

POWER MEETING REVEALS TANGLE

Deputy Attorney General Discloses True Status of Power Filings.

Marshal N. Dana, who covered Governor Norblad's meeting at Salem Friday, at which the state reclamation committee heard arguments for and against granting power permits to the Oregon-California Power company, for the Oregon Journal, writes as follows:

Rarely has Oregon witnessed a more dramatic spectacle than that when Liljeqvist, the deputy attorney general, rose to speak Friday afternoon. The hall was that of the house of representatives which he accused of legislating away the people's rights in their power rivers. About the wall hung the portraits of former governors, some of whom redeclared gave their countenance to the spoilation of the power rights, the school lands and other natural resources worth many millions of dollars.

Then the deputy from the attorney general's office made his major assertion. By a law, Oregon gave the government Klamath lake. Uncle Sam, in turn, was to reclaim thousands of acres from the supply afforded by the great natural reservoir. But the state laid a limit on itself. The waters of the lake were not to be subject to further appropriation under the laws of this state but shall be deemed to have been appropriated by the United States.

This was the law of 1905. But the assistant attorney general continued. He had spent many long days, he said, poring into tomes of the state's laws and regulations. He had gone thoroughly over the ground. He had found that the 66,000-acre lake had a storage capacity increased by a dam from 200,000 to 400,000 acre feet. Link river, a mile long, below the dam, had a fall of 60 feet before it discharged into Lake Ewauna. Out of Ewauna flowed the Klamath river with 700,000 potential horsepower in Oregon and California, but all of it dependent upon the flow from Klamath lake.

He found both the government and the power company had been enthusiastic over Klamath lake as one of the world's great natural reservoirs. He found that beside the language of the 1905 law quoted was the provision that "No adverse claim to the use of the water . . . shall be acquired . . . except . . . as may formally be released in writing by an officer of the United States . . ."

He denied there had been any such release. But he found the government had paid \$400,000 for the Klamath control, including the Keno and Ankeny canals. The Klamath irrigation district paid \$54,000 for a paid-up water right for 1799 acres irrigated from the Ankeny canal. There was a charge for the Keno canal. Later, when the settlers claimed a vested right in these canals, the rec-

lamation service tried to withdraw the costs in order "to evade the charge of breach of trust and the invalidity of the sale."

"There was an unlawful usurpation of power by the reclamation service working in conjunction with Copco," declared Liljeqvist, who added that the government had actually "surrounded the corporation with the immunity of a sovereign," having made the corporation its agent, and exempt from suit, in the construction of the dam that elevated the waters of Klamath lake.

"There was the contract of 1917. Federal statute had given authority for the sale of property not needed in irrigation. A disinterested committee was to appraise the value. On this committee," said the assistant attorney general, "was an admitted stockholder of the California-Oregon Power company, and one who now requests this commission to issue its permit for the appropriation of the waters of Klamath river, and another suspected of being a stockholder and denied, not by him so far as I know, but by Copco.

"The district was not given time to go through any legal proceedings to ascertain if it would purchase the canals. A board of directors of the district favorable to Copco sent a straw ballot out, without legal authority, without any protection for a true or accurate account, and asked an expression of opinion if the district wished to bond itself for from \$750,000 to \$1,000,000 for the purchase of the canals and the building of a plant and transmission lines.

"Before the ballots of this straw vote were counted the two canals were sold. They were sold to Copco for \$5000 cash, and balance to be paid in 10 years. The sale price was \$120,620. By its purchase, Copco obtained a monopoly of the Link river power, not less than 7000 to 8000 horsepower and under the contract without the necessity of paying a cent to the state of Oregon. The district never was informed that it could purchase these canals for \$5000 cash and the balance on 10 years' time. The voters were given to believe that it would require an investment of close to \$1,000,000 to do what the government had originally promised to do as a part of the project."

Judge D. V. Kuykendall, counsel for the California-Oregon Power company, rose in protest. The discussion, he pleaded, had got off the subject. The governor admitted that it was having the effect of turning the commission into a judicial tribunal, but that it all was new to him and interested him tremendously.

Liljeqvist continued. He said that when Copco leased the water of Clear lake from the government in 1924 to provide a power flow, it had paid a rental which should be the rate from its rights on Klamath river instead of the pittance the state has been receiving. The government charged and corporation paid 20 cents an acre foot. This in a year provided a revenue of \$146,000. Oregon with its license fee of a little more than 2 cents a horsepower year has received in 10 years \$157,000.

He charged that "The reclamation service has for 13 years now slept in the same bed with the Copco officials

German Fascists Would Save Country From Bolshevism Starting There

University of Oregon.—The recent election in Germany, in which the fascist party gained control, is a step toward saving the country from Bolshevism, rather than plunging it into a state of "socialism" as many political writers of this country believe, it was declared here by Burt Brown Barker, vice-president of the University of Oregon, who, with Mrs. Barker and their daughter, Barbara, has just returned from a summer spent abroad.

