

SEVEN WAR FRAUD INDICTMENTS OUT

Awarding of Contracts for Personal Profit Alleged.

\$1-A-YEAR MEN INVOLVED

Jobs Amounting to Hundreds of Millions Said to Have Been Parceled Among Friends.

WASHINGTON, D. C., Dec. 30.—Benedict Crowell, formerly assistant secretary of war, and six dollar-a-year war-time officials of the war department, were charged today in an indictment returned by special federal grand jury here with conspiracy to defraud the government and with delaying and defeating the administration of law.

The seven defendants were said by the jury to have parceled out lawfully in the award of contracts let by the government during the war and after the armistice involving expenditures totaling hundreds of millions of dollars, which some of their number had a pecuniary interest.

Those named as conspirators with Mr. Crowell were William S. Barrett of New York, engineer and architect, said to have been a member of the firms of Starrett & Van Vleck and Thompson-Starrett and company, Inc., and later associated with George A. Fuller company, general contractors. He was chairman of the war department's committee on emergency construction contracts, connected with the council of national defense.

Boston Man Involved.

Morton C. Tuttle of Boston, Mass., said to be general manager of the Aberthaw Construction company, and formerly a member of the emergency construction committee.

Clemens W. Lundorf of Cleveland, O., said to be vice-president and general manager of the Crowell-Lundorf construction company, and general manager of the Cleveland Construction company. He also was a member of the emergency construction committee.

Clair Foster, reportedly to live in Canada and formerly associated with the Thompson-Starrett and George A. Fuller companies, and also with the emergency construction committee.

John H. Matthews of Baltimore and Chicago, said to have represented a bonding company issuing bonds for contractors and associated during the war with the construction committee.

James A. Mears of Boston and Springfield, Mass., formerly general manager of Fred T. Ley & Co., Inc., general contractor, who was the first contractor for construction of a national army cantonment was awarded. He was secretary to the construction committee of the war department during the war.

The indictment was the first of its kind to be returned as a result of investigations of war fraud cases initiated by Attorney-General Daugherty. Others are expected to follow completion of the presentation of evidence in department of justice agents, which is said to be rapidly approaching the stage required for jury examination.

After identifying the defendants, the indictment recited that the emergency situation brought about by the war and stress under which the government labored, particularly emergency construction programs out of which grew the army cantonments, huge terminals, warehouses and housing.

Each of the seven defendants, the indictment asserted, "conceived the fraudulent scheme and plan of setting control, for their own profit and benefit, and for the gain, future clients and employers and their friends, of the administration of the immense emergency construction program of the United States during the war, including the determination of the policy to be followed, the form of contracts, and the awarding of contracts to the same extent unfavorable to the United States . . ."

It was next charged that the defendants, "each knowing well all the premises aforesaid, did unlawfully and feloniously conspire, combine, confederate and agree together and with each other to defraud the United States by unlawfully and corruptly delaying, impeding, obstructing, preventing, producing, contravening and defeating the administration of its laws and lawful regulations. . ."

Federal Statutes Invoked.

Violation of federal statutes relating to the procurement of services of contractors for the building construction program of the war department was charged in one count. In this reference the indictment said the defendants caused all competitive bidding to be done away with in connection with the administration of substantially all building construction, which involved expenditure of hundreds of millions of dollars and included among other things, 16 national army cantonments, 16 national guard camps, huge port terminals, many warehouses, hospitals, aviation fields, ordnance plants and fortifications, comprising more than \$50 separate contracts.

The defendants, it was charged, administered laws and regulations of the war department contrary to true intent and in a manner not in the best interests of the United States, but in great part for the interests and for the unconscionable gain, profit and benefit primarily of certain favored contractors selected by defendants.

Army Officers Deceived.

The indictment recited the names of numerous army officers who, it said, were deceived, misled and overruled by the defendants, causing great waste of money appropriated by congress and unjustifiable profits to the defendants and their associates.

Officers regularly responsible for the administration of construction work found themselves out of harmony with the plans of the conspirators, the indictment continued, and were replaced by others, as a part of the program of the defendants to "procure control of the determination of the policy and plan to be used in the administration of said construction programs of the United States by and for themselves and the other conspirators."

In this manner, the indictment continued, the conspirators were "thus to be in a position to delay, impede, obstruct, contravene, produce and defeat, and were to procure and cause to be delayed, impeded,

BATTERED LINES HEAD BACK TO SEA

Storm One of Worst in History, Say Mariners.

HUGE WAVES BATTLED

Steward on One Craft Falls Three Times While Attempting to Carry Soup to Captain.

