

CURB THE WAR PROFITEER WILSON ASKS CONGRESS

NEW TAX LAWS ARE NECESSARY,
DECLARES PRESIDENT
WILSON.

HIT INCOMES AND LUXURIES

Wilson Personally Takes Charge of War Tax Legislation—Calls on Congress to Eliminate All Politics from the Question.

Washington, D. C., May 27.—Just as the German cannon were thundering their herald of the renewed offensive on the western battle front President Wilson today appeared unexpectedly before congress and demanded that, laying political considerations and others aside, it remain in session until it has enacted new war tax laws to finance the growing cost of the war and prepare the country for the burden it must bear.

At the conclusion of his prepared address the president, pausing, laid his hand over his manuscript and added another precedent breaker to the long list he has established in his dealings with congress. He addressed the assemblage extemporaneously, speaking earnestly and forcefully while his audience sat in rapt and surprised silence.

"May I add this word, gentlemen?" said he. "Just as I was leaving the White House I was told that the expected drive on the western front had apparently begun. You can realize how that solemnized my feeling as I came to you, and how it seemed to strengthen the purpose which I have tried to express in these lines.

"I have admired the work of this session. The way in which the two houses of congress have co-operated with the executive has been generous and admirable, and it is not in any spirit of suggesting duty neglected, but only to remind you of the common cause and the common obligations that I have ventured to come to you today."

Ovation for President.

The president was greeted with cheers when in his speech he intimated, almost at the outset, that new revenue would be drawn from war profits, incomes and luxuries.

The crowded galleries and the house and senate rose and cheered loudly when he declared that hundreds of thousands of American troops in the field and in ships are crowding to the front, with regiment after regiment to join them, until "the enemy shall be beaten and brought to a reckoning with mankind."

His hearers lauded his declaration that profiteering should be reached by taxation and that the country is ready for any necessary sacrifice.

Majority Leader Kitchin, as chairman of the house ways and means committee, which will immediately begin plans for the revenue legislation, and Chairman Simmons, of the senate finance committee, held a conference immediately after the speech.

It was decided at the Simmons-Kitchin conference to have the house ways and means committee begin hearings on the bill early in June. The hearings are expected to last about three weeks and afterward the senate finance committee plans to cooperate with the house committee in drafting the new measure.

Wilson Takes Charge.

President Wilson personally took charge of the war legislation when he appeared unexpectedly before a joint session of congress and declared it was necessary to proceed immediately with new war tax laws.

Plans, which might have delayed the work, but which involved a working agreement between both parties have fallen through, the president told the legislators, and there was no way to meet the problem of financing the war but to have congress remain in session and go ahead at once.

The president called upon congress to eliminate politics from the consideration. Politics, he said, is "ad-journed."

The principal increases in taxation, the president said, should be on incomes, war profits and luxuries.

It would be manifestly unfair, the president said, to wait until 1919 before determining what the new taxes would be.

In specific terms the president gave a distinct warning against lobbying in connection with the new bill.

There is indisputable proof of profiteering at present, the president said, and he declared it must be reached by the new legislation.

"Profiteering that cannot be got at by restraints of conscience," said the president, "can be got at by taxation."

"There need be no hesitancy in taxing the country," the president told congress, "if it were taxed justly." He appealed to congress to approach the great task without selfishness or fear of political consequences.

"An intense and pitiless light beats on every man in the tragic part of war that is now upon the stage," said the president.

The president concluded with an appeal to congress to do its work un-

grudgingly and said he could not guarantee a proper admiration of the treasury unless the question were settled at once.

The president's address was comparatively brief, taking less than fifteen minutes for delivery.

The Address in Full.

Washington, D. C., May 27.—President Wilson's address to congress today in full follows:

"Gentlemen of the Congress: It is with unaffected reluctance that I come to ask you to prolong your session long enough to provide more adequate resources for the treasury for the conduct of the war. I have reason to appreciate as fully as you do how arduous the session has been. Your labors have been severe and protracted. You have passed a long series of measures which required the debate of many doubtful questions of judgment and many exceedingly difficult questions of principle as well as of practice. The summer is upon us in which labor and council are twice arduous and are constantly to be impaired by lassitude and fatigue. The elections are at hand and we ought as soon as possible to render an intimate account of our trusteeship to the people who delegated us to act for them in the weighty and anxious matters that crowd upon us in these days of critical choice and action. But we dare not go to the elections until we have done our duty to the full. These are days when duty stands stark and naked, and even with closed eyes we know it is there. Excuses are unavailing. We have either done our duty or have not. The fact will be as gross and plain as the duty itself. In such a case lassitude and fatigue seem negligible enough. The facts are tonic and suffice to freshen the labor.