Mr. Barker was in Germany just before the election, and people there, especially in the southern part of the country, are taking a keen interest in national politics. They were gravely concerned about the movement toward Bolshevism that is reported to have its greatest stronghold in Prussia, and they look forward toward some form of fascism to thwart this, Mr. Barker said. Claims also made by writers in this country that the recent election was an expression favoring repudiation of war debts obligations is also held to be untrue by Mr. Barker. In all his travels in Germany he never once heard anyone state that the obligations should be thrown over.

People of Germany are working hard to recover from the war, and are making an especially strong bid to attract tourists and travelers from other countries. Those from the United States are especially favored, Mr. Barker said, and Germany is actually gaining many travelers who heretofore spent much of their time in France or other countries.

While in Europe, Mr. Barker spent a great deal of time observing student life in important higher educational centers, such as Heidelberg and Paris. Both Germany and France are realizing the great value that can accrue as a result of having universities that will draw students from all the world. The University of Paris has been granted a large section of land just outside the old fortifications of the city, and here it is encouraging different nations to erect student houses. To date nearly a dozen countries have put up such edifices. The student centers have already proved very successful.

Truck Gardner Will Sell \$1,000,000 In Products

H. E. Cully, field representative of the United States National Bank of Portland, recently made a trip through the Pacific Northwest. He reported in an interview with a Portland paper that he found an increase of bank deposits in the territory he visited and was impressed with the prosperity he found in the sections of the country where diversified farming is carried on.

He cited the case of F. E. Mojonier, truck gardener of Walla Walla. Mr. Mojonier, who was manager of the Walla Walla branch of the Pacific Fruit company before he took up farming, has a 15-acre place from which he will ship tomatoes, cucumbers and other vegetables which will bring to Walla Walla this year more than \$1,000,000, he said.

"This man is responsible for the head lettuce production around Pasco and furnished the growers there with all their plantings," said Mr. Cully. "In addition to that he is the manager of the Pasco association of head lettuce growers and does all the selling for them. He sold more than 300 carloads of the green prunes of the Milton-Freewater and Walla Walla districts this year. His holdings are valued at more than \$300,000 and the bank loaned him nearly \$100,000 during the current year."

Canadian Grain Moving
The western grain movement from August 1 to September 6 over the Canadian Pacific Railway line totaled 34,943,000 bushels, according to a report from Herbert W. Barrett, assistant trade commissioner in Winnipeg. This is considerably higher than for the same period in 1929.

so far as the Klamath project is concerned."

He said that the pending power application contains two jokers, one of which would give the utility first right over settlers to water of streams flowing into Klamath lake. He said that waivers in favor of water for irrigation and domestic purposes were not worth the paper written upon since the utility had itself held these waivers were "of no effect, not binding upon it and not enforceable, and therefore, if set forth in a permit, invalid and void."

Then he turned to the more recent laws of Oregon. He found that while there was a provision for taking over a plant built by a utility, the authority to recover use of the water had been erased. Who, he asked, had done this and for what purpose?

RESERVE SYSTEM'S DIVIDENDS ANALYZED

Bankers Find That Increased Payments To Member Banks Small Inducement.

Various proposals that member banks in the Federal Reserve System should participate more largely in its net earnings through an increase in the dividend rate above the present fixed 6 per cent "would be a very small financial inducement" to them, it is declared in a recent study of this subject by the Economic Policy Commission of the American Bankers Association. This is shown, the commission says, by a theoretical forecast, on the basis of the past six years, of additional earnings that would be distributed to member banks during the next six years under two plans introduced in bills before the United States Senate.

"The Fletcher bill provides that Federal Reserve Bank earnings, after present 6 per cent dividends to members and completion of a 100 per cent surplus, should all be distributed as extra dividends to the stockholder banks," the report says. "If the earnings of each Federal Reserve bank were distributed among its own members there would be no extra dividends in the Boston, New York, Philadelphia, Cleveland, Chicago and San Francisco districts during the next six years, but the other six Federal Reserve Banks would pay annual extras at the following rates: Richmond, 6.08 per cent; Atlanta, 4.09 per cent; St. Louis, 3.50 per cent; Minneapolis, 9.51 per cent; Kansas City, 5.43 per cent; Dallas, 4.83 per cent.

"If the earnings were pooled and paid out to all members in all districts each member would receive an average annual extra dividend of .78 per cent. Under this plan no franchise tax as now would be paid by the Federal Reserve Banks to the Federal Government.

Another Plan Analyzed
"The Glass bill would provide that, after present 6 per cent dividends, one-half the remainder should be paid to member banks as an extra dividend with the residue going to surplus and Federal Government as franchise tax. The average annual extras to members would be as follows: Boston District, 2.51 per cent; New York, .48 per cent; Philadelphia, 2.05 per cent; Cleveland, 2.09 per cent; Richmond, 3.26 per cent; Atlanta, 4.67 per cent; Chicago, 3.20 per cent; St. Louis, 2.02 per cent; Minneapolis, 4.75 per cent; Kansas City, 2.74 per cent; Dallas, 3.31 per cent; San Francisco, 1.57 per cent.