BY JACK HAYES. (Copyright, 1922, by The Oregonian.) NEW YORK, Dec. 30.—(Special.)—With twisted stanchions straightened and smashed bulkheads repaired, some of the ocean liners that crawled into port this week, days late and caked with salt and ice, reported that they have swept the Atlantic in 20 days, went out again today to defy King Neptune and all his works.

It is relating the commonplace of ocean peril to say that the incoming liners reported waves 100

CAUTION Wrappers of the New Year's Edition of The Morning Oregonian issued MONDAY, JAN. 1, will bear this label:



Price will be 5 cents a copy; postage, 5 cents in the United States and possessions. All other foreign postage will be 12 cents.

feet high, that the hurricane blew at 100 miles an hour, that one woman's hair turned gray during the trip, that captains spent days on the bridge without more than a few minutes' sleep. When these big general statements are made there are still the little human things to record, the things which throw into relief the immensity of the danger through which the vessels passed and incidentally the height of courage which those dangers evoked.

Steward Takes Tumble.

There was, for example, the little matter of Captain Henri Boisbon's fall of soup. One of the French liners started for the bridge three times with a plate of hot broth intended to refresh the ship's commander after some 48 hours on watch without sleep or change of clothing. On his first trip the steward was half-way up a stair when La Savoie put her nose into a wave and the soup and the steward 20 feet down a corridor.

Upon a second attempt the steward took a short cut, which led him over the side at a moment. La Savoie chose that moment to roll. She rolled until her funnels were almost parallel with the sea, till every-thing fastened down to keep up an appalling clatter to deck floor. The appalling clatter toward the rail, a flip of a comb washed him back toward the bridge ladder, which he clutched, and when, half drowned, he opened his eyes, the pall of soup had vanished. His third attempt was made during the arrival of the sea which lifted the salon piano from its fastenings, bore it almost to the top of the deck, and threw it against the stanchion.

The orchestra played jazz and such of the passengers as were able to leave their rooms smiled bravely at the symphony, trying to forget that they were "battered down" and virtually imprisoned in a boat which seemed likely to turn over any moment. When the piano banged across the salon, however, many men and women were seated, purses flung and a laugh.

Inward Quaking Admitted.

He admits that he quakes inwardly, for a 10,000-pound piano is not a safe thing to have sliding around a heaving room, but the laugh and the few jesting words quieted what might have become a panic.

The chefs on the battered liner, by the way, will tell you that the captain's job was a sincere one compared with their own. But naturally no commands were not obliged to dodge hot dishes and heating kettles full of boiling water, nor the red-hot angle of a stove when the ship threw everything heater skelter. Nor was it necessary for the captain to pursue a griddle or a kitchen spoon half the length of the ship every time the vessel turned itself inside out. The truly difficult job, as every steward is willing to admit is trying to carry a cup of coffee to a passenger at a table at the far end of a dining room afflicted with St. Vitus' dance. One and all, however, were smiling and urbane as they started back today unperturbed.

It cannot be worse," they say.

GROcer HELD FOR ARSON Arrest Follows Burning of Store and Alleged Kidnaping.

SEATTLE, Wash., Dec. 30.—Charges of second degree arson were filed today against George C. Clements, grocer, who yesterday told police he had been kidnaped, robbed, beaten and branded by unidentified assailants. He was removed from the city hospital to the city jail in default of \$200 bail.

Thursday afternoon Clements reported that unidentified enemies, who he said had pursued him for months, had set fire to his grocery

200 AT DANCING PARTY

FUTURE BELLES AND BEAUX OF PORTLAND PARTICIPATE.

FARM ITEMS CURTAILED

CLACKRAMAS MOVES TO CUT OFFICIALS' SALARIES.

Budget Meeting Favors Tax Increase to Legal Limit for Highway Construction.

OREGON CITY, Dec. 30.—(Special.)—Practically every farm item on the 1923 budget was curtailed today at the annual budget meeting, attended by 700 persons. The majority were farmers, who desired to cut the tax levied on reductions totaling \$275,000 were made during the stormy discussion, which terminated with the adoption of a motion to increase the entire budget to the legal limit of 6 per cent and apply the additional revenue in road construction.

The items cut from the list were the county assessor's assistant clerk's salary, \$1,750, and state and county fair, \$1,000. The salary of the health officer was cut from \$200 to \$100, but \$100 was allowed for his expenses. One clerk was cut from the tax department, with a salary of \$102.90 and the overtime allowance of \$600 was cut. The salary of the chief deputy in the recorder's office was cut from \$1,200 to \$1,000.

