BERLIN, Dec. 3-Berlin western sector police grapple with Communist heckler (right center, bareheaded), at Christian Democratic rally in Borough of Spandau in British zone of city last night. but with the aid of "Sportie," his "seeing-eye" dog companion, he Another demonstrator (right, eigarette in mouth) pushes way toward police in attempt to aid com- trotted about town without much panion. (AP Wirephoto via radio from Berlin to The Statesman.)

prefer a rollback in prices to a wage increase. When he says this to be understood and that is, be- cuts and bruises. fore more goods can be consumed they must be produced. No matter how fast and how far wages may be increased, or how greatly the working day may be shortened, the standard of living for the people as a whole will not be lifted Calms Fears of unless production of goods and services is increased.

ciples admitted by everyone no matter what type of economic organization prevails. But while the total to be enjoyed depends on the total produced, it is possible for some individuals or groups to get a larger share than others. Thus labor unions foster the belief that their members are better off than unorganized workers because through organization they are able to bargain to better advantage. Unless they increase production commensurate with their wage increases what gains they enjoy are at the expense of other groups. There exists continuous and sharp competition among individuals and groups to retain or to increase their share of the national production. Rewards are in any country.

To get back to a price rollback: This will not come by law. The ly was aimed at those businessmen 81st congress will not order it for who felt that President Truman's interested in are in retreat, par- have opposed. ticularly foods.

What will push prices up further is higher wages or increased Snow Clogs government spending. Most businessmen are reconciled to some business recession with lower Pass Roads profits. But if the spiral of wage increases goes ahead without corresponding increase in production prices will go up, too, until the economic machinery gets out of gear and suffers a lot of break- fall. downs and slowdowns to the hurt of both workers and em-

#### **State Pay Rise Cost Estimated**

The proposed salary increase of \$30 a month for virtually all state employes starting July 1, 1949, in lieu of the emergency salary boost of \$20 a month which expires December 31 of this year, would cost the state approximately \$3,500,000 during the next olennium, State Budget Director George Aiken announced Friday Aiken said he based his estimate on 1,100 state workers.

#### **Animal Crackers** By WARREN GOODRICH



"I have to keep saying over and over-they're real, they re customers."

#### **Anti-Commie Fists Provide Protection** For Berlin Rallies

BERLIN, Dec. 3-(A)-Fighting mad social democrats in West Berlin tonight threw communist invaders out of their election caminvaders out of their election campaign rally and served defiant notice that they are "too tough" to bend under Red dictatorship. The communist hecklers, follow-

Walter Reuther, head of the the powerful social democratic immediate future. UAW-CIO, says his union would party and bumped into hard and willing fists.

There is one other simple truth aid station dressed the victims'

# These are simple economic prin-

tary of Commerce Charles Sawy- guarantee anything." er, speaking with President Trunomic controls and increased

Sawyer, in the major speech agreement has been reached before the closing session of the Specifically, the AFL-SUP de-

unequal, and often unfair; but so fect of large profits and unreason-far in America our system has ably high prices" and asked that ably high prices with the to consider "the inflationary efbig business cooperate with the small businessman.

Sawyer's reassurance apparent-

More snow was forecast for

The season's first snow struck the Rogue valley Thursday, blocking traffic temporarily and blacking out Grants Pass, Medford and the adjacent countryside.

Klamath Falls area Friday. Snow lay deep on all Oregon's mouncarry chains. Skiing was reported off its 125 employes. excellent.

## CIO Ends Dock Walkout, AFL

SAN FRANCISCO, Dec. 3 -(AP) The west coast maritime strike ended officially at noon today. ing a week-long pattern, tried to But there was no certainty that break up one of the final rallies of long-idled ships would sail in the

No sooner did the last of the striking CIO and independent Social democratic party guards unions come to terms in their he recognizes a fundamental truth, bounced a half dozen of the heck- 93-day strike than a new marithat the true measure of a wage is lers around. Then party physicians time hitch developed in demands its buying power in the market. waiting at a specially-erected first of the non-striking AFL Sailors Union of the Pacific.