More War Funds Needed.

"And the facts are these: Additional revenues must manifestly be provided for. It would be a most unsound policy to raise too large a proportion of them by loan and it is evident that the four billions now provided for by taxation will not of themselves sustain the greatly enlarged budget to which we must immediately look forward. We cannot in fairness wait until the end of the fiscal year is at hand to apprise our people of the taxes they must pay on their earnings of the present calendar year whose accounts and expenditures will then be closed. We cannot get increased taxes unless the country knows what they are to be and practice the necessary economy to make them available. Definiteness, early definiteness, as to what its tasks are to be is absolutely necessary for the successful administration of the treasury; it cannot frame fair and workable regulations in haste; and it must frame its regulations in haste if it is not to know its exact task until the very eve of its performance. The present tax laws are marred, moreover, by inequalities which ought to be remedied. Indisputable facts, every one, and we cannot alter or blink them. To state them is argument enough.

Take the War Profits.

"And yet, perhaps you will permit me to dwell for a moment upon the situation they disclose. Enormous loans freely spent in the stimulation of industry of almost every sort produce inflations and extravagances which presently make the whole economic structure questionable and insecure and the very basis of credit is cut away. Only fair, equitably distributed taxation of the widest incidence, and drawing chiefly from the sources which would be likely to demoralize credit by their very abundance, can prevent inflation and keep our system from speculation and waste.

"We shall naturally turn, therefore, I suppose, to war profits and incomes upon which the increased taxes will be levied will be the profits and incomes of the calendar year of 1918. It would be manifestly unfair to wait until the early months of 1919 to say what they are to be. They might be difficult, I should imagine, to run the mill with water that had already gone over the wheel.

"Moreover, taxes of that sort will not be paid until the June of next year and the treasury department must anticipate them. It must use the money they are to produce before it is due; it must set short time certificates of indebtedness.

"In the autumn a much larger sale of long time bonds must be effected than has yet been attempted. What are the bankers to think of the certificates if they do not know certainly where the money is to come from which is to take them up? And how are investors to approach the purchase of bonds with any sort of confidence or knowledge of their own affairs if they do not know what taxes they are to pay and what economies and adjustments of their business they must effect? I cannot assure the country of a successful administration of the treasury in 1918 if the question of further taxation is to be left undecided until 1919.

Winning of War First.

"The consideration that dominates every other now and makes every other seem trivial and negligible, 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. Our financial program must no more be left in doubt or suffered to lag than our ordnance program, or our ship program, or our munitions program or our program for making millions of men ready. Those others are not programs, indeed, but mere plans upon paper unless there is to be unquestionable supply of money.

Wants to Share Burden.

"I am advising you to act upon this matter of taxation now gentlemen, not because I do not know that you can see and interpret the facts and the duty they impose just as well as with as clear a perception of the obligations involved as I can, but because there is a certain solemn satisfaction in sharing with you the responsibilities of such a time. The world never stood in such a case before. Men never before had so clear or so moving a vision of duty. I know that you will begrudge the work to be done here by us not more than the men begrudge theirs who lie in the trenches and sally forth to their death. There is a stimulating comradeship knitting us all together. And this task to which I invite your immediate consideration will be performed under favorable influences if we look to what the country is thinking and expecting and care nothing at all for what is being said and believed in the lobbies of Washington hotels, where the atmosphere seems to make it possible to believe what is believed nowhere else. Have you not felt the spirit of the nation rise and its thought become a single and common thought since these eventful days in which we have been sending our boys to the other side?

Put Politics on Shelf.

"That is the situation and it is the situation which creates the duty, no choice or preference of ours. There is only one way to meet that duty. We must meet it without selfishness or fear of consequences. Politics is adjourned. The elections will go to those who think least of it; to those who go to the constituencies without explanation or excuses, with a plain record of duty faithfully and disinterestedly performed. For one am always confident that the people of this country will give a just verdict upon the service of the men who act for them when the facts are such that no man can disguise or conceal them. There is not danger of deceit now. An intense and pitiless light beats upon every man and every action in this tragic plot of war that is now upon the stage.

