

OUR WAR WITH GERMANY

XV

(May 2—June 5)

Just as this REVIEW goes to press the news comes that the often predicted and long expected raid of German submarines on the American coast has occurred. At this writing it is not possible to state definitely how many U-boats are on our coast or the full extent of the damage they have inflicted. Thus far they have sunk about a dozen vessels, all coastwise, and chiefly small schooners, with loss of between twenty-five and thirty lives. They got one passenger ship, the *Carolina* of the Porto Rico Line, and one small freighter, the *Texel*, with a cargo of 42,000 bags of sugar. Their operations ranged from a point south of the Delaware Capes to a point approximately 125 miles east of Sandy Hook. For a reason not yet made clear, the U-boat commanders refrained from the tactics of extreme brutality common to submarine operations in European waters. In all cases those on board the doomed vessels received reasonable time for abandoning ship. The chief loss of life occurred through the upsetting of the motor launch of the *Carolina* in a storm, the night after the steamer was sunk. The submarines had been operating on our coast for some time before the news of their activity became public. They sunk their first vessels on May 25th, destroying three schooners on that date, and taking their crews aboard a submarine, where the men were kept until June 2nd, when they were put into their own boats and set adrift. The submarines laid a small mine field at the entrance of the Delaware River, but no damage resulted from it. Up to this time their enterprise has resulted in fiasco and the damage inflicted was less than minor in comparison with what it might have been. No interference with the passage of troops, munitions and supplies to Europe has been effected. Secretary Daniels announced that the navy would continue the transport service uninterrupted.

Throughout a large part of the fourteenth month of our war with Germany there continued the strange feature, which has marked so many previous months, of busy preparation for hard fighting running concurrently with vague, undefined talk of peace, which might or might not have some basis of authority. But at the close of the month,—May 27—two momentous events occurring on the same day showed the present futility of this peace talk. One was the resumption of the German offensive in France on a slightly smaller scale, and somewhat less successfully, than the great drive which began on March 21st. The other was a speech by President Wilson, in which he asked Congress to pass a new Revenue bill at this session and declared the purpose to

exert our might irresistibly. In this speech there was no suggestion of any possible termination of the war except by our victory. In a number of his public utterances the President has linked talk of winning the war, or of fighting preparation, with indications of a willingness to consider present peace. But in his address to Congress on May 27th there was no note of anything except winning the war at whatever effort.

"The consideration that dominates every other now and makes every other seem trivial and negligible," he said, "is the winning of the war. We are not only in the midst of the war, we are at the very peak and crisis of it. Hundreds of thousands of our men, carrying our hearts with them and our fortunes, are in the field, and ships are crowding faster and faster to the ports of France and England with regiment after regiment, thousand after thousand, to join them until the enemy shall be beaten and brought to a reckoning with mankind. There can be no pause or intermission. The great enterprise must, on the contrary, be pushed with greater and greater energy. The volume of our might must steadily and rapidly be augmented until there can be no question of resisting it."

And a little later the President showed how thoroughly he understands the solidarity of the people of the United States in support of the purpose he had expressed, by saying:

"Have you not felt the spirit of the nation rise and its thought become a single and common thought since these eventful days came in which we have been sending our boys to the other side? I think you must read that thought, as I do, to mean this, that the people of this country are not only united in the resolute purpose to win this war, but are ready and willing to bear any burden and undergo any sacrifice that it may be necessary for them to bear in order to win it."

This was the second occasion within a few days on which the President spoke with vigor of the necessity of winning the war. On the evening of May 18th he opened the Red Cross Second War Fund Campaign in New York City, and almost at the outset referred to the peace talk which had been going on in various European capitals.

"There are two duties with which we are face to face," he said, "the first duty is to win the war and the second duty, that goes hand in hand with it, is to win it greatly, showing the real quality of our power not only, but the real quality of our purpose and of ourselves."

When the tremendous cheering that greeted this statement had died away, the President referred to the talk which he had heard of the necessity of our sending five million men to France.