Harry Lundeberg, head of the AFL-SUP, announced his men would sail no ships unless cerjurisdictional guarantees were acknowledged and contract wage provisions met.

Before going into a meeting with shipowners this afternoon. blunt-talking sailors' boss "it's all up to the shipownwhether his men stay on the beach or not.

"If they want to live up to their agreement, everything will NEW YORK, Dec. 3-(AP)-Secre- be all right. Otherwise, we can't

man's blessing, sought tonight to indicated progress had been made, and servicing of four generators end the fears of business over the He said the owners "pledged for the dam powerhouse administration's forthcoming eco- themselves to live up to their The contract is for \$7,302,674. nomic program. He left the way existing agreements" with his largest contract yet let during the open, however, for further eco- union regarding cargo working dam construction. Each generator and other jurisdictional issues. will be rated as 73,698-TVA, he But he added his men would not said, return to work until a detailed

National Association of Manufac- manded guarantees that the new turers' 53rd Annual Congress of CIO longshore and cooks con-American Industry, said controls tracts do not infringe on its jurismight have to be imposed if the diction over longshore rights on military budget for the next fiscal coastwise steam schooner crews. year exceeds the current budget. and over cooks and stewards on He also cautioned businessmen the Alaska steamship run,

WASHINGTON, Dec. 3-(AP) two reasons: 1st, rollback to where unexpected election victory would Mme. Chiang Kai-Shek conferred and to what? and 2nd, prices in be a signal for a renewed drive to with Secretary of State Marshall many lines consumers are most get legislation that businessmen today for the second time in 24 hours and told reporters she came

away "encouraged." The Chinese president's wife is here seeking stepped-up help for the nationalist government in its war against the Chinese Reds. She visited Marshall at Walter Reed hospital, where he is undergoing

a physical check-up. "We talked about China and I eastern Oregon and high eleva- am encouraged," Mme. Chiang told tions tonight in the wake of reporters as she emerged from a Thursday's fairly general snow- visit which lasted nearly four

## he adjacent countryside. Six inches of snow covered the Mill to Close

DALLAS, Dec. 3 -(AP)- The tain passes, and the state highway Pope and Talbot lumber mill commission warned motorists to here will close Monday, laying

Company officials The Santiam river rose out of closure was due to insufficient its banks a half foot at Jefferson demand for lumber. The mill Thursday night, but receded be- probably will not resume operalow flood stage yesterday morning. tions until spring.

### Probable Hop Supply to Exceed Demand in 1949, Official States

Farm Editor, The Statesman

hops-beer ratio, or a crop fail- dubbed as "undesirable any way publicans were going to seek a re- Taft-Hartley act is also included in election of officers top the afterure" the probable annual supply you look at it" of hops after 1948 will exceed In his belief, the only remedies

progress by the department of agriculture.

Outstanding testimonies at the abnormal situation brought on by hearing on the proposed hop mar- the war which caused imports to keting agreement, which went cease, exports to increase and into its second day Friday at the sent the production of beer up. Salem Chamber of Commerce, campaign to increase production were presented by Dr. D. B. La- by buying and planting hop yards Roach, consultant to chief of the and getting growers to increase bureau of agricultural economics acreage. This resulted in the post in the department of agriculture, war troubles of large unsold Washington, D. C. and by Dean stocks, exports down and increas-Walker, Independence hop grow- ed imports. He predicted the continued increase in imports be-Dr. LaRoach flatly stated that cause of lowered duty, the need there would be some "real prob-lems ahead" for the growers in creased production of hops abroad. 1949, adding that unless there is He explained the down-trend in an "abnormal increase in the con- the hop-beer ratio as a "belief in sumption of beer or an unusually the desire for milder beer" and high net export trade in hops, "planned competition with the or a material increase in the soda fountain trade," which he

the annual demand by several will be the old one of supply ouster of GOP powers. Heavy floor million pounds. He suggested as and demand, which he termed discussion is anticipated at today's a remedy the development and "cruel," or the proposed market- sessions in the armory. use of the uniform standards for ing agreement and order. (Addigrading hops which are now in tional details on page 2.)



