

PRODUCERS ALLEGE \$5,000,000 WASTED

Spruce Administration Is Flayed in Report.

JOHN D. RYAN IS BLAMED

Line Built to Help Milwaukee, in Which Director Is Interested, Say Investigators.

(Continued From First Page.)

tary Baker and the War Department, the report declares:

"The facts here presented speak for themselves and further investigation may disclose conditions upon which a recovery can be had against John D. Ryan and others who are responsible for the wasteful expenditure of public funds."

Majority Report in Full.

The majority report of the house subcommittee on spruce production inquiry, as forwarded to Secretary Baker, is as follows:

"Hon. Newton D. Baker, Secretary of War, Washington, D. C.

"In accordance with my promise to you for a report from this committee in reference to the public sale of properties owned by the government in the states of Washington and Oregon, acquired in the production of spruce during the war, we hereby respectfully report:

"Practically all government spruce production property is advertised for sale September 2, 1919. The estimated salvage on railroads and mills, given at the hearings of the spruce production corporation, is estimated at 10 per cent of actual cost. For illustration: The expenditures for railroad construction undertaken by the spruce production corporation, according to its report, reach \$3,742,100. The salvage is estimated at \$750,000, or less than 9 per cent. The sawmill built by the Siems-Carey-H. S. Kerbaugh corporation cost the government \$2,353,345, and according to the same authority its salvage value is \$239,000, or only 10 per cent of its cost. On this estimate our settlements have been made with foreign governments.

"Those directly responsible for excessive expenditures used to advance large business interests should be held to a strict legal responsibility.

\$20,000,000 Sale Coming.

"A sale of the different mills, railroads and other property, costing approximately \$20,000,000, is advertised in Portland, Or., for September 2, 1919. The recent sale by the war department to the Curtiss Aeroplane company of \$20,000,000 worth of aircraft material for \$1,700,000, or 12 per cent of the cost, suggests the importance of preventing unnecessary loss to the government.

"Evidence before this committee discloses that on the Olympic peninsula near the extreme northwest part of the state of Washington, a large tract of undeveloped timber is located, reaching several billion feet in amount, of which nearly 20 per cent is spruce, a considerable portion of which is suitable for airplanes. This timber is found in about a dozen townships located west of Lake Pleasant, and from 10 to 20 miles distant from the Pacific coast. This timber is also located a like distance from the coast, about 10 miles west of Grays Harbor and 80 miles north of Port Angeles and 80 miles north of Grays Harbor on the Pacific, one of the largest milling centers in the country.

Grays Harbor Railroad Goal.

"Prior to the beginning of the war the Chicago, Milwaukee & St. Paul railroad had been extended from Port Angeles to Deep Creek on the straits, a distance of nearly 10 miles. The Milwaukee had also made surveys further west and south in an effort to reach the undeveloped timber section, and in an attempt to get to Grays Harbor. The Northern Pacific railroad from Grays Harbor also had been reaching northward for this same undeveloped timber section and had reached Moclips on the coast, about 10 miles from Grays Harbor, near the south line of the Quinalt Indian reservation. This reservation was heavily timbered and on a direct line to Lake Pleasant timber. "During the war the Milwaukee railroad asked the railroad administration for permission to extend its line west from Deep Creek toward the Lake Pleasant timber, but was refused as not a necessary war measure. When spruce activities developed for airplanes, the extension of the Milwaukee road from Deep Creek, along the strait to Pysht and thence to the Lake Pleasant timber was urged.

Two Contracts Let.

"The Spruce production corporation, a government concern controlled by Colonel Disque, in May, 1918, granted two contracts to the Siems-Carey-H. S. Kerbaugh corporation of New York. One of \$200,000 per year for spruce flitches at rates and time of delivery fixed in the contract. The second was a cost-plus contract for a line connecting with the Milwaukee to reach Lake Pleasant, location not mentioned. When this extension of about 25 miles length was built, at a cost of over \$15,000 per mile, or over \$4,000,000 in the aggregate, it connected with the Deep Creek line of the Milwaukee near Joyce, 20 miles west of Port Angeles. From thence the road struck south through Lyre canyon to Lake Crescent and thence west to Lake Pleasant.

"Practically no spruce was found on this route until Lake Pleasant was reached, near the coast on the western outskirts of the large timber tract already described. The route adopted made a short cut across the Olympic mountains in the direction of Grays Harbor. The construction of this road presented most difficult engineering problems and several slides have occurred, particularly along the base of the mountains surrounding Lake Crescent, one of which has just been removed.

Northern Pacific Abandons Race.

