

LEA, IN MINORITY REPORT, CLAIMS MAJORITY UNJUST

Premature Judgment Charged Against Congressmen Frear and McGee, Republican Members.

GROSSLY MISLEADING, CLAIM

Committee Leaves for Inspection Trip Into Lincoln County Timber Belt.

(Continued From Page One)

Multiplication of critical witnesses brought him to the scene to face his detractors.

LEA'S REPORT.

The report made to the secretary of war by Representative Lea reads as follows:

"Inasmuch as I find myself unable to agree with my esteemed colleagues of the sub-committee on aviation, as to the facts and circumstances concerning the acquisition and proposed sale of the Lake Pleasant railroad and the sawmills constructed by the Spruce Production corporation, I submit my views upon those matters:

"In the first place, permit me to call your attention to some inaccuracies in the letter addressed you by my colleagues. It is stated—'The estimated salvage on railways and mills, given at the hearings, is less than 10 per cent of the actual cost.' From this it is evidently intended that you and the public should infer that this government corporation is about to sell its assets, costing over twenty million dollars, for less than 10 per cent of the cost thereof. There is no foundation in fact, for such an inference.

ESTIMATE NOT RELIABLE.

The estimate referred to was made last February before any inventory was taken, was never claimed to be reliable, and the testimony shows that it is not the basis of the estimated salvage of the sales now in contemplation.

The inaccuracy of the above assertion is apparent when it is understood that the testimony before the committee shows that since the above estimate was made the Spruce corporation has sold 20 per cent of its assets for much over 50 per cent of their value and for more than 10 per cent of the value of the whole assets. In other words, the apprehension of my colleagues that the assets will be sacrificed for 10 per cent of their value is asserted notwithstanding the testimony has informed them that more than that amount of cash in hand has already been received for one-fifth of the whole assets.

Sales of new and used property amounting to \$3,473,013.16 have been made, upon which \$2,753,112.20 has been paid in cash. The balance is to be delivered on contracts of sale. The above includes no railroads or mills.

This estimate referred to was used simply as a standard of settlement with Great Britain on a cash-in-hand basis, regardless of the amount to be there-

THE TEACHERS ARE COMING So Are the Students MAKE ROOM FOR THEM

School opens Tuesday, September 2nd. This means the return to the city of scores of teachers and hundreds of out-of-town students. It means an extraordinary demand for rooms, apartments, housekeeping rooms and rooms with board.

With the present crowded condition of hotels, apartment houses and regular boarding houses this situation presents a splendid opportunity for the private family with a spare room and an extra place at table to make some extra money.

Put that spare room in shape and advertise it in The Journal "want" ads. For a very small cost you will be able to secure a profitable tenant during the school term.

PHONES:
Main 7173 and A-6051

after realized on the sale of such property.

ESTIMATE IS LOW

The president of the corporation, in testifying before the committee, stated: "We furnished that estimate under protest."

"We put the figures low so that we would be on the safe side in making our settlement, so that the United States would not be unnecessarily out of pocket."

"They were purely estimates based on the very meager knowledge of what we might possibly get."

"We expect to salvage much of our property and hope and expect to get at least from \$8,000,000 to \$10,000,000 out of it."

The president of the corporation further stated that the approximate cost of the whole spruce operation would be "close to \$50,000,000" and approximately \$30,000,000 of that is to be paid by the allies, "and then the salvage will probably account for the \$10,000,000 of what is left."

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upon the propriety of selecting the Crescent route for the Pleasant Lake railroad. The testimony shows that General Disque assumed responsibility for this selection, and that he did so after consulting with various parties and after having the route investigated by Mr. Roberts, as a disinterested engineer, connected with the Union Pacific railroad. Neither Mr. Roberts nor General Disque, nor any other person who took part in the selection of the route has yet testified as a witness before the committee.

The witnesses criticizing this route have in almost every case, had financial interests, more or less adverse to the activities of the Spruce Production corporation, and two or more of the severest critics of this railroad have been witnesses who had no personal information of the operations they denounced, and evinced a personal animus that largely deprived their testimony of any probative value.

