

SPRUCE PROFITEERING IS FOUND BY DISQUE

General Tells of Effort to Make Big Profits.

VERBAL BATTLES OCCUR

Clashes at Times Take Place Between General and Investigators Who Call Him to Task.

(Continued From First Page.)

output of the entire northwestern industry. That of the total cost of spruce production, \$50,000,000, the United States would foot but little more than \$2,000,000, when all salvage is settled.

General Disque testified that the Yaquina line to the north, paralleling the coast, was 15.6 miles in length, costing \$1,433,333.25.

South Yaquina Line Cheaper. The south Yaquina road, to the Blodgett tract, a distance of 23 miles, cost \$2,056,169.83, or \$89,267.53 a mile, inclusive of terminals.

The Blodgett tract, which was secured by the general, was purchased for \$875,000, and contained 250,000,000 feet of spruce, with a total of 1,000,000,000 feet of timber.

Government Would Run Line. The witness also told the committee that it was never the intention to permit the Siems-Carey-H. S. Kerbaugh company, cost-plus contractors, to operate the spruce line they built on the Olympic peninsula.

Other Buyers Possible, He Says. "There isn't any other buyer in there," asked Representative Magee. "There might be two or three," hazarded the general.

Routine Is Smashed. Routine in the congressional hearing was smashed at the opening of the morning session, when James A. Frear, chairman of the committee, read a statement and a passage-at-arms with Representative Clarence F. Lea, democrat, astounded the audience by announcing that he had requested General Disque further.

Political Influence Discussed. Turning to the charge that political influence is at work, Mr. Frear indignantly and emphatically denied, so far as he and his colleagues, Representative Magee, are concerned.

Chairman Reads Telegram. He read telegram from the members of commerce of Bellingham, Wash., and Seattle, and referred again to newspaper clippings, Bellingham, he pointed out, is the home of the Seattle Chamber of Commerce.

He reminded General Disque that his present salary, as head of G. Amisnek & Co. of New York, is nearly one-half that of the president of the United States, and that the appointment came through John D. Ryan, former aircraft executive and director of the Milwaukee road.

Wholehearted Character Assassination. Here Chairman Frear read a clipping from an afternoon local paper, reporting a meeting of the Portland Ad club, at which Representative Lea, General Disque and Lieutenant-Colonel Stearns were guests.

Allied Air Policy Stated. "While it is true that no American planes save the DeHavillands ever reached the front," said Mr. Lea, "it is equally true that this was a matter of accepted policy between America and her allies.

Wanting to make the mothers of America believe that our boys were needlessly slaughtered," was the accusation that he directed at Representative Frear.

Unfairness to Witnesses Charged. He charged that witnesses for the spruce corporation, while five such had been called, were not given a fair opportunity to tell the truth and the effort was made to prevent them from telling the truth.

Mr. Lea, "depends upon two things, the intelligence and impartiality of the one who conducts it. Rob of these and it becomes a stench in the nostrils of the American people."

"I don't think the mothers of America," continued Mr. Frear, "would care to have this report whitewashed. I understand the mental operation of one (Mr. General Disque) who has been in charge here and who feels that he has done everything right.

Diary Stimulates Memory. Countering the testimony of the previous day, when he had been asked why he did not produce in government custody to bind Siems-Carey-Kerbaugh to construct their own road at their own expense to the Olympic peninsula.

Construction Is Franked. "The fact of my trying to hold out for \$2 or \$3 more for their stumps than any other firm in the northwest," testified the witness.

Relations Is Denied. He added that such was the example by which the spruce production corporation profited, when it declined to build an ordinary logging road to the Pilsaak spruce on the Olympic peninsula, at an estimated cost of \$15,000 a mile.

Receipts Exceed Expense, He Says. To the contrary, testified General Disque, the records of the spruce division show that \$4,648,822, up to August 31, 1918, had been received for the production of airplane spruce and fir.

Output Heavily Increased. Interesting figures were offered by General Disque at the request of Mr. Lea relative to production. Summarized, these were: An increase from 44 to 62 per cent was obtained in the output of spruce at the Vancouver cut-up plant, from March, 1918, to October, 1918, and a corresponding increase of the monthly output of spruce from 1,000,000 to 2,000,000 feet.

