PROBE OF SCANDAL IS ON IN EARNEST

Huge Irregularities Reported Brought to Light in U. S. Inspection Service.

FEDERAL FUNDS WASTED

Falsification of Records and Mismanagement Charged; Wealthy Young Men Said to Have Been Given Soft Berths.

CHICAGO, Ill., Aug. 18.—(Special.)—Evidence of wholesale irregularities has been obtained by Government agents in their inquiry into the scandal involving the inspection department of the equipment division, Aviation Section, of the Signal Corps for the Chicago district. The first leg of the investigation resulted in a big "clean-out" on orders from Washington, January 24, last. The second chapter is set forth herewith:

Revelations indicating the squandering of big sums of Government war funds, falsification of records and mismanagement have gone forward to the Hughes investigating committee at Washington. These revelations include evidence of the existence of a "soft berth factory" through which scions of wealthy families liable to the draft were made "inspectors" at nice salaries, and after only a few days of service, certified as civilian employes "essential" to the winning of the war, and moved from Class 1 to Class 3.

Indictments Are Possible.

That the scandal is about to break officially, with possible indictments, was indicted yesterday, when Assistant District Attorney Benjamin D. Epstein, who was assigned by District Attorney Charles F. Clyne to conduct the inquiry, suddenly cancelled an intended leave of absence. The Federal grand jury, which has heard extended testimony in the matter, was summoned to reconvene tomorrow morning.

The evidence relates to the conduct of the Chicago office between October 15, 1917, and January 24 1918.

It does not concern the present management of the department, which is declared to be highly efficient. Major Walden W. Shaw was recently appointed in charge and Major Paul M. Benedick, who took the post when the Government's ax fell in January, has been promoted to a Washington position as a result of his good work. Edward S. Moore, of Lake Forest, is now Major Shaw's immediate junior in the office.

Inspection Declared Farce.

In charge of the office during the period under investigation was C. I. Hogue of the brokerage firm of Simpson & Hogue. His title was Acting District Manager. He was placed in the position by A. R. Brunker, president of the Liquid Carbonic Company. Mr. Brunker more recently was made chairman of the yards and chemicals division of the War Industries Board. Mr. Brunker asserts that Hogue was appointed with the full consent of his (Brunker's) superiors at Washington and that Hogue had full control over affairs. He says that at the time he took office it was with the understanding that he would devote relatively little of his time to the aircraft work.

Voluminous testimony showing that the supposed aircraft inspection department here was an "opera bouffe" adjunct to "winning the war," partly devoted to protecting wealthy friends and relations of Hogue from Army service and supplying them with shell-proof jobs at lucrative salaries, as well as furthering Hogue's business and social ambitions, is in the hands of the authorities.

Wealthy Families Involved.

These are the high spots in the charges which have been laid at Hogue's door by investigators. These link him with the names of sons of some of the wealthiest families in the West as well as a high local Government official. The accusations are:

Employment of about 30 sons of families of wealth and without training as "aircraft inspectors" at salaries ranging from $150 to $200 a month and the issuance of exemption affidavits which lifted them from class 1, and liable to the draft, to class 3, which is "bomb proof" as "essential civilian employes" necessary to help win the war.

The hiring of John Clabaugh, elderly father of "Hinton G. Clabaugh," chief of Department of Justice agents in the Chicago district under the ficticious name of C. H. Bruce. He was made "assistant librarian" of a library consisting of about 40 volumes, his duties, together of those of the "first librarian," being to dig up data for theses on "ancient and modern history" and "the life of Frederick the Great." Clabaugh was carried on the payroll as "Bruce."

Heavy Riotous Spender.

The establishment of an advisory committee, consisting of class 3 sons of wealth; of an unauthorized "legal committee," the "Chief of Counsel" being a stock broker; of an "intelligence section," headed by Hogue's former tailor, and the hiring of a "super adviser"—a Chicagoan, drawing $10,000 a year, who spent his lunch hour at the place and took $200 a month of Government funds for his work.

