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## HOLMAN IN BAD SPOT; MAY TRY TO BACK PEDAL

### Avows all is Rosy Between Himself and Governor; Break Inevitable

### Silence on Chancellorship Hurting Colleges and Helping Merger

By SHELDON F. SACKETT There is much heat and humidity in state capitol politics and it will be odd if more thunder and lightning are not seen during the forthcoming week. The Holman-Einzig affair, while only a bit of stage play and comic opera to many onlookers, is in reality the beginning of the end of all signs of harmony between Governor Meier and his Bull Frog appointee, the state treasurer.

The governor, beyond showing his irritation towards Holman in a short interview in Portland on Friday, has not spoken his mind on the matter. It is known that his loyalty is all with Einzig whom he considers capable and efficient and his animus has been heightened to his state treasurer whom he considers meddlesome and a trouble-maker.

As quickly as Holman who threw down the gauntlet by demanding Einzig's resignation, saw how irked the chief executive was and saw how facts about Holman's own department might be waved aloft, he rushed into print with a statement that all was well between Governor Meier and himself and that "charges of a rift were ridiculous." But no amount of back-pedaling can prevent the clash between the two men. Within the week the public may expect that there will be thunder bolts of criticism hurled at his political activities in state purchasing, at his housing of friends in state institutions and other activities the state treasurer does not like to have published while he is a candidate for election.

Holman May Want To Let Go of Bear It is thought Holman would be willing to let the Einzig charges ride rather than come to an open break with Governor Meier and face the consequences of such a break in his November appearance before the voters. Even if Holman does bring charges against Einzig out into board of control meeting, he has no assurance that Hal E. Hoss will stand with him. Friends of Hoss advise that the secretary of state will take a neutral position and do nothing either to help Holman or help the governor.

The probable outcome of the entire Holman-Einzig matter will be this: Einzig will retain his job through the power held in Meier's hand; Holman and the governor will come to an open break; the state treasurer must face the electorate on his own support of the implied or actual support of the leader of the independents and the financier of political campaigns; and more-over the state treasurer who has established an official "snooper" system at the capitol and in the tables turned and the public informed in full about many of his state activities.

State Senate Gavel Job Gets Attention While the Holman-Einzig act commands the stage, it is behind the scenes that the articles rehearsing for the sake of choosing a state senate president for 1933. Joe Dunne has been down during the week to talk matters over with Henry Hansen and so has Willard Marks, president of the senate. Marks thus far has not announced his decision on the job proffered him as referee in bankruptcy for a Willamette valley district. Marks was about ready to accept the job and to resign to become the majority of the members favor turning down an outside candidate for the chancellorship and choosing Dr. W. J. Kerr of Corvallis. Such dominant board members as Mrs. Corneilla Marvin Pierce and E. C. Sammons, however, say Kerr as chancellor is simply unthinkable and if he is chosen, they will resign. The ever-cautious, political C. L. Starr who heads the board, is between the devil and the deep sea; he doesn't want his board to break up on him and yet he knows the situation of opening the schools at Corvallis and En-

## Argue Whether Roosevelt Has Right To Judge Walker's Fitness for Job



Here are the three chief figures in the latest angle on the Walker hearing before Governor Roosevelt. At left is John J. Curtin, the mayor's counsel, who argued in favor of Walker's application for a court order, restraining Governor Roosevelt from judging the mayor's fitness for office, asserting that the governor lacks the constitutional power and hinting that an order for Walker's removal might result in "physical conflict." Top right is Supreme Court Justice Ellis J. Staley, who heard the arguments and reserved decision. Lower right is Henry Epstein, of the state attorney-general's staff, who opposed Curtin and defended Roosevelt's power to act.

## MARKETS AGAIN GO ON BULL RAMPAGE

### Cotton and Wheat Advance And Some Stocks Reach New Highs for Year

NEW YORK, Aug. 27.—(AP)—Still another bull rampage in the market places today boosted prices several notches higher, many to the best of the summer recovery, and some to new highs for 1932.