It is idle to suggest that the Blom-Carey-H. K. Korbach corporation has no previous logging experience. This company had practical, experienced men in charge of the work, and the members of the firm, who had worked on the ground had well known reputations for responsibility and for "making good."

SPITEFULNESS IS SHOWN

The railroad work performed by them on the Lake Pleasant road is unquestionably splendid, and was accomplished in a time commonly believed impossible at the time of its inception. Much criticism directed against this company has evidently been inspired by lack of information and spitefulness, rather than from an understanding of the facts.

Up to the spring of 1918, the spruce production results were disappointing, largely due to the lack of bold, masterful efforts. The inducement of high prices and appeals to all to produce had failed to bring either the quality or quantity of spruce demanded. As indicated by the testimony of President Sussalo of the State University of Washington, and who was then president of the State Council of National Defense, and who had made an exhaustive study of the situation, it was perfectly apparent that some radical change of methods in procuring spruce must be adopted to meet the demands.

MUCH SERVICE FOUND

It seems to be conceded that what is probably the best supply of spruce in the world was located in the west section of the Olympic peninsula, which is flanked by the Lake Pleasant railroad, built by the government. The quality and quantity of the spruce contributory to this road is such that it justified the belief that the spruce production problem for the year 1919 would be solved there by, assuming as the allies did at that time, that the year would continue.

This railroad was constructed with favorable grades and curves, and a substantial road bed and rails, estimated to be capable of transporting more than 1,250,000 feet of logs per day, and requiring between 300 and 400 cars each day.

CONTRACT CANCELLED

The construction of the mill at Port Angeles was to aid the performance of the contract calling for the sawing of a minimum of 250,000,000 feet of fitches to this road is such that it justified the belief that the spruce production problem for the year 1919 would be solved there by, assuming as the allies did at that time, that the year would continue.

The performance of this contract required the cutting up of over 500,000,000 feet of logs at an expense approaching \$25,000,000. The failure of the contractor to deliver the quantity of fitches provided by the agreement subjected him to the cancellation of his contract, and in addition thereof, deprived him of the opportunity to earn an additional profit of 8 per cent for the successful performance.

Each of the above considerations more or less detract from the attractiveness of the Callahan bay route. In fact practically the only argument in favor of the Callahan bay route over the Crescent route is one of economy. The Crescent Lake route to Port Angeles gave rail articulation from forest to rail deep water and harbor facilities, terminal rates and transcontinental rail connections. The Callahan bay proposition offered none of these advantages.

ROUTE CHOSEN WAS BEST.

That a road of the character of the one built could deliver the logs to Port Angeles more rapidly, more certainly and continuously, is practically self-evident. As a mere matter of finance, the war was costing the United States \$40,000,000 a day, and outside of the lives involved, if prompt delivery could terminate the war, two and half hours earlier, it would cost the United States the cost of the 36 miles of railway. The selection of the Callahan bay route would have been rather a make-shift plan than a bold, strategic move, the setting of which a keen consideration of the circumstances demanded.

Outside of the question of finance, where the lives of our American soldiers were involved, it was neither wise or patriotic to split hairs over costs. The nation demanded results, and not parsimony.

SPEED NOT ECONOMY

The plan adopted was a sacrifice of economy for speed and, of course, was necessary and justifiable only as a war emergency.

The fact that John D. Ryan was associated with a company that may be benefited by these transactions is a circumstance giving a degree of color to criticism and complaint. So far as

any information goes, John D. Ryan performed an able and useful service in aircraft matters during the war, and reflections upon his conduct are not justified by strained hypotheses. Only evidence of a compelling character should justify a reflection upon his business judgment, patriotic motives, and such testimony, in my opinion, has not been presented.

