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Kerans panel to investigate Gillis

SALEM (AP) — House Speaker Grattan Kerans said Sunday he will appoint a special House committee to look into charges that newly elected Rep. Pat Gillis of Portland violated election laws.

Kerans said he will head the committee and that he will appoint only members to it who are retiring from the House. Kerans gave up his House seat in his unsuccessful bid for state treasurer in Tuesday's general election.

When the Legislature convenes Jan. 14, the House could refuse to seat Gillis if it decided he was unfit to serve.

The state Democratic Party has filed a complaint with the secretary of state's office over Gillis' use of a campaign endorsement letter purportedly written by an officer of the American Association of Retired Persons.

Gillis, a Republican, defeated two-term Democratic Rep. Annette Farmer.

The letter supposedly signed by James Ferguson, Oregon AARP legislative chairman, endorsed Gillis.

Ferguson has denied writing the letter and said the AARP doesn't make political endorsements. Gillis has said he thought Ferguson had given his permission for the letter in a telehone conversation.

Kerans, a Eugene Democrat, said he has a duty while he's still speaker to "make sure that the integrity of this chamber is not violated by half-truths, inn u e n d o s a n d f a l s e accusations."

Kerans said the special committee will meet the first week of December. Findings will be submitted to the new speaker.

PSU president faces evaluation

PORTLAND (AP) — The chief executive of Portland State University will be the subject of a long-scheduled evaluation later this month, amid criticism by two professors who want him ousted for lack of leadership.

PSU Pres. Joseph Blumel, 56, will be evaluated formally Nov. 27-29 when his boss, state higher education Chancellor William "Bud" Davis, visits the campus in downtown Portland.

Meanwhile, the campus branch of the American Association of University Professors is preparing to survey faculty about Blumel in conjunction with the visit. The AAUP chapter has remained apart from the dissident professors' efforts.

Ben Padrow, a speech professor, and Sumner Sharpe, professor of urban studies and planning, have been critical of Blumel's leadership. They say campus dissatisfaction is high because of a lack of leadership and a clear agenda for the school.

"I have never seen faculty morale as low as it is," said Padrow, who has been with the university since 1955.

Blumel has said he does not want to comment on the professors' criticisms before the evaluation.

He acknowledged, however, that there was dissatisfaction on campus resulting from budget cuts made in 1983, when the university became the first and only institution in the State System of Higher Education to declare financial exigency, a state of financial emergency that permitted it to lay off tenured faculty members without one year's notice.

Padrow and Sharpe said dissatisfaction could not be blamed solely on budget cuts. They questioned whether the layoffs and program eliminations could have been avoided if Blumel had acted forcefully earlier.

Padrow said neither the University of Oregon nor Oregon State University declared financial exigency during similar budget crises, but made other arrangements to absorb budget cuts.

The two professors also criticized Blumel for failing to build relationships with the outside community that would further the interests of the university.

Blumel is in his 10th year as president. When Oregon State University Pres. Robert Mac-Vicar retires at year's end, Blumel will be the state's senior university president.

Timber bill late for some firms

PORTLAND (AP) — Eighteen timber companies in Oregon and Washington are so troubled financially that even the timber-contract relief bill signed by President Ronald Reagan probably won't enable them to survive, a spokesman for a trade group says.

The companies may be forced into bankruptcy or may be forced to quit operating voluntarily, said Michael Sullivan, vice president of the Portland-based Industrial Forestry Association.

"We counted 100 companies in the two states that absolutely needed the bill, but we think 18 won't survive even with it," Sullivan said.

He declined to identify the companies, but said they are in addition to those that already have gone out of business.

The legislation, signed last month, allows companies to buy their way out of expensive federal timber contracts, signed in the late 1970s and early 1980s, by paying a portion of what they owe without harvesting the wood.

Lumber prices have fallen below what many companies projected when they signed the contracts, and timber industry officials say they can't afford to pay the government the prices to which they agreed.

Many contract defaults already have occurred, and more are predicted by government and industry officials. About 400 million board feet of Douglas fir, hemlock, pine and other timber in the region has been returned to the government unharvested.

The U.S. Forest Service tallied about 240 contracts, valued at more than \$85 million, that were defaulted in the two years ending Sept. 30. If the timber covered by those contracts is sold again to another company at a lower price, the initial buyer is assessed damages to compensate the government for the loss.

Some companies remain in

trouble despite improvements in price and despite a rise in the government's timber receipts since the depths of the woodproducts industry's recession in 1982.

In the past decade, the volume of timber under contract to companies but still unharvested has increased sharply — from 10.3 billion feet at the end of fiscal 1974 to 18.3 billion 10 years later, Forest Service figures show.

The Eugene-based Willamette National Forest has \$20.3 million in defaults, or almost one-fourth of the region's total. The greatest problem is with eight sales bought for \$12.3 million by TOMCO (Try Once More Co.), a Sweet Home veneer producer that went out of business in 1982.