"If lobbyists hurry to Washington to attempt to turn what you do in the matter of taxation to their protection or advantage, the light will be also upon them. There is abundant fuel for the light in the records of the treasury with regard to profits of every sort. The profiteering that cannot be got at by the strain of conscience and love of country can be got at by taxation. There is such profiteering now and the information with regard to it is available and indisputable.

People Are United.

"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 the 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. We need not be afraid to tax them, if we tax them justly. They know that the war must be paid for and that it is they who must pay for it and if the burden is justly distributed and the sacrifice made a common sacrifice, from which none escaped who can bear it at all, they will carry it cheerfully and with a sort of solemn pride. I have already been proud to be an American and was never more proud than now, when all that we have said and all that we have foreseen about our people is coming true. The great days have come when the only thing that they ask for or admire is duty greatly and adequately done; when they only wish for America is that she may share the freedom she enjoys; when a great compelling sympathy wells up in their hearts for men everywhere who suffer and are oppressed, and when they see at last the high uses for which their wealth has been piled up and their mighty power accumulated, and counting neither blood nor treasure now that the final day of opportunity has come, rejoice to spend and be spent through a long night of suffering, of terror, in order that they and men everywhere may see the dawn of a day of righteousness and justice and peace. Shall we grow weary when they bid us act?"

ALL IDLERS MUST FIGHT OR LABOR

GENERAL CROWDER ISSUES ORDER COVERING VARIOUS SPORTS AND TRADES.

EDICT IN FORCE JULY FIRST

Amendment to Selective Service Regulations to Make Nation Efficient in War Takes Registrants Out of Deferred Class.

Bulletin.

Washington, May 23.—General Crowder's new "work-or-fight" regulations may require professional baseball players either to engage in some useful occupation or to join the army. Baseball players, as well as jockeys, professional golfers and other professional sportsmen, General Crowder said today, will be affected by the regulations if strictly enforced. General Crowder said he did not desire to make specific rulings at this time and would make rulings only when cases came to him from local boards after July 1.

Bulletin.

Washington, May 23.—Theatrical performers have been exempted from the new draft regulations at the direction of Secretary Baker, who is said to feel that the people cannot do without all amusement in war time and that other amusements could be dispensed with more readily.

Washington, May 23.—Every man of draft age must either work or fight after July 1, under a drastic amendment to the selective service regulations announced today by General Crowder, provost marshal general. Not only idlers, but all draft registrants engaged in what are held to be nonuseful occupations are to be held before local boards and given the choice of a new job or the army.

Gamblers, race track and bucket shop attendants and fortune tellers head the list, but those who will be reached by the new regulation also include waiters and bartenders, theater ushers and attendants, passenger elevator operators and other attendants of clubs, hotels, stores, etc., domestics and clerks in stores.

Deferred classification granted on account of dependents will be disregarded entirely in applying the rule. A man may be at the bottom of class 1, or even in class 4, but if he falls within the regulation and refuses to take useful employment he will be given a new number in class 1 that will send him into the military service forthwith. Local boards are authorized to use discretion only where they find that enforced change of employment would result in disproportionate hardship upon his dependents.

May Solve the Labor Problem.

It has been known for some time that some form of "work or fight" plan has been submitted to President Wilson, but there has been no intimation that it was so far reaching in its scope. Both the military authorities and department of labor officials believe that it will go a long way toward solving the labor problem for farmers, shipbuilders and munition makers and will end, for the present at least, talk of conscription of labor. The announcement today gives notice significantly that the list of nonuseful occupations will be extended from time to time as necessity requires.

The statement of the provost marshal general's office is as follows:

"Provost Marshal General Crowder today announced an amendment to the selective service regulations which deals with the great question of compelling men not engaged in a useful occupation immediately to apply themselves to some form of labor, contributing to the general good. The idler, too, will find himself confronted with the alternative of finding suitable employment or entering the army.

"This regulation provides that after July 1, any registrant who is found by a local board to be a habitual idler or not engaged in some useful occupation shall be summoned before the board, given a chance to explain and, in the absence of a satisfactory explanation, to be inducted into the military service of the United States.

"Any local board will be authorized to take action, whether it has an original jurisdiction of the registrant or not; in other words, any man loafing around a poolroom in Chicago may be held to answer to a Chicago board even though he may have registered in New York and lived there most of his life.