Cotton took the lead, surging up almost \$2 a bale in one of the most feverish buying movements in a Saturday session in the New York cotton exchange in years. Final prices were \$2.40 to \$2.80 a bale higher, and \$20 a bale or more above the low levels of June. Prices reached the best levels in more than 12 months.

Wheat, after lagging Friday shot up about 2 cents a bushel in Chicago. The weekend upturn, on top of sharp advances Thursday, carried prices back to the best levels in a fortnight, with September delivery closing at 53 7/8 cents.

Several issues on the stock and curb exchanges made new highs for 1932. Several issues registered net gains of \$1 to \$4 or more a share, particularly public utilities, although weekend profit cancellations had earlier advanced in industrial and railroads. The sharp reaction of the last three days in the bond market was checked. Trading dwindled to the smallest proportions since June. Several railroads and others rallied moderately.

## Sennimore Dies Of Truck Injury

SILVERTON, Ore., Aug. 27.—(AP)—Francis Sennimore died at a hospital here today from injuries suffered Tuesday when he was struck by a truck.

The accident occurred near Mt. Angel as Sennimore was walking along the highway.

REOPENING IS DENIED GRANTS PASS, Ore., Aug. 27.—(AP)—Milton Wiley was sentenced today to serve a life term in prison. He was convicted of slaying John Simeon, 58, resident of the Circuit Judge H. D. Norton pronounced sentence.

NEWS FILES AFFIDAVIT MEDFORD, Ore., Aug. 27.—(AP)—Affidavits of prejudice against Circuit Judge H. D. Norton were filed today by the Medford News Publishing Co., L. A. Banks, editor; F. A. Bates, aged Gold Hill miner; and Mrs. Margaret Land, Gold Hill, all defendants in libel suits instituted against them by Hal James, Ted Dole, Guy Bates and Bob McManis, mine claim workers. Dam-

## BONUSEER CLAIMS STIR UP VETERANS

### Payment is Favored After Davison Says "Army" Mostly Radicals

NEW YORK, Aug. 27.—(AP)—An assertion by F. Trubee Davison, assistant secretary of war, that many of the discharge papers carried by members of the Washington bonus army had been forged by a communist press, disrupted the state convention of the American Legion temporarily today.

In a mixture of boos, hisses, cheers and applause, the delegates made so much noise that Davison was unable to continue for several minutes. He also was interrupted frequently during the remainder of the speech. State Commander Moses G. Hubbard pleaded for "fair play" and threatened several times to call in police to keep order. The assistant secretary of war, who is also a candidate for the republican nomination for governor of New York, was applauded as he finished.

The state organization finally voted, 499 to 138, in favor of immediate payments of the bonus. Davison told the Legionaires that President Hoover averted a serious disturbance by sending army troops to disperse the stragglers of the bonus expeditionary forces.

"If Mr. Hoover's capacity for quick decision had not provided troops, the loss of life, suffering and destruction of property would have been appalling," he said.

## 22 Arrested on Liquor Charges

KLAMATH FALLS, Ore., Aug. 27.—(AP)—Thirteen alleged liquor operators were arrested here today by state and federal prohibition officers. Nine others were taken last night and early this morning in a general cleanup campaign. All are charged with sale.

Stayer Wiley Gets Life Bohemia Gold is Sought Roundup Season Started Norton Held Prejudiced

aggregating \$200,000 are sought. In motions accompanying the affidavits a request is filed that the state supreme court appoint an outside judge to hear the cases.

MEN EARNING WAGES COTTAGE GROVE, Ore., Aug. 27.—(AP)—Reports reaching here today from the Bohemia mining district, 25 miles east of here, were to the effect that a large number of prospectors are seeking gold on the Martin, Champion and City creeks. Reports were that no large stakes are being made, but that some of the men are earning wages.

## ROLE OF PROHIBITION ISSUE DEPENDS UPON ANSWERS

### Republicans are Expected To Reply to Bourbon Leader's Attack

### President Watching Parley On Business, foe Busy With Walker Case

By EDWARD J. DUFFY WASHINGTON, Aug. 27.—(AP)—How decisive a role will be accorded the prohibition dispute in the presidential campaign depends in a measure on the way the Hoover-Curtis workers come back from Franklin D. Roosevelt's speech today in New Jersey.