It is obvious that the extension of the Milwaukee from Deep creek, as well as the connection of the Lake Pleasant line therewith, would benefit the Milwaukee as a feeder. It is equally obvious that if the government needed this spruce, its purpose to procure it should not have been abandoned because any railroad company or land owners would benefit thereby.

During the war, America built 16,531 planes, 27,375 aeroplanes engines; she bought 5071 planes from the allies which were used in Europe. She furnished a large part of the materials for thousands of planes used by the allies, and thousands of Americans aided in construction work in Great Britain.

The fortunate early termination of the war made much of our expenditures very uncertain. I am also aware that the expenditures here involved, but that is not just condemnation of the preparations that were made, but to the fact that through 1919 and the fruit of these expenditures been realized, probably no patriotic man would have questioned the wisdom, or good morals of these expenditures.

The railroad in question taps a country rich in natural resources; it is built substantially along a route that has a natural outlet to the section involved. It connects with deep water at Port Angeles, and with the only transcontinental road on that side of the peninsula. It is a property of intrinsic worth and will be a permanent value. The Spruce Production corporation is justified in the position it has taken that it will not sell this property for less than a substantial price. In my judgment, if such a price offered, it should be sold. In this connection it is only candid to say that the speed with which the railroad work was done, and many other handicaps, created a construction cost far above normal prices.

If the government cannot secure a reasonable price for the property, I believe it should not sell. In such an event, I believe it should encourage the use of this road by some operating concern for the development of this rich country with the ultimate certainty that the government can procure a substantial portion of the cost.

Believing that President Stearns of the Spruce Production corporation and the board of directors thereof are high-minded men, conscientiously and intelligently devoted to the government's best interest, in my judgment, the government can safely entrust the salvaging of this property to their disposal.

SPRUCES INVESTIGATION TO RESUME TUESDAY

The spruce investigation committee

will resume its hearings in the rooms of the Portland Press club at 10 a. m. Tuesday. General Brice P. Disque is expected to appear at this meeting and testify in behalf of the management of the spruce production division.

The hearing Friday afternoon was given over entirely to the examination of George H. French, a master electrician in the United States army, who served in the intelligence department of the spruce production division at Vancouver barracks.

French declared that speed and volume of output took precedence of quality of material in the production of aircraft stock at the big Vancouver cutup plant. He told of three carloads of larch and hemlock timber being received at the Vancouver plant and manufactured into wing beams for airplanes.

The officers in command at the Veon building and in the cutup plant didn't know what the stuff was, and when I reported the matter I was told that it wasn't larch or hemlock. There was considerable subsiding in the plant over the shoving through of larch and hemlock in place of spruce," French declared, "and finally the stuff was sorted out from among the other stock as far as it could be done, and we

were told that the larch and hemlock had been used for experimental purposes."

Asked if the speeding up process resulted in an inferior quality of airplane stock, French replied, "Yes, decidedly. Frequently the quality was so poor that I was obliged to make strenuous appeals in my reports."

French also told of the establishment of mess funds in the various military units at Vancouver. These funds were placed in the hands of commissioned officers, he said, and a portion of the money was afterward used in giving extensive dinners to a small number of officers and enlisted men. He said that for a time the food was insufficient and that men working at night were each given a lunch consisting of one bologna sausage sandwich, an apple and a cup of coffee.

Men coming off an eight hour shift were put on extra duty without compensation, French declared. Frequently this extra work took so much time that workmen were robbed of their sleep and were unfit for proper service on the succeeding shift.

French's testimony on points involving contracts with various lumber companies is contingent upon reference to records of his reports to superior officers and these reports, he said, were supposed to be on file at San Francisco.

That Boy Of Yours will grow in mind and muscle if you feed him right.

Grape-Nuts for Breakfast!

"There's a Reason"

The Eyes of the Country are on

The HEART OF HUMANITY

THE PICTURE THAT WILL LIVE FOREVER

STAR THEATRE

SELLWOOD—18TH AND SPOKANE

must We Ratify Treaty To Save the World?