"The regulations which apply to idle registrants will be deemed to apply also to gamblers of all description and employee, and attendants of bucket-shops and race tracks, fortune tellers, clairvoyants, palmists and the like, who for the purpose of the regulations shall be considered as idlers.

New Rule is Sweeping.

"The new regulation will also affect the following classes:

- (a) Persons engaged in the serving of food and drink, or either, in public places, including hotels and social clubs.
- (b) Passenger elevator operators and attendants, doormen, footmen and other attendants of clubs, hotels, stores, apartment houses, office buildings and bathhouses.
- (c) Persons, including ushers and other attendants, engaged and occupied in, and in connection with, games, sports and amusements, excepting actual performers in legitimate con-

 THESE ARE HIT BY ORDER TO FIGHT OR WORK.

 Idlers.
 Gamblers.
 Bucket shop employees.
 Race track attendants.
 Clairvoyants and the like.
 Professional golfers.
 Professional baseball players (probably).
 Elevator operators at clubs and stores.
 Club and hotel doormen.
 Waiters in hotels and clubs.
 Ushers in theaters.
 Attendants at sports.
 Persons in domestic service.
 Clerks in stores.
 Specially Exempt.
 Actors.

certs, operas or theatrical performance.

"(d) Persons employed in domestic service.

"(e) Sales clerks and other clerks employed in stores and other mercantile establishments.

"Men who are engaged as above or who are idlers will not be permitted to seek relief because of the fact that they have drawn a later order number or because they have been placed in class II, III or IV on the grounds of dependency. The fact that he is not usefully employed will outweigh both of the above conditions.

To Extend Nonuseful List.

"It is expected that the list of nonuseful occupations will be extended from time to time as necessity will require so as to include persons in other employments.

"Temporary absences from regular employment not to exceed one week, unless such temporary absences are habitual and frequent, shall not be considered as idleness. Regular vacations will not be considered as absences in this connection.

"The regulation throws a further safeguard around men not usefully employed by providing that where there are compelling domestic circumstances that would not permit change of employment by the registrant without disproportionate hardship to his dependents or where a change from nonuseful to useful employment or occupation would necessitate a removal of the registrant or his family, local boards may give consideration to the circumstances.

"The regulation further provides that where such a change of employment would compel the night employment of women under circumstances which a board might deem unsuitable for such employment of women the board may take such circumstances into consideration in making its decision."

General Crowder Explains Plan.

Explaining the new regulation and the necessity for it, General Crowder said:

"The war has so far disorganized the normal adjustment of industrial man power as to prevent the enormous industrial output and national organization necessary to success.

"There is a popular demand for organization of man power, but no direct draft could be imposed at present.

"Steps to prohibit idleness and non-effective occupation will be welcomed by our people.

"We shall give the idlers and men not effectively employed the choice between military service and effective employment. Every man, in the draft age at least, must work or fight.

"This is not alone a war or military maneuver. It is a deadly contest of industries and mechanics.

Must Copy German Machine.

"Germany must not be thought of as merely possessing an army, we must think of her as being an army—*an* army in which every factory and loom in the empire is a recognized part in a complete machine running night and day at terrific speed. We must make of ourselves the same sort of effective machine.

"It is not enough to ask what would happen if every man in the nation turned his hand to effective work. We must make ourselves effective. We must organize for the future. We must make vast withdrawals for the army and immediately close up the ranks of industry behind the gap with an accelerating production of every useful thing in necessary measure. How is this to be done?"

"The answer is plain. The first step toward the solution of the difficulty is to prohibit engagement by able-bodied men in the field of hurtful employment, idleness or ineffectual employment, and thus induce and persuade the vast wasted excess into useful fields.

"The very situation we are now considering, however, offers great possibilities in improvement of the draft as well as great possibilities for the composition of the labor situation by effective administration of the draft. Considering the selective service law, we see two principal causes of detriment of the call to military service—exemption and the order numbers assigned by lot.

Exemptions in Two Categories.

"The exemptions themselves fall into two conspicuous categories—dependency and industrial exemption. One protects domestic relations, the other the economic interests of the nation. Between the two there is an inevitable hiatus, for it is demonstrably true that thousands, if not millions, of dependency exemptions have no effect of industrial protection whatever.