Deficit Placed at \$3,850,000. Here Representative Magee drew the witness to the fact that this does not represent the total loss, inasmuch as the three allies, France, England and Italy, must bear their share of the cost of the spruce.

Percentage of Waste Cut. When the spruce division began to function it was found that private operators were not cutting 5 per cent of the aircraft material from spruce logs.

Private Plant Built. Later, when it became apparent that large spruce operations were being conducted in distant districts, the decision to build a government cut-up plant at Toledo was reached.

Mr. Benson Urges Line. He had sent Amos Benson, Portland lumberman, to make an investigation, at the request of Toledo citizens, and Mr. Benson's report had thoroughly discomfited the building committee.

Witness Is Rebuked. "We've extended every courtesy in the world to you," smoothed Representative Magee, keeping his temper. "But you must not make these statements with reference to this committee.

Message Gives Some Practice. General Disque also produced a copy of a telegram sent to H. E. Coffin, chief aircraft production officer, December 11, 1917, by Russell Hawkins.

Reading from a letter sent by Mr. Chinn, representing these Puget sound loggers, General Disque brought forth the proposal, as interpreted by the general, that average production per side would be 40,000 feet of logs a day, or \$40 per side.

Accused Merchant Weds. E. L. Stiff sued on Alienation Charge by Wife's Ex-Husband. ALBANY, Or., Sept. 5.—(Special)—E. L. Stiff, an Albany merchant, and Mrs. Beniah McCauley, who figured in a \$25,000 alienation of affection case now pending in the state circuit court here, were married today.

Profiteering Is Suspected. "They wanted \$270 profit per side per day," said General Disque, "when \$40 is all that any normal man would ask. They couldn't put that kind of stuff over."

Road Boosters Arrive. MR. AND MRS. EGGMAN WORK FOR OCEAN BEACH HIGHWAY. Wahiakum County Declared to Be Cut Off From Outside World and Outlet Is Wanted.

Committee, Not General, Is Boss. Representative Magee and the witness questioned over the mooted question of power to commander mills and equipment for the production of spruce needed by the government.

showed an aggregate of \$15,160,947, in fact, from American factories and the allies. "Instead of being short \$3,000,000," said General Disque, "we actually had a credit of more than \$3,000,000."

General Disque testified that Russell Hawkins of the Whitney Lumber company of Portland was in supervision of spruce operations at Toledo, here, in November, 1917. Mr. Hawkins was the local representative of Major Charles R. Sligh, then in Washington, D. C.

Relative to the charge that H. S. Mitchell, superintendent of the Vancouver plant, was paid \$25,000 a year, General Disque testified that he had a percentage contract which limited his payment to that amount, and that of that sum he personally paid the wages of three assistant superintendents.

By correspondence between Russell Hawkins and Major Sligh, before the war, it was agreed that the government would have supervision over the hardwood activities of the government. General Disque sought to show that Major Sligh was fully cognizant of the need for cut-up plant at Vancouver.

"I am convinced that he has either lost his complete sanity or else he is the most complete liar that God ever created," declared General Disque, when he touched upon the personal character of some of the Sligh charges.

Witness was asked if he had anything to do with Major Sligh's removal. He replied in the negative, saying that such action was taken by Colonel C. A. Sikes, then in command of the cut-up plant. Major Fred W. Leadbetter, who became General Disque's liaison officer in Washington, D. C. The witness was asked if Major Sligh objected to him.

"I think that because Major Leadbetter came into the thing, Sligh got the idea that he was to be removed. I felt that Major Leadbetter was a man I could talk to and who would understand my language, and I felt that the lumber language of the northwest."

General Disque testified that this offer was declined as one indicating profiteering in an extreme sense. Their own selective logging operations, he said, produced 27,000 feet of logs a day, at a cost of \$8.50 a thousand, including all salaries and expenses.

They were members of a party of 21 that left some time ago for Tacoma, Seattle and Yakima, to attend the good roads convention and make a plea for thoroughfare for Wahiakum county.

Completion of what is known as the Ocean Beach highway was advocated at the Wahiakum convention by the Wahiakum delegation, and assurance was given by Governor Hart, Sam Hill and other road enthusiasts that the needs of the county would be looked after immediately. Mr. Eggman is hopeful that before another summer auto parties will be able to leave the county without ferrying across the river.

had cut across the testimony with a pertinent question. General Disque angrily requested him to permit the making of the statement without interruption. The temporary chairman smiled as he rebuked the witness.