"Why limit it to five million?" he said. "I have asked the Congress to name no limit because the Congress intends, I am sure, as we all intend, that every ship that can carry men or supplies shall go laden upon every voyage with every man and every supply that she can carry."

Again the audience cheered. They were in hearty accord with the President's declaration to use an unlimited army.

The President went on immediately to connect what he had said with the peace talk. "We are not to be diverted from the grim purpose of winning the war," he declared, "by any insincere approaches on the subject of peace. I can say with a clear conscience that I have tested those intimations and have found them insincere. I now recog-

nize them for what they are, an opportunity to have a free hand, particularly in the East, to carry out purposes of conquest and exploitation. Every proposal with regard to accommodation in the West involves a reservation with regard to the East. * * * If they wish peace, let them come forward through accredited representatives and lay their terms on the table. We have laid ours and they know what they are."

The peace talk to which the President thus vigorously referred seems to have been part of the German peace offensive that was launched about the time of the collapse of the drive in the West at the close of April. Early in May there were renewed reports from Amsterdam of the presence of German peace agents in Holland. On May 6th the German Under-Secretary for Foreign Affairs, implying a denial that peace feelers had been put out by Germany, said: "The sword first has to speak. Our task is to break with hard steel our enemies' destructive aims against our existence and our integrity."

The President's address to Congress on May 27th terminated a controversy which had been going on most of the month between Mr. McAdoo, Secretary of the Treasury, and the leaders of the Senate and House, with reference to the necessity for undertaking new revenue legislation at this session of Congress. The senators and representatives had desired to postpone the new tax bill until next winter, as they were against undertaking revenue legislation on the eve of the Congressional election. It was admitted by the Congress leaders that more taxation is necessary. The production of war materials is now on a vastly larger scale than it was when the present tax bill was enacted, and a much larger monthly expenditure is involved. Moreover there is a huge increase in expenses in prospect due to the vast expansion of the war programme.

Secretary McAdoo contended that the time will be too short at the session next winter, which must end on March 4th, for legislation of such importance. His principal argument for immediate action, however, was that inasmuch as the taxes to be levied will inevitably fall upon the business done and the incomes received in 1918, it is not only of great importance to those who will have to pay them, but it is their right to know as early as possible the taxes they will have to pay, in order to make provision to meet them. President Wilson emphasized this view. The Congress leaders have not expressed any material change of view on the subject of enacting revenue legislation just before a Congressional election, but they have signified their intention to conform to the wishes of the Commander in Chief.

The President's statement to Congress that "ships are crowding faster and faster to the ports of France and England, with regiment after regiment of our men," was in line with a number of intimations which had been made public in Washington and elsewhere concerning the rapidity with which our forces were going abroad. On May 16th the Paris newspaper owned by Premier Clemenceau announced that the United States had promised to have 1,500,000 fighting men in France by the end of 1918, and explained that this meant about two million men in all, counting specialists, workers, men of the quartermaster corps, and others.

The same day it was reported from Washington that more than

500,000 men were then in France. On May 21st Representative Caldwell of New York, a member of the House Committee on Military Affairs, gave the House a statement of the war programme, made, he said, after considerable correspondence with Mr. Baker, the Secretary of War. Mr. Caldwell said there were 2,072,222 men then in the army. He added that a million trained men were ready to sail, and that 90,000 had sailed in the first ten days of May. Talk of this kind increased to such an extent that a few days later Mr. Baker requested that it cease.

On May 23rd Provost-Marshal-General Crowder announced a new order to go into effect July 1st, aimed at idlers and those not usefully employed. It is a "work or fight" order designed to gather in unemployed men of draft age and those not in some useful occupation, as, for instance, pool-room hangers on, race-track men and I. W. W. sympathizers.