"A high bridge was also washed out since construction, one of several across the Sol Duc river, showing the general character of the route chosen ostensibly to reach the spruce.

"The situation is further disclosed by a letter from Congressman Johnson of Hoquiam, on Grays Harbor, which was placed in the record, wherein the Northern Pacific railroad was stated to have apparently abandoned the race to the Lake Pleasant timber because it was understood the government had advanced \$5,000,000 to the Milwaukee road to build a line from its Port Angeles branch.

The Siems-Carey-H. S. Kerbaugh Corporation's Line Was Built by 4000 Soldiers Furnished by the Spruce Corporation, Aided by Some Civilians, Working in Eight-Hour Shifts Day and Night, and Was Nearly Completed When the Armistice Was Signed.

"Committee hearings have already disclosed that among about a dozen railroads built by the government spruce officials, this road over the

Olympic mountains, known as road No. 1, or the Lake Crescent route, was built on a cost-plus contract at an exorbitant expense per mile. The cost of \$4,000,000 was exclusive of equipment; but included the construction of bridges, tunnels and cuts and is unprecedented in logging road construction and built ostensibly to connect the Chicago, Milwaukee & St. Paul system with a tract of spruce nearly 40 miles distant. "Hearings show that this new line joins the Milwaukee railway at a point about 18 miles west of Port Angeles on the Deep Creek line, making necessary a 54-mile haul to tidewater for the nearest timber on that line.

"A 14 to 15-mile railway from the same timber to Clallam bay where large logging operations and good logging railroads exist could have been built for from \$300,000 to \$500,000 in 1918 and would have placed logs far more quickly in the mills, prevented a waste of \$3,500,000 for a useless railway, could have been built in less than one-half the time and would have saved \$500,000 in freight charges on the 500,000,000 feet of timber contained in the Siems-Carey-H. S. Kerbaugh spruce contract.

"These facts are beyond controversy.



Louis Botha, Boer general and statesman, who died recently.

and it appears that the line as built was not to carry spruce logs, but as an extension of the Milwaukee railway for commercial purposes.

Deep Creek Route Shorter.

"As stated above, the extension of the Milwaukee road runs near the north coast of the Olympic peninsula to a point on Deep Creek and passes through a fair stand of spruce timber and would reach other holdings within five miles. An extension of this road could have been built at a small cost to the same terminal reached at Pleasant lake. In half the time and on a comparatively easy grade. This Deep Creek line was advocated April 19, 1918, by the chief signal officer, supported by the spruce production division, Colonel Disque, also by the Pacific coast committee of the aircraft board, also by the aircraft board in Washington, which facts have all been set forth in evidence before the committee.

"You, as the secretary of war, also approved the Deep Creek route, April 24, 1918, a few days before the other route was adopted and work started thereon. In a report made by General Frank McIntire of the general staff appears the following quotation from the latter:

"A virgin stand has been located in the northwestern part of the state of Washington, sufficient to meet the necessities of the next two or three years. The nearest railroad is the branch of the Chicago, Milwaukee & St. Paul, running west from Port Angeles. This branch now terminates at Deep Creek. "The question of a railroad to reach this timber has been carefully considered and it is the unanimous opinion of the Pacific coast committee of the aircraft board that the best solution of the question is the extension of the Chicago, Milwaukee & St. Paul railway from Deep Creek to Forks. This extension is included in the plans for the future development of the Milwaukee and the route has already been surveyed.

Route Approved Is Chanced.

"According to the testimony of Colonel Disque, in his report, Major Ray, Disque consulted with the president, general manager and chief engineer of the Milwaukee railroad, together with other parties, and he states that all unanimously changed the route approved by the chief signal officer and the aircraft board, which now makes a direct route through tunnels and over the Olympic mountains that would materially shorten the Milwaukee line to Grays Harbor. Colonel Disque's superior officer was John D. Ryan, director of aircraft. Colonel Disque overruled the secretary of war, Colonel Disque was advanced in rank from an expedition to a general in about one year. "On May 12, 1918, the contract for \$25,000,000 already referred to, was entered into by the spruce officials through an agreement made in the past with Siems-Carey-H. S. Kerbaugh corporation of New York City. This corporation had no previous logging experience, but by a coincidence its general superintendent was Edward Donlin from Missoula, Mont., and liberal profits guaranteed in the contract were approved by John D. Ryan, director of aircraft, who held that position from May to December, 1918, inclusive.

Railroad Contract Let.

