assumption of my present task, I appointed a committee to make a prompt investigation and to suggest a definite plan for the additional use of inland waterways, for the economical and expeditious movement of the traffic of the country, so as to relieve or supplement the railroads under the conditions caused by the war. This was the beginning of a program which has been constantly pursued, and while the greater urgency for raw materials in war work interfered with the construction of steamers and barges, 150 steel, wood, and concrete vessels are now building and 50 steel and wooden craft have been purchased. The total appropriation for old and new floating equipment exceeds eleven and three-quarter millions.

The increased responsibilities of this country in the family of nations will demand greater commercial activity on our part. Transportation is a major problem, for, on account of the extensive area of our country, we have a longer average haul to seaboard than other industrial communities. It has seemed to me evident that by developing transportation on the waterways and co-ordinating and articulating them with a unified railway system, we shall bring about a correct solution of the rail-water controversy, which has been in progress for fifty years. This is possible with the railways under Federal control. I doubt if any of our rivers or canals will become active factors of transportation, if the railroads are turned back to private control. The old methods of railway competition with the waterways doubtless will be revived and the waterways experiment may not be able to survive that competition.

In furtherance of the plans for waterways transportation a Division of Inland Waterways, with two subdivisions, was created. The Mississippi-Warrior and the New York and New Jersey Canal sections.

Mississippi River

Service on the Mississippi was inaugurated September 28th with thirty-four vessels. Of these, twenty-three are leased and eleven were purchased. The service is developing satisfactorily and as tariffs for joint rates with the railroads have just been promulgated the valley will be afforded traffic privileges not possible in the days of railroad competition. Six steel steamers or towboats and forty (two-thousand-ton) steel barges are under construction for the service. The capacity of the federal fleet between New Orleans and St. Louis will approximate a million tons

annually. Warrior River. Six steamers and twenty-four barges were purchased for Warrior River service. Six steamers and twenty barges are about to be constructed. The fleet will be capable of carrying six million thousand tons southward and about one hundred and fifty thousand tons northbound. The federal improvements on the Warrior are complete as to six feet of water, and will shortly be completed as to eight feet navigable craft.

New York Barge Canal

The congestion existing on the railroads in the early part of 1918 and the war emergency made it essential to prepare, so far as possible, for such use of this important waterway as might be necessary to assist the railroads, and although it was announced officially that the canal was completed, there was practically no private building of equipment for use on the canal, and many of the old boats were being diverted to other uses. During the season the Railroad Administration leased and operated upward 390 barges on the New York State Barge Canal, and contracted for the construction of 51 steel and 21 concrete barges. Delivery of the new barges began in December. Construction was delayed on account of the war requirements for steel. It turned out that the canal had only seven feet navigable depth at the opening and it was not until midsummer that all the boats could be loaded to full capacity for operation, and as the terminals and rail connections were unfinished, and economical operation was not possible. In fact 8 1/2 feet of navigable depth was the maximum in the canal during the season. The rail congestion of last winter was relieved before the canal season opened. The suspension of imports, the decrease in road and industrial building, and the deficiency in the grain crops of 1917, affected very seriously tonnage that under normal conditions are available for this waterway. In compliance with very urgent requests of the people of the state of New York a local packet freight service was installed between Troy and Buffalo. As suitable boats were not obtainable, and as the terminals were in some cases unfinished and in others inaccessible, it was apparent that the operation would not be profitable, and results justified this view. It is to be noted that, although the enlarged canal was in operation all season, no activity was displayed on the part of individuals or corporations to build vessels. The Railroad Administration has repeatedly announced that it does not assume to control, nor does it in any way discourage, the operation of privately operated barges; nor does it fix the carrying rate for independent vessels when the canal and its facilities are completed, and when modern vessels are available, it will be possible to accommodate the cost of transporting traffic on this waterway. The results obtained during this formative stage, with the unavoidably antiquated equipment, are not a criterion of what can be accomplished with a completed canal and modern equipment. The adjustment of shippers and their facilities to the use of the canal is also a matter of time, which could not be progressed rapidly with the conditions existing during the present season. (To Be Continued)

Salem is to have \$100,000 meat packing plant of capacity of 100 hogs per day.

