

Russians Release Three Americans; Nab Photographer

BERLIN, Aug. 23.—(AP)—The Russians today freed three Americans but almost immediately stirred new tension in a blockaded Berlin by again invading the American sector to seize a German photographer.

IT SEEMS TO ME

By Charles A. Sprague

Mountain-climbing is usually simple business, consisting merely of "picking them up and putting them down." I like to do a mountain a year and last Saturday my son and I tackled Grizzly Peak which rises from the south side of Pamela lake in the Mt. Jefferson country. He had worked on trails in this region for the forest service nearly 15 years ago and recalled Grizzly as one of the satisfying and not too difficult climbs. It is both.

To get to the mountain you drive on the North Santiam highway beyond Detroit and Idanha to the mouth of Pamela creek. A logging road leads in some three miles but it is closed now because of the fire season, so you have a six-mile hike to the lake, the last four miles of it through the deep forest. The normal silence of the woods is broken by the noise of many waters—Pamela and its tributaries, Red and Milk creeks—as they tumble in cascades from their mountain springs. The grade is steady but not steep, and the trail after it takes off from the road is an old one, easy to follow.

The forest is mixed. Douglas fir predominates but there are many trees of noble fir, some hemlock, quite a little white pine, and a sprinkling of white pine. Still visible are effects of the great storm in April, 1931, when many trees were blown down. This was the dust storm, when ships 500 miles out at (Continued on editorial page)

State's Voters To Decide on Deficit Funds

Oregon electors will vote in November general election on a state general fund deficit which the state tax commission Monday fixed at \$6,430,000.

If the deficit is approved, it will be met by surplus funds from state income tax revenue which goes toward offsetting property tax levy. This procedure was upheld last week by the state supreme court as litigation over the state income tax surplus came to end.

State governmental functions financed by legislative appropriations will cost an estimated \$39,971,726 in 1949, according to the years tax levy as announced Monday.

Of the total requirements \$19,771,948.49 represents the amount inside the six per cent limitation and \$20,199,777.93 the amount outside the limitation.

The levy estimates miscellaneous receipts, surpluses available in the general fund and unexpended balances at the end of the fiscal year will total \$6,204,207.88. This, applied to the requirements inside the six per cent limitation, reduces that amount to a net of \$13,567,740.61.

Against the net amount is applied the state tax base of \$7,137,671.51, leaving the deficit of \$6,430,000.10.

Animal Crackers

By WARREN GOODRICH



"I use the hunt and peck system."

Two other Americans seized Aug. 5 near the Russian zonal border 75 miles west of Frankfurt, were released at Herzfeld on the border today. Lt. Sherman S. Turner of Council Bluffs, Iowa, and Rowland M. Myers of Brooklyn, N.Y., both U.S. military government officials, said they were "well treated—if you like cabbage."

The kidnapping of the German photographer emphasized anew the Soviet determination to prevent picture-taking in or near their sector. Headen had been taking pictures of the Berlin "no man's land" of Potsdamer Platz shortly before a Russian patrol pounced on him.

The seizure of the photographer was at least the fourth violation of western sector jurisdiction since last Thursday when a Russian raid on German civilians in the Potsdamer Platz precipitated a riot by the angry stone-throwing Germans.

Western sector police headquarters announced meanwhile that Franz Erdman, head of the criminal division of the Soviet-controlled police, had been released. He was arrested yesterday in the British sector.

Armed Forces Move Toward Job Integration

WASHINGTON, Aug. 23.—(AP)—Integration of the army, navy and air force moved one step closer today—on paper at least—with an agreement that each must call on the other for help if that will cut costs and do a better job.

At the same time it was agreed that each service shall have the responsibility of figuring out what is needed for a task in its primary field.

The net effect apparently is that when one of the fighting arms has a big job on hand it will get along better with the high command if it gives full consideration to the equipment and know-how the other services possess, and invites aid if aid would be useful; on the other hand none of the services can elbow into another's field without a bid.

That was the principal result announced today by Secretary of Defense Forrestal after a closely guarded weekend conference with top men of all three services at the naval war college at Newport, R.I.

As Forrestal stated it more formally, the joint chiefs of staff and the civilian heads of the three fighting departments agreed on "the fullest consideration and use any available forces, regardless of service, if they add to the effectiveness and economy of the operations."

At the same time it was provided that "each service has full and undivided responsibility and commensurate authority in the field of the primary functions assigned to it."

Just what the operating result will be with regard to strategic bombing, focus of an air force-navy disagreement, was not spelled out.

The Newport agreements were intended to extend and clarify an outline of service responsibilities laid out at a similar conference in Key West, Fla., last March.

Woodburn Autoist Honors City Cops; Posts Bail Twice

A Woodburn man who drove to Salem for a visit Saturday night told city police he was impressed with the manner in which city traffic laws are enforced.

Police records show that Donald C. Baker, Woodburn route 1, was arrested for speeding twice within 15 minutes late Saturday night and posted \$10 bail each time.