"On May 18, 1918, a cost-plus contract for a railroad to get out the \$25,000,000 worth of spruce was entered into by the same officials, also based on an agreement made in the past, whereby a standard-gauge railroad was to be built over the Olympic mountains. This route, as laid out, was practically in a direct line to Grays Harbor.

"This contract provided the road should be constructed in whatever form might prove necessary or desirable. An

(Concluded on Page 6, Column 1.)

At De Honey's Beautiful Academy, 23rd and Washington St., Saturday evening, Sept. 6, and Friday evening, Sept. 5, 8 to 11:30. All dances guaranteed in eight lessons.

Best music, popular prices. Mr. De Honey will give exhibitions in beautiful Spanish and classic dances. Don't miss this. Tell your friends.

NEW CLASSES FOR BEGINNERS

Start Tuesday evening, Sept. 2, Thursday evening, Sept. 4, and Friday evening, Sept. 5, 8 to 11:30. All dances guaranteed in eight lessons.

LADIES \$2.50, GENTLEMEN \$5

Plenty of desirable partners and practice. No embarrassment. Separate step room and extra teachers for backward pupils. My latest book, describing all dances, ballroom etiquette, etc., free for pupils. We have large and select. Whereby a standard-gauge railroad alone is worth double the price. Private lessons all hours. Call afternoon or evening. Learn from professional dancers in the leading school. Phone Main 7556. Tell your friends.

COMMANDER OF BOER 'GUERRILLAS' IS DEAD

Louis Botha, South African Premier, Influenza Victim.

GENERAL'S LIFE IS ACTIVE

Adhesion of Transvaal to British Empire Promised in London After Struggle; Prosperity Ensues.

PRETORIA, Union of South Africa, Aug. 28.—General Louis Botha, premier and minister of agriculture of the Union of South Africa, died suddenly today following an attack of influenza.

Botha, Boer general and statesman, was the son of one of the "Voortrekkers." He was born September 27, 1862, at Greytown (Natal). He saw active service in savage warfare, and in 1897 served as field cornet. Subsequently he settled in the Vryheid district, which he represented in the Volksraad of 1897. In the war of 1899 he served first under Lucas Meyer in northern Natal, but soon rose to higher commands.

Botha Commands Boers.

Botha was in command of the Boers at the battle of Colenso and Spion Kop, and these victories earned him so great a reputation that on the death of F. J. Smuts he was looked upon as the leader of the Boer people, taking a prominent part in politics, advocating always measures which he considered as tending to the maintenance of peace and good order and the re-establishment of prosperity in the Transvaal. After the grant of self-government to the Transvaal in 1907, General Botha was called upon by Lord Selborne to form a government, and in the spring of the same year he took part in the conference of colonial premiers held in London. During his visit to England on this occasion General Botha declared the whole-hearted adhesion of the Transvaal to the British empire, and his intention to work for the welfare of the country regardless of racial differences.

General Active in Politics.

In the period of reconstruction under British rule, General Botha, who was still looked upon as the leader of the Boer people, took a prominent part in politics, advocating always measures which he considered as tending to the maintenance of peace and good order and the re-establishment of prosperity in the Transvaal. After the grant of self-government to the Transvaal in 1907, General Botha was called upon by Lord Selborne to form a government, and in the spring of the same year he took part in the conference of colonial premiers held in London. During his visit to England on this occasion General Botha declared the whole-hearted adhesion of the Transvaal to the British empire, and his intention to work for the welfare of the country regardless of racial differences.

MR. HINES WARNS STRIKERS

(Continued From First Page.)

nation-wide Labor day demonstration planned in behalf of Thomas J. Mooney, convicted of complicity in a bomb plot here.

The railroad strikes which had stopped the wheels of practically every steam train in southern and central California since Tuesday night cleared rapidly today and tonight, except in Los Angeles territory.

Oakland Men Resume Jobs.

The first break came when the Oakland switchmen and yardmen reported for work at midnight last night, enabling the three transcontinental lines terminating there to re-establish full schedules today. With morning the strikers at Port Costa returned to work when the San Jose strikers again assumed their posts a virtually normal service was restored between Santa Barbara and Sacramento and between Kernan and San Francisco.

The freight circumscription remained in effect here, due to the refusal of the trainmen to return, but passenger traffic was said to be practically normal. The trainmen were holding a meeting late today to decide on future action. It was reported that the switchmen had split, one side favoring a continuation of the strike and the other immediate return.

A. F. Whitney, vice-president of the trainmen's brotherhood, and Nelson

Savage, chairman of the brotherhood here, were making strenuous efforts in the north and in San Francisco, respectively to terminate the strike.

Seizure of Lines Urged.