ANNOUNCEMENT
I wish to announce to the public that I have purchased the Oregon hotel, 10 Depot street, and will conduct it in connection with the Darland Apartments, and it will be known as the Darland hotel. The rooms will be newly renovated and made as attractive and pleasant as possible. Steam heated. Two apartments for light housekeeping will be furnished. Special rates on rooms by the week or month will be made for a short time. Those interested call and see them. 1-13-19
H. C. LAWYER.

MONEY TO LOAN.
On improved real property in Union county. No delays. Current rates. La Grande Investment Co.
The State Cafe for chili. adv

Cooperative Up-Building

"Competitive annihilation" is an apt description of the great war. It's a game the kaiser started—and it proved a boomerang.

Co-operative up-building must become the national and international "game" in the new era which is before us.

This institution stands for co-operation with business enterprises as well as individuals.

United States National Bank
La Grande, Ore.

The Observer's Classified Ads.

FOR SALE
FOR SALE—16-inch yellow pine wood, \$9 per cord delivered. Phone Red 1022. 1-20-19
EGGS FOR HATCHING—From purebred Buff Wyandottes. Prize winners. Heavy layers. Choice table fowls. \$2.00 for 13 eggs. Ira R. Aldrich, 707 Fourth street. 1-20-24

FOR RENT
FOR RENT—Steam heated rooms. Special rate. Darland hotel, formerly the Oregon hotel, 19 Depot street, under new management. H. C. Lawyer. 1-13-19
FOR RENT—Furnished housekeeping rooms. Call Black 831. 1-14-19

LOST AND FOUND
LOST—A pink shell cameo brooch. Finder please return to Observer office. 1-22-19
LOST—Bumper off car, between Island City and La Grande. Leave at Island City garage. 1-22-19
LOST—Lady's black leather purse, containing a \$2.00 gold piece, a bill and some silver. Finder return to Observer. Reward. 1-20-19
FOUND—Lady's pocketbook. Owner can have same by paying for ad and describing contents. Call 1410 Washington avenue. 1-20-19
LOST—Black seal muff left in station this morning. Phone M-37. Reward. 1-20-19
LOST OR STOLEN—Lined bicycle with green frame. Notify J. D. Lynch. 1-16-19
FOUND—Newfoundland pup. Owner can have it by paying for ad. Call Observer. 1-15-19

WANTED—Miscellaneous.
WANTED—To rent a piano. Excellent care. No children in home. Phone Red 3992. 1-22-19
WANTED TO RENT—Piano. Best of care assured. Call Red 3832. 1-22-19
WANTED—To hear from party having 25 hens for sale; also eggs for hatching. Write or call. John A. Steiner, Old Town, weekly 21st street. 1-22-19
WANTED—Sewing of all kinds. Remodeling a specialty. 1714 Sixth. 1-20-19
HOUSE WANTED—Three or four roomed house, furnished, wanted immediately for permanent rent, if possible. Must be close in, modern, and on south side of tracks. Phone Silverthorn's Drug Store. 1-20-19
WANTED—At once chambermaid at Grande Ronde Valley house. \$10 a week and dinner. 1-20-19
WANTED—Plain sewing. Mrs. Norma Webb, 1165 O avenue. 1-20-19
WANTED—Private secretary. Must be good stenographer. Hot Lake Sanitarium. 1-18-19

FOR RENT
FOR RENT—Furnished rooms. Phone Red 3171. 11-29-18
FOR SALE—Second hand piano, cash or bonds. 995 O avenue. 1-22-19
FOR RENT—Nice cozy rooms from \$12 up. 1519 Adams. Phone R2301. 1-18-19

A classified ad will bring results.

Professional Directory

ATTORNEYS
COCHRAN & EBERHARD—Geo. T. Cochran and Colton R. Eberhard. Attorneys. La Grande National Bank Building.
R. J. GREEN, Attorney at Law—Practice in all state and federal courts. Office La Grande National Bank Building.
CRAWFORD & EAKIN—T. H. Crawford and Robert S. Eakin, Attorneys at Law. Practice in all the courts of the state and the United States. Office, West-Jacobson Bldg., rooms 9-10-17, La Grande, Oregon.

ARCHITECTS
C. E. MILLER—Architect, room 27, New Foley Bldg. Phone Red 1871.

OSTEOPATHIC.
DR. MARGARET INGLE, Osteopathic Physician—Specializing in diseases of women and children. Hours 10 to 12 a. m., 1 to 6 p. m., and by appointment. Phones—Office Red 1761, residence, Black 1231, 37 New Foley building.