"If these extra funds were pooled the result would be an extra average annual dividend of 1.73 per cent for each member. Under this plan the system would still pay as now an annual franchise tax, amounting to \$1,941,996 on the average."

By way of concrete instance, the report says, a member bank having capital and surplus of \$200,000, therefore holding Federal Reserve Bank stock amounting to \$5,000 on which it is receiving \$360 under the present 6 per cent dividend arrangement, would with the addition of each 1 per cent to the dividend rate receive an additional income of \$60 a year.

"If each member bank will figure out for itself the dollar-and-cents gain it would enjoy we are confident it will be agreed that the gains are small as against the economic disadvantages which can be pointed out," it concludes.

High School Notes

Editorial
Glenn McCullough

Ether, as we all know, has a very distasteful odor. When turned loose in a small room it is very sickening, gives many people headaches, and makes their eyes sting. This is the practice of some of our students who think our school is a place to play. They make it difficult for others to work. These students secure ether in biology class and put it in a bottle, then they take it in the study hall and remove the cork from the bottle. Taking chemicals from the laboratory is a serious offense in itself. It may result in causing the student considerable trouble if found out. Such a student has no business in school and should be severely punished. It is no wonder that some students haven't their lessons if they spend their time pulling corks out of ether bottles. It would probably be good advice for these persons to be more careful in the future. The students do not wish their company.

Personals
George Pittman hunted the elusive deer last week east of Meadow Creek.

Harold Kirk, Emery Rogers, Glenn McCullough, and Jack Moore attended the W. S. C. U. S. C. game at Pullman, Saturday.

Garth Pinkerton, Lowell Jenkins and Goldie Miller were Pendleton visitors Sunday.

Nylene Taylor and Betty Eager spent Saturday in Walla Walla.

Maxine Moore was in Walla Walla Sunday.

Lester Towne motored to Pendleton Saturday.

Faculty
Mr. Bloom took a number of the football squad in his car to Watsburg Friday afternoon.

Mr. and Mrs. Bloom were in Pendleton Saturday.

Mrs. Blatchford's sister, Miss Ruth Henick, who teaches at Hac Hi, spent the week-end here.

Sports
Coach Miller has been getting his boys in condition for the Kennewick game on October 24. Athena plays Weston at Athena today.

The football game between Athena and Watsburg, last Friday, resulted in a hard fought battle from start to finish. Watsburg finally won by a score of 12 to 0. The Watsburg eleven outweighed the Athena boys ten to fifteen pounds per man but even at that odds the local eleven put up a game fight and was a continual threat the entire game. Watsburg made a touchdown in the first three minutes of play but Athena immediately came back and threatened to make touchdowns twice; the first



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Green, president; Marjorie Douglas, vice-president; Velma Ross, secretary treasurer.
Marjorie Montague, Esther Berlin, Vineta Weaver and the president make up the committee appointed to draw up a constitution. The girls decided to meet every Tuesday at 3:30.

Music
The Glee Club is working on the pieces, "Woodland Calls," by W. Rhys Herbert, and "Mandalay" by Speaks. Much progress is being made. There are three parts in each piece and Mrs. Bloom is taking each part separately in order to get it more quickly.

Mr. Tilley is progressing rapidly with his band. Lessons are given each day of the week, and more pupils are being added to the band every day.

A majority of the students attended the United States Marine Band concert at Walla Walla Wednesday. The band played classical music which was of much interest to the people who attended.

Whale In River
Astoria.—The coast guard stood by Saturday to aid a large whale which entered the Columbia river and ran close to shoals. Should the whale ground itself the coast guard will tow it to open sea again. The last whale to enter the river went aground and was rescued when it threatened to tear a log raft to pieces.

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The Athena lineup is as follows: Shigley, left end; Miller left tackle; McCullough, left guard; Wilson, center; Singer, right guard; Pickett, right tackle; Huffman, right end; Moore, quarterback; Rogers, right half; Crowley, left half; Hansell, fullback.

Dramatics
Mr. Bloom, the play director, has chosen the cast for a play to be presented in the high school auditorium in the near future. The play is entitled "The Goose Hangs High," by Lewis Beach. The following pupils have been chosen for the cast: Bernard Ingals, Stafford Hansell; Eunice Ingals, Betty Eager; Noel Derby, Glenn McCullough; Leo Day, Walter Huffman; Rhoda, Myrtle Campbell; Julia Murdoch, Marjorie Montague; Mrs. Bradley, Marjorie Douglas; Hugh Ingals, Roland Wilson; Roland Murdoch, Fred Singer; Lois Ingals, Mildred Hansell; Bradley Ingals, Emery Rogers; Dagmar Carroll, Arleen Myrick; Elliott Kimberley, Arthur Crowley; Clem, Garth Pinkerton.

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