At the now famous White House conference with the Committee on Foreign Relations President Wilson emphasized the moral obligation resting upon the Senate to ratify the Peace Treaty as it stands.

THE LITERARY DIGEST of August 30th cites numerous leading newspapers which have taken up this question with ardor. "The first, the imperative duty of this country," says the Jersey City Journal, is to make the Treaty effective and then "to join the other civilized countries of the globe in an honest effort to make peace lasting," and the Philadelphia Inquirer maintains that America "can never return to a sane basis until the Peace Treaty is disposed of and actual peace is brought about."

The opposition view is voiced by the Hartford Courant, which feels that while "benefit all round" should result from the conference the Senators will not be "stamped by the President's plea for urgency."

Senator Lodge hints at delays in his statement that "we all respect and share" the desires of those who want a Peace League, but "some of us see no hope, but rather defeat, for them, in this murky covenant."

Other articles of compelling interest in this number of "The Digest" are:

How the Consumer Boosts Prices

An Illuminating Demonstration That the Buying Public's Demand for Silk Shirts, Jewelry, Musical Instruments, and Other Expensive Luxuries Is At Least Partly Responsible for the Soaring Cost of Living

The High Cost of Strikes

Passing of the War Labor Board

Mexico's Latest Bid for Attention

Mr. Ford and His Six Cent Verdict

Canada's New Liberal Leader

Proposed Dominion of Ireland

Siberian Side-lights on the Omsk Government

A European Coal Famine

The Education of the Semisighted

Dusty Fields

Current Poetry

Steel Extraordinary

Our Inflexible Brains

Blimp Photography

The Actors' Strike

Flight of the Younger British Novelist

German Intellectuals Speak Up

Cardinal Mercier Explains the Pope's Attitude

Why the Jews Are Not Missionaries

Cooperative Religious Instruction

News of Finance and Commerce

Many Interesting Illustrations, Including Cartoons

144 Pages—MOTOR ISSUE—August 30th

In the motor world the advertising news service of The Digest is most complete. Every issue contains the announcements of America's great manufacturers and that of August 30th is particularly rich in its quota of Truck, Tractor, Trailer, and Motor Car advertisements. Many new accessories and conveniences are described and, if you are a truck or motor car owner, you can not afford to miss this issue.