The attempted purchase of an automobile with Government funds; the hiring of a day and a night chauffeur under the guise of "inspectors," who drove Hogue about from cabarets to road houses and took friends for airings; the hiring of a University Club doorman as a valet and placing him on the payroll as "an inspector," and the employment of a phrenologist or "character reader," to increase "office efficiency." The padding of payrolls to the extent of more than $8000 a month with alleged "slickers," and a tribe of relatives, extravagance in the expenditure of money for office space and for "inspections" and for railroad transportation, as well as the giving of salary "raises" to Hogue and friends.

New Postoffice Opened.

OREGONIAN NEWS BUREAU, Washington, Aug. 18.—A new postoffice has been established in Klamath County, near Odessa, on the shores of Klamath Lake. The new office has been named Recreation, with Charles H. Harpst as postmaster. Laura I. Littlefield has been appointed postmistress at Skullspring, Malheur County. Richard F. Robinson has been appointed to a similar position at Alsea, Benton County.

Albany Veteran Is Aide.

ALBANY, Or., Aug. 18.—(Special.)—E. F. Sox, of this city, senior vice-commander of the state encampment of the Grand Army of the Republic, has received an appointment as an aide-de-camp on the staff of General Orlando A. Sommers, National commander of the Grand Army. Mr. Sox is a past commander of McPherson Post, No. 5, of this city.

MOVING PICTURE NEWS

TODAY'S FILM FEATURES.

Star—Dorothy Phillips, "A Soul for Sale."
Columbia—Wallace Reid, "It's Tough to Be Married."
Majestic—Theda Bara, "Under the Yoke."
Peoples—Douglas Fairbanks, "Bound in Morocco."
Heilig—D. W. Griffith's "Hearts of the World."
Liberty—Mabel Normand, "Back to the Woods."
Sunset—Douglas Fairbanks, "Manhattan Madness."
Globe—Marguerite Clark, "The Seven Swans."
Circle—Naximova, "Revelation."

Peoples.

Lovers of clean, wholesome and enlivening fun will most assuredly greet with enthusiasm Douglas Fairbanks' latest Artcraft photoplay, "Bound in Morocco." Full of the usual Fairbanks snap and vim, this film easily ranks among "Doug's" most entertaining efforts.

Of story "Bound in Morocco" has little—a subtitle confesses it. But who asks for story brilliancy when Fairbanks, that apostle of acrobatics and the big grin, is performing in his finest vein? The breezy and easy way smiling "Doug" overthrows his fierce, swarthy-skinned opponents in the desert town of El Harib, where he has incurred the anger of the people, throwing them about as if it were child's play, while they charge upon him murderously, is just about as typically Fairbanks, and consequently enjoyable, as it can be.

"Doug" performs with abandon and bounces about like a rubber ball. Just as the bandits corner him on a roof he jumps to the ground. Then, when they think they have him on the ground, he bounces back to the roof. He's all smile and "pep" and the embodiment of a clean-minded and healthy-bodied American chap.

There is a story, even if the Fairbanks stunts, magnificent scenic effects, and the presence of pretty Pauline Curley, makes one overlook it. It concerns the exploits of the boy who rescued the girl from a harem. Incidentally the haremites would attract attention in any "tired business man's" show.

Scenic and news pictorial contribute variety to the bill.

Sunset.

"Manhattan Madness" is one of the best photoplays Douglas Fairbanks made during those reputation-building days when he was with Triangle. It combines Western stuff with Eastern environment, romance, mystery, and then it features the irrepressible "Doug" in the athletic stunts which made him famous.

Jewel Carmen, Portland's most prominent contributor to the list of film stars, is leading man for Fairbanks in "Manhattan Madness." Never has she appeared more beautiful in pictures, but that's about all that attracts attention to her, for its Fairbanks who is the center of interest from the time he leaves the wild and woolly West, invades the East, and brags that there's more action in a minute in Nevada than in a New York year.

This bragging leads to a wager and a frameup. The audience doesn't know it's a frameup until the last, but that's a part of the fun of the five-reeler. The Westerner leaves his college companions and then plunges into a series of mad adventures which take him into a mysterious house where Russians hold a beautiful girl captive. In dire straits he calls upon cowboy friends for assistance, and then, when the frameup is exposed, the man from Nevada turns the joke on his friends by kidnaping the girl.