While President Hoover has held himself aloof from the warring political arguments, various of the republican mainstays have been anything but backward with challenge and retort to the assaults of the democratic nominee.

In the last weeks Secretaries Ogden Mills and Patrick J. Hurley have borne the oratorical brunt for the administration; but whether other such rejoinders as were made to the Roosevelt speech in Ohio will be made to the latest remains to be seen.

The president will be closely following the business rehabilitation plans projected at the non-partisan meeting sponsored by him here this week.

Roosevelt Proceeds With Walker Case In Albany, the governor will go ahead with the hearings in the Mayor Walker case.

Today immense gathering at Seagrave signaled the rapprochement between the New York governor and Mayor Frank Hague, of Jersey City. Early in the week Senator David I. Walsh of Massachusetts had put himself at the disposal of the Roosevelt administration, yet no indication that Alfred E. Smith, whom both Hague and Walsh supported for the nomination, will actively campaign for the party ticket.

On the republican side, leaders are awaiting the return from the Philip of Governor Theodore Roosevelt, Jr., for the part he will take in the campaign against his distant relative. The republicans have been at some pains to dispel misconceptions as to the relationship between Franklin Roosevelt and the famous "Teddy."

## ELLIS, PIONEER OF OREGON, IS CALLED

PORTLAND, Aug. 27.—(AP)—J. D. Ellis, 76, believed to have been a cousin of George Washington, died here today at the home of his son, J. D. Ellis, Jr. He had been ill for several days.

Mr. Ellis, observing that George Washington was a dollar bill lying on the pavement. He picked it up, of course, but instead of hurrying away for fear the loser might claim, the boy rode on up the street to two pedestrians, to see if they were the owners. They were the only persons in sight who might have lost it.

## HAWLEYS RETURN FROM WASHINGTON

Congressman and Mrs. W. C. Hawley arrived home from Washington last week and reopened their Oak street home. They will pass the remainder of the summer in Salem, and the autumn until time to return to Washington for the short term of congress which will round out a quarter century of service in the lower house.

Mr. Hawley has been invited by the republican national committee to fill some speaking engagements during the campaign and has agreed to do so. He has received no definite dates yet. During the recess he will visit some points in the district where local problems require attention.

While Mr. Hawley will rest from the strenuous labor of a congressional session he will meet his constituents in his downtown office in the R. C. Glover suite in the Oregon building. His hours will be from ten in the morning until mid-afternoon.

## Ma Ferguson Moves Ahead Of Sterling

DALLAS, Tex., Aug. 27.—(AP)—Mrs. Miriam A. Ferguson swept into a narrow lead over Gov. R. S. Sterling in the race for the democratic gubernatorial nomination last night.

Returns from 233 of 254 counties, 105 complete, gave Ferguson 423,356; Sterling 418,574. Mrs. Ferguson assumed the lead as a result of returns from South and East Texas. It was the first tabulation of the night to place her to the fore of Governor Sterling, who sought a second term as chief executive of Texas.

Meanwhile, leading candidates for three congress-at-large places maintained their positions. Late returns gave the following: For place No. 3—George B. Terrill of Alto, 383,584; Pink Parrish of Lubbock 314,751.

For place No. 2—Joseph Weldon Bailey of Dallas, 425,460; J. H. "Cyclone" Davis of Sulphur Springs, 400,559.

For place No. 1—Sterling P. Strong of Dallas, 390,382; Joe Burkett of San Antonio, 322,638.

## EINZIG ASKED TO ANSWER CHARGES

### Detailed Statement Sought By Governor on Three Holman Claims

William A. Einzig, state purchasing agent, Saturday received a letter from Governor Meier asking him to prepare a statement giving his version of the recent controversy with Rufus C. Holman, state treasurer.

Holman, in a letter sent to Governor Meier, demanded the removal of Einzig on the ground that he had used profanity in addressing Miss Ila M. Austin, an employee of the state treasury department. Governor Meier gave no indication in the letter as to what action he would take in the controversy. It previously was announced, however, that the governor would resist any attempt on the part of Holman to remove Einzig from his official position.