VETERINARY
DR. H. W. RILEY—Graduate Veterinarian. Hospital, 1409 Madison Ave. State Station Inspector and Inspector of stock for shipment. Home Independent Phone, Black 41; Farmers Co-operative Phone, Main 112.

EDUCATIONAL
REMEMBER GOODING COLLEGE, Goodies, Idaho. Practical business courses, review subjects, regular college work and summer school. 12-19-18

Fraternal Directory.
WOODMEN OF THE WORLD—La Grande Camp No. 169 meets every first and third Monday at Eagles Hall. All visiting neighbors welcome. Dues payable at the office of the clerk, New Foley Bldg., 9 a. m., to 5 p. m.
J. J. MURCHISON, C. C.
R. J. KITCHEN, Clerk
MODERN WOODMEN OF AMERICA—La Grande Camp No. 7703 meets on the first and third Thursday evenings of each month in the K. of P. Hall. Visiting neighbors welcome.
L. J. MURNALL, V. C.
W. F. ASHMAN, Clerk
O. E. S.—Hope Chapter No. 13, O. E. S. holds stated communications the second and fourth Wednesday of each month. Visiting members cordially welcomed.
SADIE E. GIVEN, W. M.
MARY A. WARNICK, Sec.
K. of L. of Security—Mt. Emily Council, No. 246, meets the second and fourth Monday evening at 8 o'clock at Eagle hall. Visiting members are welcome.
ABE HARRIS, Fin'l. Sec.
J. K. FITZGERALD, Pres.
A. F. & A. M.—La Grande Lodge No. 41, A. F. & A. M. holds regular meetings first and third Saturday at 7:30 p. m. Cordial welcome to all Masons.
ROBERT S. EAKIN, W. M.
A. C. WILLIAMS, Sec.
F. O. EAGLES, AERIE NO. 259.—Meet every Friday night, at Eagles Hall. Visiting members welcome.
J. F. STACEY, W. P.
LEE BELLINGER, Secretary
REBEKAH—Crystal Lodge No. 59 meets every Tuesday evening in the I. O. O. F. Hall. All visiting members are invited to attend.
ROSA GLASS, N. G.
LUCIA HALEY, Rec. Sec.
I. O. O. F.—La Grande Lodge No. 850, Loyal Order of Moose holds regular meetings every Wednesday night at 8 p. m. in Eagle hall next to Elks' Bldg. on Washington Ave. Visitors always welcome. Dues payable at Young's Sweets.
W. C. HANSEN, Dic.
HARRY SWART, Sec.
P. O. E. ELKS, La Grande Lodge No. 433, Lodge meets each Thursday evening at 8 o'clock. Home and club privileges cheerfully extended to all Brother Elks.
R. J. GREEN, Exalted Ruler.
A. H. CHERRY, Secretary.
ROYAL NEIGHBORS—Iris Camp meets every second Friday afternoon and every fourth Friday evening, every month in E. P. hall. All visiting members cordially welcomed.
HENRIETTA CHART, Oracle
MARY L. WEST, Recorder.
KNIGHTS OF PYTHIAS—Red Crown Lodge No. 27 meets every Monday night in Castle Hall (K. of P. hall) A Pythian welcome to all visiting Knights.
J. L. ROBERTSON, C. C.
DELILLE GREEN, K. of R. & S.

PRINCE ALBERT



YOU can't help cutting loose joyous remarks every time you flush your smokespot with Prince Albert—it hits you so fair and square. It's a scuttle full of jimmy pipe and cigarette maker's sunshine and as satisfying as it is delightful every hour of the twenty-four!


It's never too late to hop into the Prince Albert pleasure-pasture! For, P. A. is trigger-ready to give you more tobacco fun than you ever had in your smokecareer. That's because it has the quality.

Quick as you know Prince Albert, you'll write it down that P. A. did not bite your tongue or parch your throat. And, it never will! For, our exclusive patented process cuts out bite and parch. Try it for what ails your tongue!

Tasty roll bags, tidy red tin, handsome sound and half pound tin humidors—and that gives practical pound-sized glass humidors with sponge moisture top that keeps the tobacco in such perfect condition.

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—and broths. You will find Snow Flakes satisfying in every particular. You will enjoy immensely their delicious salty crispness and rich texture. Don't ask for crackers, say Snow Flakes. Your grocer can supply you.



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THE GREAT ENGLISH PILL
Ladies, Gents and Children
Take one or two pills
three, four or five times a day
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