The short time between arrests was paralleled by the proximity of the places of arrests. Baker was first arrested at South Commercial and Superior streets; the second time at South Commercial and Hoyt streets—three blocks south.

The same pair of officers issued both citations.

GRAIN BUYING AHEAD
WASHINGTON, Aug. 23.—(AP)—The agriculture department reported today it bought 5,104,613 bushels of wheat and 101,687 bushels of barley last week for short areas abroad.

Weather
Salem Max. Min. Precip. 72 56 .43
Portland 72 56 .43
San Francisco 68 55 trace
Chicago 52 70 .80
New York 68 68 .00
Willamette river 3.2 feet.
FORECAST (from U.S. weather bureau, Medford, Salem): Mostly cloudy today and tonight with light rain in the early morning. High today 74, low tonight 51. Weather will be generally favorable for most harvest activities.

SALEM PRECIPITATION (From Sept. 1 to Aug. 24)
This Year Last Year Average
47.48 38.74 27.75

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Wreckage of Plane Which Carried 4 State Leaders to Death



LAKE OF THE WOODS, Aug. 23.—Wreckage of the 4-place plane which plunged four Oregon republican leaders to their deaths Sunday afternoon. John R. Snellstrom, Eugene, Earle Johnson, Corvallis, H. H. Evans, Waldport and pilot of the plane William Fuhrer were all killed when the plane crashed into the lake after a take-off. (AP photo to The Statesman.)

Air Crash Snuffs Lives of 4 State Leaders

American Production Climbs To Record Rate for Quarter

WASHINGTON, Aug. 23.—(AP)—America's total production of goods and services soared to a record rate of \$248,000,000,000 a year in the second quarter of 1948, the commerce department announced today.

The increase above earlier months indicates that if the rise continued the nation now is producing at an annual rate of a quarter of a trillion dollars.

The analysis of output in the August issue of the department's survey of current business. It covers the "gross national product"—the dollar value of all commodities produced and services rendered.

The second quarter rate is more than 21 per cent higher than the 1946 actual output of \$204,000,000,000. It represents a rise of \$44,000,000,000 from the first quarter of this year.

It was achieved in spite of a slight decline in industrial output in June, resulting from shortages of material. This was reported by the department yesterday.

A major part of the rise, however, was a reflection of inflation. This was particularly true in consumer goods, where the physical gain in output did not match the rise in value.

Entering into the new record market value of the country's output were these factors:
1. Consumer spending for personal use, after a hesitation early in the year, showed a moderate pickup in the April-May-June quarter.
2. Government spending rose more than \$2,500,000,000 above the first quarter rate.
3. Private investment dropped somewhat in the second quarter. This partly offset the increases noted above.
4. Net foreign investment continued at the annual rate of \$4,000,000,000 reported in the first quarter.

VANPORT CLEANS UP
PORTLAND, Aug. 23.—(AP)—A wrecking crew began cleaning up the debris of Vanport today.
"They will probably find three or four more bodies," said Sheriff Martin T. Pratt.

DRUGGIST DROWNED
MEDFORD, Aug. 23.—(AP)—Lawrence Saunders, 51, Medford druggist, was found floating in the Rogue river today near Bybee bridge north of the city.

Week-end Accidents Claim Lives of Two Pedestrians

Weekend traffic accidents in the Salem area claimed two pedestrians' lives and hospitalized another with serious injuries.

Leonard A. Abbott, Portland, was killed instantly Monday near the intersection of the Oregon and Southbound Southern Pacific train. His body was found 120 feet east of the Jefferson depot, the top of his head crushed.

Investigating police were unable to determine whether Abbott walked in the path of the train or was lying on the tracks. The train's engineer said he did not see Abbott until the engine had passed over him. The body was brought to Clough-Barrick company in Salem.

Meanwhile state police continue their search for the hit-and-run driver who struck and fatally injured Eric P. Linder, 61, on the South River road Saturday night near the Independence ferry landing.

Petitions Filed On Commission Form Proposal

Petitions for a Salem election on city commission government, in place of the present city managership, were finally filed with the city recorder's office Monday.

Sufficient signatures to place the proposal on the November 2 ballot were counted by Deputy Recorder Eva Rush who said approximately 1,400 valid signatures were on the petitions, about 150 more than necessary.

Petitions had been returned to her from the Marion county clerk's office after a check there for validity of nearly 1,000 signatures submitted. Filing deadline was at 5 p.m. Monday.

The initiative seeks to change Salem's form of government by providing for three elective commissioners to serve one full-time paid basis. The mayor-commissioner would receive \$5,500 and the others \$5,500 each. City attorney and city judge also would be elected. Present positions of appointed city manager, elected mayor and seven aldermen would be eliminated.

Lebanon Butcher Beats Resistance By Price Slash
LEBANON, Aug. 23.—(Special)—Leo Johnson, local market owner, announced today that his week-old policy of selling all meat at 59 cents a pound or less will become permanent effective tomorrow.