That same day Mr. Baker appeared before the House Committee on Military Affairs, which voted, on his recommendation, to give the President unlimited authority to raise men for the army. The bill was reported to the House on May 25th. Chairman Dent, in explaining its provisions, said that it carries appropriations of \$9,583,349,808 for the next fiscal year, which with authorizations on contracts, would raise the total to \$11,041,681,909. These figures give an idea of the expansion of our military effort, the appropriation for the army alone for the next year being larger than the total appropriations for the current year.

The bill authorizes the President to raise by draft each fiscal year during the war the "maximum number of men who may be organized, equipped, trained and used during such year for the prosecution of the present war to a successful conclusion."

Chairman Dent announced that the aviation section of the Signal Corps consists of 12,107 officers and 136,761 enlisted men; that there are 4,054 fliers; 1,316 machines in France; 323 combat machines in France; 3,760 machines in the United States, and 27 aviation training camps in the United States.

In addition to this bill, the Fortifications bill, which is soon to come before Congress, will carry about eight billion dollars in appropriations of cash and authorizations for contracts for heavy artillery for the army, \$4,200,000,000 to be expended during the next fiscal year.

As an indication that our participation in the war is beginning to be effective in the fighting, on May 28th American troops made their first assault of any size on the German lines. They advanced on a front of more than a mile in Picardy and captured the village of Cantigny, taking 170 prisoners. Moreover, they have held their new position against repeated counter attacks. Our casualties for the 14 months we have been at war number slightly more than 5,000.

While our men are going over in increasing numbers, preparation in this country to send yet more of them is proceeding with pleasing rapidity. On May 13th, Charles M. Schwab, Director General of the Emergency Fleet Corporation, said that it was expected that the ship-building programme would be speeded up and extended fifty or possibly sixty per cent. Mr. Schwab had changed the plan of contract with certain yards producing the standardized steel ships from the "cost

plus" basis to a fixed sum, with the purpose of stimulating these concerns to greater activities.

On May 19th, speaking in New York City, Bainbridge Colby, a member of the Shipping Board, announced that fifty ships of major size would be put in service in June, that more would be ready in July and still more in August. In the first twenty-three days of May twenty-nine steel vessels, aggregating 174,662 tons deadweight were completed and put into active service.

Speaking in Edinburgh on May 24th, Mr. Lloyd George, British Premier said:

"We have reached the position where we are sinking German submarines faster than they are built. We are building merchant ships—that is, the Allies as a whole—faster than they can sink them."

This statement of Mr. Lloyd George's was in line with that of George Leygues, French Minister of Marine, to the Naval Committee of the Chamber of Deputies on May 11th, when he said that the number of submarines sunk in the first three months of 1918 was greater than the number constructed. He said that Vice-Admiral Capelle's statement in the Reichstag on April 19th that 600,000 tons of Allied shipping was sunk monthly, was false. The French Minister showed that the actual losses for December, 1917, and January, February, March and April, 1918, aggregated 1,648,622 against 3,303,000 claimed by Admiral Capelle.

The blocking of Zeebrugge and Ostend by British naval raids proves to have been very successful and seriously to have interfered with the operation of the submarines. Officials of all the Allied governments have issued warnings, however, against taking this news to mean that the submarine is completely defeated. Evidence that submarines are still active in European waters was furnished in the sinking of the transport *Moldavia* carrying American troops, on May 24th, with the loss of 53 lives. Subsequently the transport *President Lincoln* was torpedoed and sunk on a return voyage from France. About 25 lives were lost.

Two specially important measures of war legislation reached the stage of enactment during the month. On May 7th the House passed, in the Senate form, the so-called Sedition bill giving to the Government broad powers to punish disloyal and seditious utterances. This bill fixes a penalty of twenty years imprisonment or \$10,000 fine for conviction of uttering or printing disloyal, abusive, profane, scurrilous or contemptuous language about the United States, or the Government, or the form of Government, or the flag, or for favoring Germany or her allies. The Postmaster-General is empowered "upon evidence satisfactory to him" that any person or concern uses the mails for purposes violative of the act, to deny delivery to such person and to return all mail addressed to such persons to the senders, plainly marked "Undeliverable under Espionage act." Penalties will apply to those who say or do anything intended to interfere with military acts or forces, or to impede the sale of Government securities; who incite insubordination or refusal of duty; or who speak, or write, or publish abusive language against the flag, the uniform, or the Constitution. President Wilson signed this bill on May 16th.