Einzig was asked by Governor Meier to explain the following charges contained in Holman's letter:

Your alleged discourteous conduct in Holman's office. The complaint that you and members of your family have received free medical and hospital service at state expense. The complaint that Oregon manufacturers and merchants have been subjected to insolent and boorish conduct at your hands.

Reports current in the press that state officers and employees have received favors at state institutions. Reports indicated that he would prepare the statement Monday, and that it would be in Governor Meier's hands no later than the middle of next week.

## Alger Ought To Check up On This Lad

In the case of Temptation vs. Honesty, the defendant won yesterday. So did a boy.

A tow-haired, ragged lad, riding along North High street on his bicycle, spotted a dollar bill lying on the pavement. He picked it up, of course, but instead of hurrying away for fear the loser might claim, the boy rode on up the street to two pedestrians, to see if they were the owners. They were the only persons in sight who might have lost it.

"No, boy, we didn't lose it. You'd never find the one who did. Now, what will you do with the dollar?"

"Oh, lots of things," replied the happy finder, and keeper. "There's all honest ones for you—come clear down here to see if we had lost it," commented one of the pedestrians as he walked away with his companion.

## Special Music To Mark Final Park Services

Special music will be featured at the final service in Wilson park this afternoon. The program arranged by Professor T. S. Roberts, organist for First Methodist church, is as follows: "Angel Voices" . . . . . Shelley "Santus Stritus" . . . . . Pauer Male Quartet

"Holy City" . . . . . Adams Solo by Eleanor Moore, accompanied by Miss Caroline Parker. Ronald Craven will be song leader. Dr. E. Earle Parker will preach.

## ALLEGED FAKE MONEY PASSER UNDER ARREST

### State Police nab Lebanon Man on Counterfeiting Charges in Polk

### Solution of Recent Flurry Of bad Money Passing Deemed Achieved

As the result of arrest of C. J. Hewett of Lebanon, for allegedly passing counterfeit \$20 bills at Independence, last night, state police believed they had obtained a clue, which would lead them to the source of the fake federal reserve notes, which have popped up to harass merchants in Salem, Dallas, Independence and Cottage Grove, within the past few months.

State, county and federal officers were mobilized after Hewett's arrest to carry on investigations over a wide area in the valley. William McSwain, secret service operative of high reputation in police circles, was called from his Portland headquarters to work on the case.

Two state policemen and Marshal Oscar Moore arrested Hewett after he had allegedly passed counterfeit bills at the Independence theatre and the Pay's Save grocery, and attempted to pass another at a third place.

When apprehended, Hewett, police said, was running for a light coupe driven by a woman. The woman drove hurriedly away and became one of the persons sought after by the officers.

Hewett was not inclined to talk when first arrested, but later he is said to have told the officers that he had purchased a \$500 lot of the bogus bills from an unknown Portland man several months ago, disposed of them, and more recently bought another lot of the same amount.

This story police were inclined to discredit as a fiction. The victim merchants' descriptions of the man who foisted the bad money on them tallied with that of Hewett, officers intimated.

Identify Checks With Statements. Checking upon Hewett's automobile and operator's licenses here, they found his address to be on East Grant street in Lebanon and that the man apparently had told them the truth concerning his identity.

Immediately a state officer was dispatched to Albany and Lebanon, with orders to enlist the aid of the Linn county sheriff, and investigate Hewett's supposed residence.

Early this morning the officers questioned Hewett at Independence, carrying on their investigation at Lebanon, and keeping watch for the fugitive woman in the coupe.

## EXTORTION LAID TO UNDERCOVER AGENT

PORTLAND, Aug. 27.—(AP)—George Pierce, 36, alleged "undercover agent" for the district attorney's office here, faced a charge of extortion today.

Pierce was arrested in an alleged Chinese lottery last night when Portland police raided the place.