"Whispering Wires of War" is an unusually interesting picture dealing with the part the telephone and telegraph play in modern warfare.

Liberty.

A touch of romance, a few thrilling incidents and some engaging comedy moments are to be seen in "Back to the Woods," the Mabel Normand comedy-drama at the Liberty Theater. Many will consider this the best picture in which Mabel, of Keystone comedy fame, has appeared since she deserted the custard pie drama for a flier at the more subtle stuff.

A girl who goes into the woods to escape society suitors and a newspaperman who is in the same place to get material for a story, are the leading characters in the story, Herbert Rawlinson handling the man role. He uses the girl for material, she "sics" some lumberjacks on him, and the finale, staged in the city, brings them together in the they-lived-happy-ever-afterwards clinch.

"She Loved Him Plenty", the latest Mack Sennett-Paramount comedy, is another contribution to the programme.

Hamrick in Portland.

John Hamrick, successful Seattle motion picture exhibitor, has been in Portland for a few days arranging for the showing of his production, "The Fall of Barbary Coast," a seven-reeler constructed about the incidents connected with the cleanup of San Francisco by the Rev. Paul Smith. In fact Smith organized a company and made the picture himself.

Mr. Hamrick has the rights to the picture for Seattle and Portland, and has just closed a four-week's run with it at the Rex Theater. Incidentally this ranks third to "The Birth of a Nation" and "Hearts of the World" for continuous showing in Seattle.

Screen Gossip.

Kathleen Clifford, vaudeville's "best-dressed man," who appeared in the Paramount serial, "Who Is Number One?" is making more pictures. Her leading man is Fred Church, who was in Portland with the Julian Eltinge company last year.

* * *

While Mrs. George Walsh, who is Seena Owen, is playing with Charles Ray, George has Anna Q. Nilsson, well-known screen beauty, as his leading woman.

* * *

"Hearts of the World" has played more than 300 performances in New York City. George Siegmann, who plays Von Strom, the German spy, in the picture, has just received a commission in the United States Army.

* * *

Harold Lloyd, the comedian, has started a crusade against film beards. Says Harold: "There are too many ill-fitting whiskers on the screen. We are having every variety inflicted upon us, including the trailing arbutus, the weeping willow, the crimson rambler and the Spanish-moss effect. We must have real beards or none at all."

* * *

The rise to fame of Ruby de Remer, who is playing the leading feminine role in support of Harold Lockwood, is another example of what the ambitious can accomplish. Two years ago Miss de Remer had neither stage nor screen experience. Ambitious to succeed, she worked in pictures during the day and appeared as a principal at the Midnight Frolic at night. Even in her first screen and stage engagements she was featured. When the cast for "The Auction Block" was made up Miss de Remer was selected for the stellar role, so it can be said that she achieved stardom from obscurity in less than two years' time.

SOLDIERS TO HELP

Men Returned From France to Speak in Loan Campaign.

TROPHIES WILL BE SHOWN

Two Special Trains Will Make Tour of State During October and Exhibit War Material Which Has Been Taken by Americans.

Twenty-five returned American soldiers are to be furnished the Twelfth Federal Reserve District by the War Department for the fourth liberty loan campaign, which opens September 28. Of that allotment the services of a sufficient number to cover Oregon thoroughly will be assigned. It was the experience of this state in the third liberty loan drive that the most effective speakers were the men in uniform.

This information has been received by Milton R. Klepper, state manager of the Oregon speakers' bureau, from Allen L. Chickering, chairman of the liberty loan general speakers' committee for the Twelfth Federal Reserve District, who has just returned from a National conference at Washington, D. C.

Trophies to Be Shown.

It already has been announced that Director-General McAdoo will allow the liberty loan committee of this district the use of two of a total of 24 special trains that will be operated throughout the United States during the coming liberty loan drive. Each train will consist of two tourist cars, a baggage car, and probably two flatcars. The flatcars will be used to exhibit trophies captured by United States troops in France. A corps of speakers will travel with the train and in making stops at towns there will be an exhibition of the trophies, accompanied by speeches. If possible, the committee in this state will provide a band for each train.