"One of the unanswerable criticisms of the draft has been that it takes men from the farms and from all useful employments and marches them past crowds of idlers and loafers to the army. The remedy is simple—to couple the industrial basis with other grounds for exemption and to require that any man pleading exemption on any ground shall also show that he is contributing effectively to the industrial welfare of the nation."

DROP RAIL CHIEFS

M'ADOO ISSUES SWEEPING ORDER REMOVING PRESIDENTS OF ALL ROADS.

U. S. DIRECTORS TO MANAGE

To Retain Positions Officials Must Sever All Connections With Transportation Systems and Become Government Employees Solely.

Washington, May 22.—Director General McAdoo has removed every railroad president in the United States from active duty as executive manager of his respective road. A federal director will be appointed for each road, to be responsible only to the railroad administration.

In many cases the president of the road may be named federal director.

As another step in the reorganization of railroad management, the director general ordered the creation of two operating districts—the Allegheny region, consisting of the principal trunk lines east of Pittsburgh, excluding the New York Central, managed by C. H. Markham, now regional director for the South, and the Pochontas district, consisting of the east and west trunk lines terminating at Hampton Roads.

Statement by McAdoo.

The following statement was issued by Director General McAdoo:

"In view of the direct responsibility for the operation of the railroads of the country placed upon Director General McAdoo by the act of congress, and by the proclamations of the president, he has been unable to escape the conclusion that it will be advisable to place in direct charge of each property for operating purposes a representative to be known as the federal manager, who will report to the regional director.

"As far as practicable this federal manager will be chosen from the operating officers of the particular property who are entirely familiar with its employees and its conditions.

"Except so far as may be necessary to meet the emergency conditions which compel the government to take control of the railroads, the federal manager of each railroad will endeavor to avail himself to the fullest extent of the advantages incident to the operations of the particular railroad as a unit and the preservation of its identity.

Seeks Best Results.

"This is believed to be of essential importance not only to secure the best results during the period of government control, but also to give the greatest degree of reassurance to the officers and employees that the railroad careers upon which they have entered will not be narrowed, but if anything, will be broadened, and to give the greatest possible reassurance to the stockholders that their just interests in the properties will be respected and that nothing will be needlessly done to have even the appearance of impairing their just rights."

Under the radical plan outlined by Mr. McAdoo, the board of directors will operate in purely an advisory capacity.

More Important Roads.

A list of the more important railroads and the names of their presidents follow:

- Atchison, Topeka and Santa Fe, E. P. Ripley.
- Boston and Maine, James H. Hustis (receivership).
- Central Pacific, William F. Herrin.
- Chicago and Alton, W. G. Blerd.
- Eastern Illinois, William J. Jackson (receivership).
- Chicago and Northwestern, R. H. Aishton.

Chicago, Burlington & Quincy, Hale Holden.

Chicago Great Western, W. L. Park (acting).

Chicago, Indianapolis and Louisville, Harry R. Kurrle.

Chicago, Milwaukee and St. Paul, H. E. Byram.

Rock Island, J. E. Gorman.

Denver and Rio Grande, E. L. Brown.

Erie, F. D. Underwood.

Great Northern, Louis W. Hill.

Illinois Central, C. H. Markham (resigned).

Kansas City Southern, J. A. Edson.

Lehigh Valley, E. E. Loomis.

Louisville and Nashville, Milton H. Smith.

Michigan Central, Alfred H. Smith.

Missouri, Kansas and Texas, C. E. Schaff (president and receiver).

Missouri Pacific, B. F. Bush.

New York Central, Alfred H. Smith.

New York, New Haven and Hartford, Edward J. Pearson.

Northern Pacific, Jule M. Hannaford.

Pennsylvania, Samuel Ren.

Pere Marquette, F. H. Alfred.

Seaboard Air Line, William J. Harahan.

Southern Pacific, William Sproule.

Southern railway, Fairfax Harrison.

Wabash, Edward F. Kearney.

Union Pacific, E. E. Calvin.

Sidewalk Conversations.

(When two successful business men chance to meet.)

"Hello, old top?"

"Lo. How are you?"

"Fine. How's yourself?"

"Fine. What's doing?"

"Nothing. Anything new?"

"Not a thing. Heard anything lately?"

"Nope. You?"

"Not a whisper. Everything quiet."

"Yep. Pretty dead."

"Yeah. Well, so long. Pretty busy."

"Same here. Good-by."