Union striking trainmen here dispatched telegrams to President Wilson and Director-General Walker D. Hines of the railroad administration, urging them to take over the Pacific electric system, radiating out of Los Angeles.

WASHINGTON, Aug. 28.—Director-General Hines tonight served notice on "public officers, railroad officers and employes and citizens generally in California, Arizona and Nevada" that the railroad administration would undertake to restore full service in those states on and after 7 o'clock next Saturday morning and that all striking employes who do not return to work by that time will find their places filled.

"The action, coming after the announcement by the four brotherhood chiefs that the railroad administration in operating the lines if the illegal strike was not terminated, is the most drastic ever taken by the government in a labor controversy.

"The action interferes with or impedes the use of railroad property, Mr. Hines said, would be dealt with for having committed an offense against the United States.

Governors' Aid Solicited.

Mr. Hines, in addition, sent telegrams to the governors of California, Nevada and Arizona and to the mayors of principal cities in those states asking co-operation in "maintaining traffic and in preventing interference with the movement of trains."

LOS ANGELES, Aug. 28.—Representatives of the engineers, conductors and trainmen were in conference here with the general officers of the Southern Pacific, Santa Fe and Salt Lake railroads when the statement of Director-General Hines, issued today, was transmitted to them by the Associated Press. The bulletins containing Mr. Hines' statement were read to the conference, which adjourned at 7 o'clock. At that time the strikers' representatives refused to comment on the statement or to outline their probable action.

L. L. Sanford of the engineers acted as spokesman for the strikers' committee.

"We have been consistently misquoted and our remarks garbled," he said, "and we decline to comment on this matter to any newspaper or the Associated Press or anybody else.

Return of Men Uncertain.

The railroad representative said, however, that the conference had been requested by the brotherhood men and gladly granted; that the brotherhoods had asked whether their members could return without loss of seniority or other rights, and had been assured that they could; and that they had then stated they did not know whether they could bring the men to return at present, but would report to the general membership.

The conference, which was held at the general offices of the Santa Fe railroad in this city, was attended by the assistant general managers of that road, the Southern Pacific and the Salt Lake, and continued for about three hours. The strikers' representatives included four general officers from the brotherhoods and the heads of the three local lodges.

While it was in session a general meeting of all the men from the steam and electric roads here, which had continued from early morning without intermission, adjourned until evening. As a consequence the strikers' representatives were unable to report back immediately, and word of Mr. Hines' latest order was not transmitted to the rank and file.

Men Reported Obdurate.

The all-day meeting was closed to all except strikers and no formal statement was issued from it. Individuals stated, however, that the temper of the men was against returning to work at this time.

SAN FRANCISCO, Aug. 28.—President William Spruille of the Southern Pacific company and divisional director of the railroad administration, announced tonight that he had sent out instructions to all railroad officials in this division, extending as far east as Ogden, Utah, and Albuquerque, N. M., and north as far as Ashland, Or.

LOS ANGELES, CAL., Aug. 28.—The first break in the ranks of the striking trainmen here came late today, when about a dozen engineers and conductors reported for duty at the Santa Fe depot. Santa Fe officials said they had a train made up, ready to move, and lacked only one brakeman of having a full crew for it.

Alleged Thief Is Captured.

SOUTH BEND, Wash., Aug. 28.—(Special.)—John Wheeler, an alleged anarchist, was brought here from Frances Tuesday for having attempted to "frisk" and, pretending to be asleep, waited until he got within reaching distance, when he pounced upon the thief, holding him firmly until the other sleepers came to his assistance. No charge was preferred against him. Read The Oregonian classified ads.

Tricotine Dresses for Fall

Fall dresses are quite the smartest we have ever shown. Tricotine, that beautiful and practical material, is the favorite. Styles have infinite variety—straight lines, Russian blouse, tailored, coat.

\$29.50 \$35 \$37.50 \$39.50

A navy tricotine chemise frock has a clever skirt, with ornamental pockets forming a simulated drape. Another model has an elaborately embroidered front in panel effect, with a ripple peplum in back.



Suits for Early Fall \$45

One attractive semi-tailored model in navy tricotine has a trim collar that may be buttoned closely around the throat. Superior tailoring and a handsome silk lining make this suit quite exceptional at this price.

Fashioned of navy serge, a tailored suit shows bindings of military braid, a tiny edging of white at the front and a heavy satin lining. Excellent value.

Coats for Immediate Wear \$29.50

A practical coat—desirable for school girls—in two models, marine blue and reindeer brown silvertone. One has raglan sleeves, slot-seam back and narrow belt. The other style shows ripple back gathered to a yoke, and unbelted.