The House also passed on May 14th by a vote of 295 to 2 the

so-called Overman bill, authorizing the President to reorganize departments and bureaus of Government. The President has signed this bill also.

Several measures of far reaching importance to the railroads and to the entire country were taken by the Railroad Administration during the month. They affect the wages of railroad employees, freight and passenger rates and the operating personnel of the properties themselves. On May 8th the Railroad Wage Commission headed by Franklin K. Lane, Secretary of the Interior, issued a report recommending wage increases, ranging from 4.56% to 43% and aggregating about \$300,000,000 annually among the transportation lines under Government direction. The report intimated that when the Government assumed control of the roads, serious labor disturbances were threatened which might have tied up transportation.

On May 13th it was reported from Washington that the Railroad Administration officials estimated that a 25% increase in freight and passenger rates was necessary to meet the higher costs of fuel, wages, equipment and other operating expenses, the aggregate of which was between \$600,000,000 and \$700,000,000 a year.

On May 19th it was announced in Washington that the Railroad Administration had approved expenditures for this year by the roads under its direction, for additions, betterments and equipment, aggregating about three times as much as they spent in any one of the last three years. The total was \$937,961,318, consisting of \$440,071,013 for additions and betterments, and \$479,686,531 for equipment, cars and locomotives, with \$18,203,774 for track extensions.

On May 21st Secretary McAdoo, Director General of Railroads, issued an order removing the presidents of all railways under Government control from active participation in the operation or management of the physical properties owned by their corporations. At the same time he announced his purpose to select, as operating heads of the lines, men who would be required to sever all relations with the companies with which they are connected, and to become answerable only to the Railroad Administration, at salaries to be fixed by the Administration, in no case in excess of \$20,000. Presidents might remain at the head of their corporations, but would receive no salary out of the operating revenues, their compensation being paid by the corporation out of moneys received from the Government. The new operating heads will be known as Federal Managers and will be directly responsible to regional directors. At the same time Mr. McAdoo created two new regions, the Allegheny and Pocahontas.

On May 26th Mr. McAdoo issued a general order granting wage increases. He adopted, in effect, the recommendation of the Railroad Wage Commission, with some revision, which added between \$25,000,000 and \$40,000,000 to the estimated aggregate of the Commission's increases. It was pointed out in reports of this order that "the whole effort toward wage adjustment was made with the purpose of satisfying the workers and obtaining their coöperation with the Government in winning the war." The pay of negroes was equalized with that of white men for similar service.

The next day Mr. McAdoo ordered a 25% increase in freight rates, effective June 25th, and raised passenger rates to 3 cents a mile,

effective June 10th. It was estimated that this order would add about \$860,000,000 to the annual operating income of the roads under Government control. Intra-state rates are wiped out. Mileage books and excursion tickets already sold are recalled and their use after June 10th stopped.

The charges and counter charges growing out of the unsatisfactory production of aircraft reached a climax during this month, which resulted in the undertaking of a formal investigation by the Department of Justice, and which, at one stage, brought the President and the Senate into an attitude of serious conflict. On May 6th the White House made public a telegram to the President from Howard Coffin, formerly Chairman of the Aircraft Board, requesting an investigation of the charges of dishonesty, and the reply of the President promising such an investigation through the Department of Justice. On that day the President wrote to Senator Thomas, of the Military Affairs Committee, that "any instrumentality at the disposal of the Department of Justice will be used to investigate and pursue the charges of dishonesty or malversation of any kind. * * * I sincerely hope that the matter will be treated as one for searching official investigation by the constituted authorities of the Government." The next day the Senate Committee on Military Affairs decided to conduct an inquiry into aircraft and ordnance production and into other matters under the jurisdiction of the War Department. Senator Chamberlain, Chairman of the Committee, offered a resolution extending the authority of the Committee to make investigations and practically covering a general inquiry into the conduct of the war. He said that there would be "no immunity baths and no whitewashing." There was indicated, however, a general disbelief that there had been graft or dishonesty.