Arrangements are being made by the local speakers' bureau for a speaking campaign throughout the state that will cover the two weeks preceding the opening of the drive, September 28. The committee is desirous of getting in touch with returned soldiers who now are, or will be, in Oregon during that period. Such soldiers, who will volunteer their services, are requested to communicate at once with Mr. Klepper, liberty loan headquarters, Northwestern Bank building.

County Committees to Aid.

Through the speakers' bureau a plan is being worked out by which local county committees will handle all details of liberty loan rallies and speaking engagements in their respective counties. Under this plan, the state committee will furnish one or more speakers to the county committee for a specific time. The various towns and communities will secure speakers through the county committees rather than through the state headquarters. Mr. Klepper is preparing a list of the best speakers available for active work not only in Portland but throughout the state in the coming campaign.

Reserve Banks Stronger.

WASHINGTON, Aug. 18.—Rapid growth of the strength of the 12 Federal reserve banks within the last year under war conditions was shown by comparison of resources and liabilities reported at the close of business August 16, with similar reports made August 17, 1917.

Total resources in the year more than doubled, amounting to $2,048,442,000 then and to $4,242,384,000 now. This increase was caused principally by the tremendous expansion of the banks' discount business, which may be measured from the reports of only $299,000,000 bills on hand a year ago, as compared with $1,497,000,000 now. Gold reserves in the year jumped from $1,274,000,000 to $1,992,000,000 and this made it possible to expand credit operations many times.

Among the liabilities, members' reserves increased from $1,130,000,000 to $1,464,000,000, and gross deposits from $1,425,000,000 to $2,136,000,000. The amount of Federal reserve notes in circulation nearly quadrupled, being reported as $558,000,000 a year ago and $1,985,000,000 now.

ENLISTED MEN PICNIC

THREE HUNDRED SOLDIERS ENJOY DAY AT ESTACADA.

Knights of Columbus Entertain Boys With Dinner, Dancing and Athletic Programme.

More than 300 enlisted men from Vancouver Barracks were entertained yesterday at a military outing at Estacada Park, under the auspices of the Knights of Columbus war committee. Free transportation to and from the park was provided for the guests.

Upon arrival at the park the excursion party assembled for a picture, after which the enlisted men were grouped for a separate photograph. The women had brought well-filled baskets and at noon the soldiers were "drafted" to partake of a generous lunch. Dancing followed until 3 o'clock, when an athletic programme was held under the direction of William Kyne.

Races and contests of various kinds occupied several hours. Prizes aggregating $25 were awarded and most of these were won by soldiers. At the conclusion of the athletic events dancing was resumed and continued until the return train left at 6 o'clock.

The success of the day was largely due to the efforts of J. Frank Sinnott, who was recently appointed Portland head of all local Knights of Columbus war activity. He was assisted by Patrick Bacon, R. E. Mullen, A. B. Cain and Walter P. Tierney.

Albany Kanning Kitchen Busy.

ALBANY, Or., Aug. 18.—(Special.)—In the first four days that Albany's Canning Kitchen has been open it has prepared 193 quarts of canned fruit and vegetables and 42 glasses of jelly. These supplies are being prepared for use in military cantonments, and the work is under the direction of the women's committee for Linn County of the State Council of Defense.

Ireland's Losses Big.

To equal Ireland's losses in the world war, America would have a death list of 5,500,000, declared Kathleen O'Brennon, representing the Irish Educational Society, in an address last night at the Arion Hall. Miss O'Brennon spoke on the theme, "Democracy for Ireland."

I. W. W. AGREE THAT HEARING WAS FAIR

Haywood Declares That None of Defendants Have Any Complaint to Make.

JUDGE LANDIS IS PRAISED

Leader of Industrial Workers Asserts That All of Convicted Are Still Loyal to Organization. Appeal of Case Is Probable.