A week ago Johnson slashed prices to overcome the current buyers' strike on high meat prices. Business was so good that his counter was kept bare throughout the week as shoppers from all parts of the Willamette valley flocked along the street.

Since that time he's hired two butchers to keep up with the terrific trade. Johnson said the customers have not only cleaned out his meat but have also emptied his grocery shelves while shopping in the store.

"The arrangement has been very satisfactory," Johnson remarked. "I will continue to sell meat at prices people can afford."

World Council of Churches Sets Permanent Organization

AMSTERDAM, Aug. 23.—(AP)—The World Council of Churches formally declared itself a permanent organization today with words of regret that it could not embrace the Roman Catholic and Russian churches in a reunion of christendom.

Those great congregations both have been invited to send observers to the next meeting. Neither had an official representative of any kind on hand. Among other invited absentees were the southern Baptist convention of the United States with a reported lay membership of 6,500,000 and the Missouri synod of the Lutheran church.

But the world council came into being nevertheless after 10 years as a provisional body with 450 delegates representing around 150 churches in the 40-odd nations.

Butter Price Down, Eggs Up on Market Reports
PORTLAND, Ore., Aug. 23.—(AP) Note to housewives:
Butter goes down and eggs go up in price tomorrow.

The wholesale trade reports butter will drop two cents a pound on all grades. Retailers will pay 81 cents a pound for grade A prints.

More Meetings On Berlin Crisis Seem Assured

MOSCOW, Tuesday, Aug. 24.—(AP)—Continuance of the four-power talks on blockaded Berlin seemed assured early today after envoys of the three western powers conferred nearly five hours with Prime Minister Stalin and Soviet Foreign Minister V. M. Molotov.

As U. S. Ambassador Walter Bedell Smith returned to his embassy at 1:40 a. m., he told newsmen he expects "more meetings" between the representatives of the United States, Britain and France and the Soviet leaders.

The meeting opened in the Kremlin at 9 o'clock last night and was believed to have been the longest talk Stalin ever has had with foreign representatives. It exceeded by about one hour the longest previous session in the current Kremlin talks which began July 31.

Asked by newsmen about the progress of the talks, Smith replied: "We're always optimistic. We expect the best and prepare for the worst."

This comment from Smith seemed to indicate that the long session with Stalin had injected new life into the four-power conference and that, contrary to expectations, it will continue.

It was learned on excellent authority that the three westerners took their case to Stalin after a snag developed in recent meetings with Molotov. It was the second session the prime minister attended. He and Molotov met the envoys August 2. Molotov was the ranking Soviet official at the July 31 and August 6, 9, 12 and 16th meetings.

Before the meeting opened last night observers predicted freely, here and abroad, that this was to have been the last conference. Smith appeared in a happy mood. This comment on being optimistic contrasted with the "no comment" reply he has given to newsmen after previous meetings.

Many observers in Moscow frankly expected disagreement tonight over the vital Berlin and German issues. It became clear however, after this meeting that there remains a good chance to settle the German issues here in Moscow.

During the long session, it was reported without confirmation that Smith and British representative Frank Roberts were planning to leave Berlin and return to London tomorrow.

Smith returned to the embassy with Roberts and French Ambassador Yves Chaigneau. They retired almost immediately to Smith's third floor study for a three-power meeting.

It was assumed that they would draft their reports on the meeting for transmission to their governments in Washington, London and Paris.

Among western circles here there was a feeling that it may be possible to make decisive progress in the next few weeks on the Berlin and German problems and arrive at what ultimately may be the foundation of a genuine settlement—satisfactory to both sides.

Smith said the Kremlin session, seventh in the series, was interrupted only for "tea and cakes."

Man's Body Recovered From Willamette River
ALBANY, Ore., Aug. 23.—(AP)—Discovery of the body of Harold James Cade, 49, in the Willamette river a mile north of here today prompted Deputy Coroner John Summers to order a probe.

Summers said the body was not marked, but that the man's wallet was empty and clothing contained no coins. He said the man may have been robbed and dumped into the river.

The body was found against a log boom. It had been in the river for several months.

Sheriff Stops Jail Break Try
A foiled attempt by several inmates of Marion county jail to break out of the jail Sunday was revealed Monday by Marion County Sheriff Denver Young.

During church services Sunday evening at the jail a number of bricks were dug from a wall under the bed in the trustees' room on the north side of the jail. Although the tool used had not been found, Sheriff Young indicated it was probably a bed spring. The removed bricks were discovered at lock-up time Sunday night.

OUR SENATORS
The vote in plenary session of the concert hall was unanimous to go ahead with the door open to the Catholic church.
Charles P. Taft of Cincinnati, a leader of the protestant Episcopal church in the United States and chief press spokesman of the council meeting here, said half a dozen southern Baptist observers were present.
The organization was completed as a going concern at the opening plenary session in the forenoon with the Archbishop of Canterbury presiding.
Then at the second session this afternoon Princess Juliana and Prince Bernhard of the Netherlands were guests of honor sitting on the high rostrum among the church dignitaries.



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