This resolution was delayed for some days by the Senate Committee on Audit and Control of the Contingent fund, to which it was referred in the usual routine. On May 14th Senator Thompson, Chairman of that Committee, had a conference with President Wilson at the White House, after which he said that the President was opposed to the resolution because of its wide scope and that the President believed a general investigation of the war to be unnecessary.

The next day the President sent a letter to Senator Martin, Chairman of the Appropriations Committee and Democratic leader in the Senate, in which he said: "I should regard the passage of this resolution as a direct vote of want of confidence in the Administration. The purpose which it undoubtedly expresses has been expressed again and again in various forms during the present session and has always seemed to originate in a rooted distrust of those who are at present in charge of the executive functions of the Government. * * * Such activities on the part of a particular committee of the Senate, as this resolution would look forward to, would constitute nothing less than an attempt to take over the conduct of the war, or at the least so superintend and direct and participate in the executive conduct of it as to interfere in the most serious way with the action of the constituted Executive."

It was understood by senators that the President's objection was to the language in the resolution giving the committee authority to inquire "into any other matters relating to the conduct of the war by or through

the War Department." The Committee amended the resolution striking out this phrase and substituting language authorizing and directing the committee "to inquire into and report to the Senate the progress of aircraft and ordnance production in the United States or into the status of the Quartermaster-General's supplies or expenditures in any of those branches of the War Department."

On the same day that the President sent this letter to Senator Martin, the White House made public the fact that Charles E. Hughes had been selected by the President to assist the Department of Justice in making a thorough investigation of the aircraft production situation "with as little delay as possible."

On May 16th Senator Thompson had another conference with President Wilson at which the President still opposed the resolution, even in its amended form, and urged him to impress upon the Democratic senators the necessity of standing with the President against any investigation of war activities. Senator Thompson, reporting to his colleagues, said "It is a fight."

The threatened airing of the whole controversy in a Senate debate was avoided, however, and a compromise was effected which resulted in the unanimous adoption by the Senate on May 22nd of a resolution merely giving the Committee on Military Affairs money from the contingent fund for "any expenses incurred under the provisions of Senate resolution 48 heretofore adopted," including the employment of assistants and travelling expenses. This throws the investigatory power of the Committee back to Resolution 48, which was adopted on April 30th, 1917, and which authorized the Committee during this Congress "to send for persons and papers and to administer oaths, and to employ a stenographer, at a cost not to exceed \$1 per printed page, to report such hearings as may be had in connection with any subject which may be pending before said Committee." It also authorized the committee, or any sub-committee thereof, to sit during the sessions or recesses of the Congress. Thus the resolution finally adopted was, if anything, broader and more comprehensive than those to which the President objected. No limit is fixed for the Committee's power of inquiry.

That same day Attorney-General Gregory made public a letter from Mr. Hughes suggesting that no parallel inquiry to that he was undertaking should be made. Members of the Senate Committee expressed a willingness to conform to Judge Hughes' desires, but after consultation with him it was decided that the Senate Committee should proceed with its investigations. Sub-committees were appointed for inquiry into aircraft and ordnance production and into the Quartermaster's Department.

While this controversy was at its height in Washington, Major Raoul Lufbery, foremost American Ace, was killed in the air by a German armored biplane, over the American sector north of Toul. Lufbery's plane was set on fire, apparently by explosive bullets, and he leapt out at an altitude of 2,000 feet. The next day French airmen brought down the armored plane.

[This record is as of June 5 and is to be continued]