Questioning the good faith of certain Puget sound loggers who approached him for a conference with respect to logging in Lincoln county, August 1918, General Disque testified that he had had turned their proposal down.

Several of the witnesses who testified adversely at the Seattle hearing were members of this conference, including W. C. Butler of Everett, Wash.; E. R. Chinn of the Loggers' Information Association of Seattle, and John E. Frost of Seattle.

Reading from a letter sent by Mr. Chinn, representing these Puget sound loggers, General Disque brought forth the proposal, as interpreted by the general, that average production per side would be 40,000 feet of logs a day, or \$40 per side.

Logging other timber, the offer contemplated raising the average cost of logging \$10 a thousand. The letter closed with a direct proposal that the Puget Sound loggers, should they enter the Yaquina district, be paid \$9 a thousand, based on their estimates.

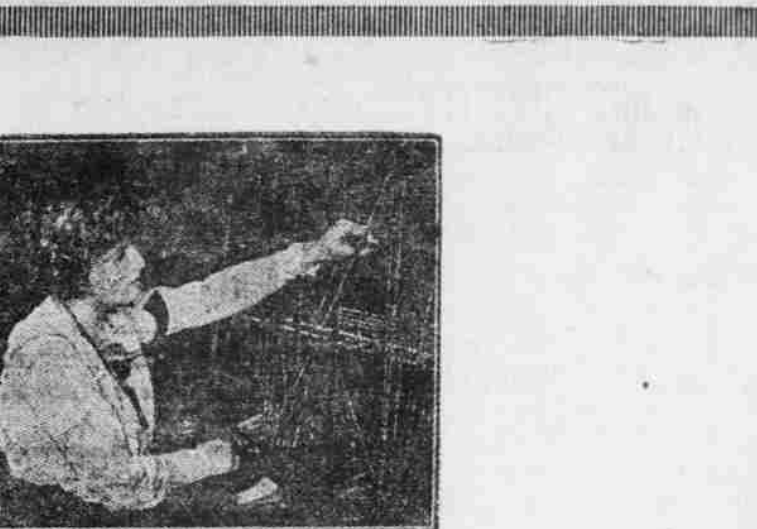
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Memories of the stirring days at the opening of the Civil war, when hundreds of men left home and fireside to join the colors, were recalled vividly in Portland Thursday night when between 600 and 700 of those same "vets" assembled at union station again to join the colors, at the annual reunion in Columbus, O. Two special trains are carrying the soldiers of '61 to the Northern Pacific line to the eastern city for the big convention, which will open September 8 and continue for five days.



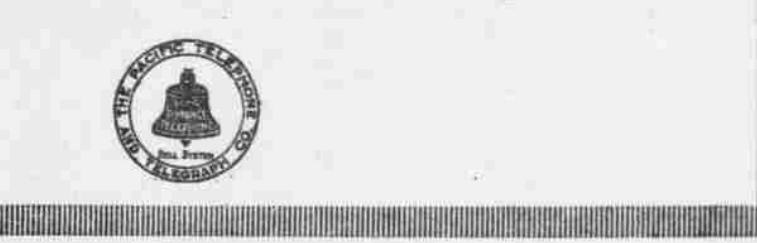
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524 ACCIDENTS REPORTED Record of Week Includes Deaths of Three Oregon Workmen. SALEM, Or., Sept. 5.—(Special)—There were a total of 523 accidents in Oregon during the week ending September 4, according to a report issued by the industrial accident commission today. Of this number 495 were subject to the provisions of the compensation act, nine were from firms and corporations that had rejected the law and 19 were from public utility corporations not subject to the provisions of the act.

There were three fatalities, including Benjamin Cummins of Buxton, A. J. Anderson of Portland and S. L. Gregson of Boring. CHEHALIS JURY DISPOSED. The jury disagreed in the state case against J. G. Washburn, charged with a statutory offense, after being out all night as part of a day. The jury was dismissed. The state case against D. O. Brooks now is on trial in the Lewis county superior court here. County Attorney Herman Allen, his deputy, J. H. Jahne, appear for the state, while Brooks is represented by G. L. Thacker, C. Chalmers and H. H. Innes of Kalama. Judge Reynolds is hearing this case.

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