August 30th Number on Sale Today—All News-Dealers—10 Cents

The Literary Digest

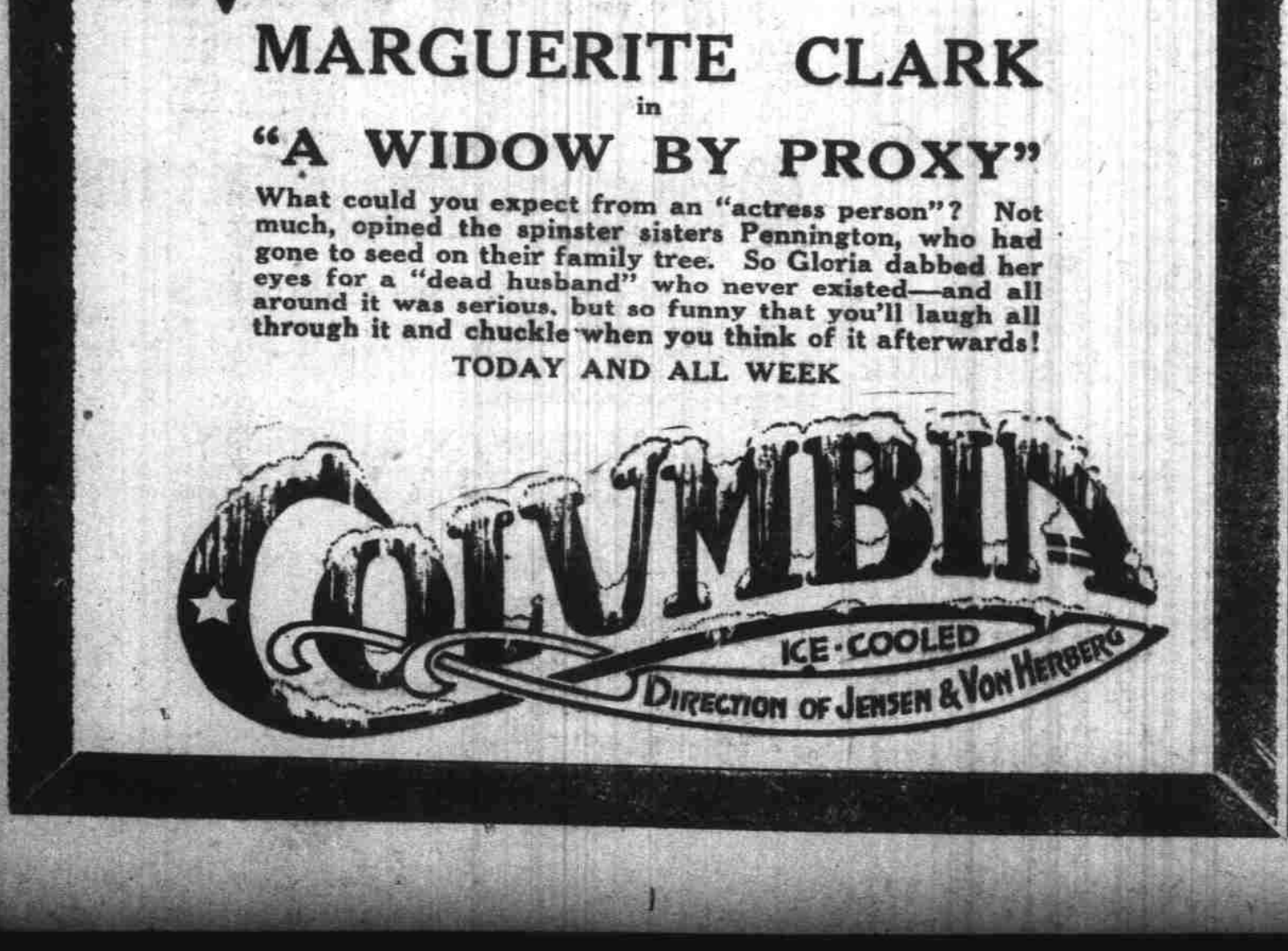
FUNK & WAGNALLS COMPANY (Publishers of the Famous NEW Standard Dictionary), NEW YORK



MARGUERITE CLARK
in
"A WIDOW BY PROXY"

What could you expect from an "actress person"? Not much, opined the spinster sisters Pennington, who had gone to seed on their family tree. So Gloria dabbed her eyes for a "dead husband" who never existed—and all around it was serious, but so funny that you'll laugh all through it and chuckle when you think of it afterwards!

TODAY AND ALL WEEK



COLUMBIA
KE-COOLED
DIRECTION OF JENSEN & VON HERTBERG

NEW SHOW TODAY—FIVE ACTS OF HILARIOUS COMEDY

MURINE Rests, Refreshes, Soothes, Seals—Keep your Eyes Strong and Healthy. If they are Red, Swollen, Itchy or Burn, If Sore, Irritated, Inflamed or Granulated, use Murine often. Safe for Infant or Adult. At all Druggists. Write for Free Eye Book. Murine Eye Remedy Co., Chicago

WM. PFUNDERS OREGON BLOOD MEDICINE

CONTAINS THE VIRTUES OF CASCARA SAGRADA, BERBERIS, SASSAPARILLA, JUNIPER, WITH AROMATICS.

A GOOD SPRING TONIC—LAXATIVE

A NATURAL ALTERNATIVE APPETIZER ENJOYABLY KNOWN AND USED FOR 40 YEARS

Woodard, Clarke & Co.
Portland, Oregon

Must We Ratify Treaty To Save the World?

At the now famous White House conference with the Committee on Foreign Relations President Wilson emphasized the moral obligation resting upon the Senate to ratify the Peace Treaty as it stands.

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