Fall Hats at Modest Prices

Have you seen the splendid hats in our millinery section on the third floor? At this time of high prices these attractive hats at such moderate prices will really surprise you.

Fashion's Latest Whims are shown in these clever velvet, beaver and fabric hats. Come and See what attractive hats you can buy for \$5, \$7.50 and \$10

Tailored Net Blouse \$6.95

The net blouse has returned this fall. This model is pin tucked front and back, with high collar, cuffs and pleated front edged with fine val lace. Pretty to wear with the new suit.

Voile Blouses \$1.75 \$2.75 \$3.45

EMPORIUM Z SWETT CO. 124 to 128 SIXTH ST. JUST OFF WASHINGTON

the bunk house of Jim Ellsworth at 3 o'clock Saturday morning. The way he was apprehended is unique. One of the workmen saw him enter the building, and, pretending to be asleep, waited until he got within reaching distance, when he pounced upon the thief, holding him firmly until the other sleepers came to his assistance. No charge was preferred against him. Read The Oregonian classified ads.

Friday and Saturday Sale of Wallpaper

We close all day Monday, Labor Day. Store will be open until 8 Saturday evening to accommodate those who might want to get paper or paint to use on Monday.

Note These Prices for Friday and Saturday:

Duplex Oatmeal 13c Roll; 39c Bolt. This attractive Wall Paper is 30 inches wide and we sell all colors at 13c per single roll or 39c a full bolt of 15 yards. Pretty cut-out borders to match at 5c to 15c yd.

15c Double Roll. Choice of 50 patterns, suitable for kitchen and living room at 15c Double Roll of 16 yards. 20c, 25c, 30c. At these prices per double roll you can get paper suitable for most any room. Two or three dollars does the trick. 45c, 50c Double Roll. A lot of mighty nice patterns in two-tone and grass cloth weaves. The kind you used to pay double for. Take a look and see.

Beautiful Tapestries. For the front room or dining room there is nothing quite as rich as these tapestries. Our price 50c to \$1 double roll. Independent Ceilings. More ceiling at 18c double roll—others in white or cream at 20c, 25c, 30c, 35c, 40c and 50c double roll.

Deadening Felt for house lining, square yard at 6c. Prepared Paste, 2-lb bag 38c 5-lb. bag, ready for use, for 95c.

If You Want Your Rooms Papered We'll Give You a Price on the Job. Smith's Busy Wallpaper House. 108-110 Second Street, Between Washington and Stark, Portland.

BIG POSITIONS AND PAY EVERY GRADUATE OF BEHNKE-WALKER BUSINESS COLLEGE, PORTLAND. Assured a Position ENROLL NOW Day or Night School.

HOTEL STEWART SAN FRANCISCO. Geary Street, just off Union Square. Famous for good service, comfort and excellent cuisine at reasonable prices. Rates from \$1.75 a Day. Breakfast 40c and 75c, Lunch 60c; Sundays 75c. Dinner \$1.25; Sundays \$1.50. Municipal Car line direct to door. Motor bus meets trains and steamers.

DAVENPORT & TREACY \$400.00 A Beauty in Tone. HOVENDEN PIANO CO. 146 Park.

MURAYATA—A Perfect Blend Ceylon—Indian—Java Teas. Closet & Deveru - Portland.

The Meier & Frank Store REQUIRES THE SERVICES OF 150 Salespeople Wrappers and Inspectors

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Permanent positions. Best salaries. Good opportunities for both experienced and inexperienced people. Apply at once. Take elevator to office of Employment Manager, Sixth Floor.



Fall Opening DANCE. At De Honey's Beautiful Academy, 23rd and Washington St., Saturday evening, Sept. 6, and Friday evening, Sept. 5, 8 to 11:30. All dances guaranteed in eight lessons.

Best music, popular prices. Mr. De Honey will give exhibitions in beautiful Spanish and classic dances. Don't miss this. Tell your friends. NEW CLASSES FOR BEGINNERS. Start Tuesday evening, Sept. 2, Thursday evening, Sept. 4, and Friday evening, Sept. 5, 8 to 11:30. All dances guaranteed in eight lessons. LADIES \$2.50, GENTLEMEN \$5. Plenty of desirable partners and practice. No embarrassment. Separate step room and extra teachers for backward pupils. My latest book, describing all dances, ballroom etiquette, etc., free for pupils. We have large and select. Whereby a standard-gauge railroad alone is worth double the price. Private lessons all hours. Call afternoon or evening. Learn from professional dancers in the leading school. Phone Main 7556. Tell your friends.