CHICAGO, Aug. 18.—(Special.)—There is no complaint by the Industrial Workers of the World that they did not receive absolutely fair treatment in their trial. This was made clear today by William D. (Big Bill) Haywood himself. He expressed himself as satisfied that Judge Landis had given everyone of the 100 defendants a square deal, and said this was the opinion of all the convicted men, without one dissenting voice.

"I have no fault to find with Judge Landis, and none of the rest of us have," said Haywood at the County Jail. "He was fair to us, absolutely square throughout the whole trial. His instructions were fair, I thought, and certainly he treated us excellently while the trial was in progress.

Courtesy Is Appreciated.

"Everything possible that could be done for us during the trial was done. This is shown by Judge Landis letting about 70 of us out of jail on our own recognizance. I am glad that none of us violated the confidence he reposed in us, but that all of us were on hand for the final day.

"I think if the jury had followed the instructions there would have been a different story. I hope the next steps will be taken quickly. If our motion for a new trial is denied, we shall, of course, appeal.

"We are still good I. W. W. all of us. Every one is loyal to the organization. We look upon our conviction as merely an incident in the history of the I. W. W. In reality we regard the organization as only born yesterday, and are sure it will flourish."

Counsel for the convicted men declined to say anything in advance of Judge Landis' determination of the matter of a new trial. They expect the day for the argument of this to be fixed this week. They all agreed that Judge Landis had treated them fairly.

Prisoners in Two Groups.

The prisoners are in two groups at the County Jail. Forty-two of them are in the new section, on the fifth floor. Fifty-eight are in the "old jail," on the first floor. Today not being a visiting day at the jail, no members of the families of the men were permitted to see them. William Chance, their "outside agent" however, brought them about 150 parcels in an automobile. These contained food delicacies mainly. At the time of their conviction, only nine of the defendants were lodged in jail, the rest being out on bonds or under their own recognizance.

JOHN McNARY IN CAPITAL

Salem Attorney Pays Visit to Senator Brother in Washington.

OREGONIAN NEWS BUREAU, Washington, Aug. 18.—Attorney John H. McNary, of Salem, who has been in New York on professional business, has been spending a few days in Washington, visiting his brother, Senator Charles L. McNary. Lieutenant E. H. Rorick, formerly of The Dalles, spent a day visiting with Representative Sinnott here in Washington, while on his way from a Texas aviation field to Mineola, Long Island.

Frank Lonergan, of Portland was in Washington on business during the past week.

JAPAN SHAKEN BY RIOTS

(Continued From First Page.)

sengers had been wounded. Troops were called out and 25 policemen and many rioters were hurt. Five hundred persons were arrested. In outlying towns the people attacked the police with bamboo spears.

The disturbances at Kobe resulted in the burning of a great rice warehouse and several factories and houses and a large number of rice stores.

Cabinet Holds Meeting.

The seriousness of the situation led to a special meeting of the cabinet, which decided to appropriate $5,000,000 for purchasing stores of rice for distribution among the people at a moderate price. The Emperor, moved by the distress, has contributed 3,000,000 yen to the national rice fund. Streetcars are being utilized in Tokio by soldiers who distribute rice in districts where the suffering is reported.

The Express joins in a tribute to the Emperor for his generous contribution, indicating the spirit of the ruler and the wealthier classes, but the newspapers generally blame the government for its tardy remedies. The conservative newspaper Jiji Shimpo especially criticises the government, saying that as a result of its policy the nation finds itself in the throes of insurrection.

Millionaires Give Funds.

Several millionaires have contributed $100,000 each to purchase rice for the poor. The Mitsui and the Iwaski families have each contributed $500,000 to this fund. There is an abundance of rice in the empire, but it is held in storage by farmers and brokers. The government aim is to force the rice market, but it has avoided regulating the price.

BAD WEATHER IS DEFIED

CROWDS GO TO OAKS IN SPITE OF SHOWERS.

Musical Play and Specialty Numbers Please Amusement Seekers; Old Soldiers Are Remembered in Programme.