The total levy for the county will amount to about \$500,000. The \$20,000 increase voted will be applied only on roads. When the budget was drafted, no increase was provided for the budget meeting, but it was requested to vote the 6 per cent and apply it to reduce outstanding indebtedness. The placing of the budget at the next session, a bill cutting the salary of all county officials from 15 to 20 per cent in this order of the county board, introduced by E. E. Castro, was in effect, that the value of farm products had depreciated 75 per cent and wages had dropped 30 per cent.

RESOLUTION DEMANDING THAT CLACKRAMAS COUNTY LEGISLATORS INTRODUCE AT THE NEXT SESSION A BILL CUTTING THE SALARY OF ALL COUNTY OFFICIALS FROM 15 TO 20 PER CENT IN THIS ORDER OF THE COUNTY BOARD, INTRODUCED BY E. E. CASTRO, WAS IN EFFECT, THAT THE VALUE OF FARM PRODUCTS HAD DEPRECIATED 75 PER CENT AND WAGES HAD DROPPED 30 PER CENT.

BUREAU CHIEF RETAINED Linn County Farm Organization Re-elects President.

ALBANY, Or., Dec. 30.—(Special.)—Clarence H. Brown of Sheild was re-elected president of the Linn county farm bureau for the coming year at the annual meeting held here today. Other officers named were: W. E. Daugherty of Lebanon, vice-president, and T. J. Jackson of Harriburg, L. E. Gilkey of Selma and E. Arnold of Lebanon, executive committee.

A secretary-treasurer will be appointed at the first meeting of the executive committee. The business transacted included the reduction of annual membership dues from \$10 to \$5; approval of better and more strict enforcement of the Canada thistle law and adoption of a compulsory tuberculosis testing law for Linn county. A committee will call on the next session of the state legislature to submit a new thistle and tuberculosis testing law.

BRIDGE FUND IS UPHELD Douglas Court Within Rights, Says Attorney-General.

ROSEBURG, Or., Dec. 30.—(Special.)—The Douglas county court was held in its rights when it included in the budget the item of \$10,000 for construction and maintenance of bridges, in addition to the regular road and bridge fund, according to an opinion received today from Attorney-General Van Winkle. The Douglas county taxpayers' league challenged the authority of the county court to make separate levies for the road fund and for the county bridge fund.

The attorney-general, in his opinion, held that the various road laws governing these matters are cumulative in effect and that the county court clearly has the right to include the various items for which money is to be expended.

FINE PAID BY WINBURN Ashland Man of Recent Political Fame Decides to Settle.

ASHLAND, Or., Dec. 30.—(Special.)—Jesse Winburn, who skyrocketed into fame during the political campaign, today paid a fine of \$200 levied in the justice court on a charge of violating a city ordinance prohibiting picnicking in the Ashland watershed.

The fine was assessed about two months ago, at which time Mr. Winburn announced he would appeal the decision of the lower court. Charges against Frank Farrell, Medford attorney, now acting as attorney of the peace, and R. M. Potter, a local taxi man, were ordered dismissed by William M. Briggs, city attorney.

STUDENTS ARE FETED Creswell Scholars Hear of Advantages of College.

CRESWELL, Or., Dec. 30.—(Special.)—The Oregon Agricultural college contingent here for the holidays, together with resident alumni

Transfer Cases at Attractive Prices

Norman Brothers are tailors to men who seek correctness as well as distinction in formal and semi-formal evening wear.

May the new year bring a full measure of happiness and prosperity to all.

103-108 Mezzanine Floor, Northwestern Bank Building

391 STARK ST. AT TENTH

Advertisement for Victrolas, featuring the "His Master's Voice" logo and text: "To all new owners of Victrolas—Congratulations, and an invitation!"

Advertisement for Sherman Gray & Co. featuring the text: "And now that the whole world of music is yours, with every dance floor, concert stage and opera house opening directly into your home, remember that the only limit to your enjoyment is the limit to your records." It also includes the address: "Sixth and Morrison Streets, PORTLAND, OREGON" and other cities served: "SEASIDE - TACOMA - SPOKANE".

Advertisement for IRWIN-HODSDON Furniture Dept., featuring the text: "Transfer Cases at Attractive Prices" and "Norman Brothers are tailors to men who seek correctness as well as distinction in formal and semi-formal evening wear." It also includes the address: "103-108 Mezzanine Floor, Northwestern Bank Building" and "391 STARK ST. AT TENTH".

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