Police said Pierce displayed a Umatilla county deputy sheriff's badge, but admitted to them he holds no sheriff's commission, either in Umatilla county or here. The Chinese arrested in the raid said Pierce promised them protection and took money from them on that basis. Pierce said the Chinese had offered him money, but he refused to take it.

District Attorney Lotus Langley, asked by Pierce to assist in having him released from jail, was quoted as having replied that he would do nothing until he had determined whether or not the extortion charge was true.

## Portland is Home Loan District Bank Selection

WASHINGTON, Aug. 27.—(AP)—Los Angeles and Portland, Ore., were among a dozen cities picked tonight by the Home Loan bank board as the sites for its district banks clearing the way for their early establishment. The 12 institutions are designed to ease the home mortgage situation and help the small home owner.

# SHARP REDUCTION IN POWER RATES MADE BY THOMAS

## Northwestern Electric Company Charges Held too High By 16 per Cent on Residential Service; Slashes on Other Classes not so Drastic; Order Becomes Effective October 1

## Order is Expected to Reverberate in Other Companies' Affairs and in Reorganization of Central Public Service; Court Action Likely; Company Basis of Evaluation Suffers Blow

IN a sweeping order which will undoubtedly affect other utility concerns in the state, Commissioner Charles Thomas yesterday announced substantial rate reductions in all the services offered by the Northwestern Electric company in Portland. Thomas ordered the residential rate cut 16 per cent, the commercial service rate cut 9 per cent and the commercial power rate reduced 2 per cent. The order becomes effective October 1.

Since the rate structure of the Northwestern has been the same as that of the Portland General Electric company, its competitor, a similar reduction in that concern's rates is anticipated. The reverberations of the order issued by Thomas will probably affect the pending reorganization of Central Public Service company, holding concern for the Portland General Electric company.

Court action on the order of Thomas was predicted yesterday with the Northwestern contesting every step of the way the reductions ordered by Thomas. Company's Figures Are Much Amended

The order pointed out that the assets of the company increased from \$20,500,825.40 on June 30, 1931, to \$29,756,556.61 on December 31, 1931. The surplus on June 30, 1931, was \$123,689.16, as compared with \$383,729.28 on December 31, of last year.

"The Northwestern Electric company while operating in Oregon since 1914 and under the jurisdiction of the Oregon commission has never before had rates prescribed by the commission upon its property," the order read. "Rates have been prescribed by the commission not on the Northwestern property but on the basis of the property of competing companies.

"It is indeed unfortunate that such a course has been followed for the reason that a large amount of money has been collected from the rate payers for which there was no justification. Because of legal barriers it is impossible to now rectify such failure of action either by reimbursement or by order to amortize out of past excessive profits so that the future user may receive the benefit of such excessive collections." Commenting on the valuation of the company's properties, including real estate, which was fixed at \$12,666,669, the order read in part:

"Two theories were considered by both the company and the commission in presenting testimony on that phase of the case relating to reproduction cost less depreciation and book value or prudent investment.

"Claude Lester, chief engineer for the commission, placed the reproduction cost at \$14,393,942, depreciation cost less depreciation as of December 31, 1931, at \$1,666,669, engineer's estimate of \$66,669, on October 1, 1932, at \$12,756,603, observed depreciation at 7 per cent, with reproduction cost less depreciation of said date of \$17,452,569.

On book costs, Lester fixed a valuation at \$15,993,268.98, while a company representative fixed the amount at \$16,436,585.21, a difference of approximately \$400,000.

Two items of \$225,004.97 and \$106,352.74, set out in the order as organization expenses and cost of attaching the business respectively, were included by the company in fixed capital. The order provided that these amounts shall be allowed but shall be amortized.

Six pages of the order were devoted to a discussion of jointly used property, which was one of the outstanding questions involved in the investigation. The jointly used property in the pooled power was apportioned on the basis of 50 per cent to Oregon and 50 per cent to Washington.

## Klump Held on Battery Charge

L. E. Klump, 404 North Churen street, was arrested here yesterday on an assault and battery charge proffered against him by Dr. E. C. Epley, who swore out a warrant from justice court.

### Oregon Briefs

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