Love of amusement yesterday proved itself stronger than fear of threatening weather. Thousands sat in the big Auditorium at the Oaks Amusement Park and forgot the weather man and his uncertain promises in the joy attending "Fascinating Flo," a ripping musical comedy produced by the Armstrong Folly Co.

There is such a thing as a satiety of fun. "Fascinating Flo" is almost in that class, if the applause and the laughter which greeted it be taken as a test. Every number went over with a smack and a bang and was called back for more.

The old soldiers have not been forgotten in the bill. There was one musical number—"The Boys of '61"—which brought the audience to its feet in applause. Frank Shaw and chorus do it.

Ed. Armstrong's song, "That's What I'd Like to See," brought much laughter, with its light-hearted raillery at things that are and things that ought to be.

POLICE RAID LOTTERY

REPORTED LIQUOR VIOLATION TO RECEIVE ATTENTION.

Military Authorities to Station Patrols at Pendleton, Astoria and in Other Oregon Cities.

The Oregon State Military Police have signified their intention of assisting the authorities to put a stop to the prevalence of the gambling evil and reported violations of the prohibition law in Portland.

In a raid conducted by Special Agent G. A. Rice and Officer Miller, of the Military Police, Saturday night at 31½ North Sixth street, six arrests were made for visiting a lottery game and one arrest for conducting the lottery. Sunday afternoon the police arrested Anna L. Patterson at 285 East Morrison street, and L. W. Beard and S. Spencer at Second and Oak streets, for violation of the prohibition law. Their bail was fixed at $250.

Under the new authority granted the military police by the Government every member is deputized as a special officer, and may make arrests wherever violations of the law are brought to their attention. Their authority extends within the state of Oregon, and in the near future military police will be stationed at Pendleton, Astoria and in other parts of the state to watch for violators of the prohibition laws.

This action has become necessary, say the authorities, because of the numerous complaints made in regard to soldiers and civilians being plied with drink and then relieved of their money by the booze traffickers.

Numerous cases of soldiers being taken to the police station in an intoxicated condition has been reported to the military authorities, and the military police will deal with violators in a drastic manner.

Albany College Opening Late.

ALBANY, Or., Aug. 18.—(Special.)—Albany College will open its next school year on September 23, instead of on September 16, as originally planned. The opening has been delayed because of the demand for help in harvesting crops of all kinds.

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Value—Not what you put into the clothes, but what you get out of them—Not what you pay, but what you're REPAID—That kind of value means satisfaction.

Kirschbaum Clothes

$20, $25, $30 and up

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Corner Fourth and Alder Streets

ACCOUNTANTS ARE FEW

SERIOUS SHORTAGE OF EXPERTS DUE TO ARMY CALLS.

Attempt to Discourage Draft or Voluntary Enlistment May Be Made as Result of Suggestion to Wilson.

WASHINGTON, Aug. 18.—Expert accountants have become so essential to the war tax collections that the Government is considering steps to prevent their being taken for Army service, and to enroll them in a big reserve similar to that being established for physicians. There are only about 2500 certified public accountants, and 5000 junior accountants in the United States. Internal Revenue Commissioner Roper's programme for collecting $8,000,000,000 of taxes next year calls for employing more than 1000 of these.

At present this number is not available, particularly in view of the Government rate of pay and the fact that nearly every corporation in the country is advertising for accountants. This situation has been accentuated by the draft.

The Treasury has suggested to President Wilson that accountants be recognized as a class essential to the war, like physicians, dentists and chemists, and that they not only be exempt from draft, but that some plan be worked out to discourage their voluntary enlistment, and to recognize their value in civilian service.

COLUMBIA

TODAY AND TUESDAY

WALLACE RIED

in

"It's Tough to Be Married"

A Happy combination of thrills and romance—not a dull moment.

and

"Bill Settles Down"

A Clean knockout in comedy.

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Young Ladies for Permanent Positions.

Pleasant, Light and Clean Work

No Experience Required
Rapid Increase in Wages

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Between 8:30 and 5:30 P. M.

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Kiddies! Meet Uncle Sam

He's 7½ Feet Tall and Every Inch an American

It has pep, punch, wit, and lots. of happy surprises

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