98th Year 12 PAGES

The Oregon Statesman, Salem, Oregon, Saturday, December 4, 1948

## 'Proof' of Security Leaks Found

### Death Parts 'Seeing Eye' Dog From Blind Canine Companion

DALLAS, Dec. 3-(Special)-"Buzzie," a blind Boston terrier and Crossing perhaps the only dog served by a "seeing-eye" dog, passed on to a righter home this week.

Fourteen-year-old "Buzzie belonged to R. R. Turner, operator of a Dallas book store He had been partially blind for several years,

"Sportie" was trained by Turn- 3,000 Refugees er two years ago to help "Buzzie," and the two were a familiar sight Feared Drowned to most Dallas folks as "Sportie"

led his master about The malady that caused "Buzzie's" partial blindness became worse a few weeks ago and the dog became totally sightless. When he grew weaker and severely ill, Turner called a veterinary to end the suffering.

"Sportie" hasn't been the same since "Buzzie" passed on Turner said Friday. "He just keeps looking for his pal and doesn't seem to care about anything."

## Start Power Output in 1954

The date of April 1, 1954, was set today for the first production of electric power from the huge Mc-Nary dam now rising across the Columbia river, Col. William Whipple, army engineer for the Walla Walla district, announced,

Colonel Whipple disclosed the date at the signing of a contract with the General Electric company After the meeting. Lundeberg for the manufacture, installation

### 'Didn't Know It Was Loaded'

PORTLAND, Dec. 3-(AP-Andrew Frantz, 31, knows all about not handling "unloaded guns," but he shot himself anyway.

And he doesn't think he's to blame, either. Who would expect it of a bicycle handlebar? That's what shot him. It seems the handlebar-left in the garage gin at 6:45 p.m. where he works-had a 16-gauge shotgun shell inside. Yesterday, as he was trying to make the handlebar into a welding torch handle, the stomach.

good condition today.

By Thomas Wright

Staff Writer. The Statesman

discussions of the resolutions com-

mittee at Friday night's session of

But, apparently the Young Re-

top level down rather than request gates today.

in Salem.

## Railroad Work Set

In China Ship Blast ments due early in 1949. Reconditioning of trackage on

SHANGHAI, Dec. 4 - (AP) - At least 3,000 refugees from wartorn Central China were feared drowned today when an overleaded ship sank after an explosion near the mouth of the Yangtze river.

The China Merchant Steamship company's 2,099-ton Kiangya, loaded with about 4,000 passengers, blew up in what appeared to be China's worst marine disaster in recent history.

Rescue vessels reported fewer than 700 survivors had been

As far as could be learned no foreigners were aboard. Survivors said the explosion caused the ship to sink within a few minutes. They said most of the victims had no chance to

### Suburban Bus Runs Revised, Starts Monday

reach the decks.

Slight schedule changes affect-Oregon Motor Stages will go into public utilities commission. effect Monday, Robert J. Davidson, local manager, announced Friday. He said the revision was ago. Unsettled ground conditions made "due to the lack of revenue in the suburban areas.'

The new schedules, now available on the buses, include three fewer trips daily to Fruitland and Swegle, a change in times for the Keizer run and improved service to Chemawa.

Fruitland buses will leave Salem at intervals of one hour and 20 minutes from 6:40 a.m. to 6:55

Keizer buses will leave from day downtown Salem at 6:10 a.m., 6:45

outgoing bus from downtown Sa- ier or later. lem at 12:20 p.m. and 5:45 p.m.

Young Republicans Gather at Salem;

R. H. Spooner, member state executive board. (Photo by Don Dill, Statesman staff photographer.)

Club's State Convention to Hear Morse Tonight

Some members of the delegation senator from Oregon, at the ban- introduced, followed by Morse's

schedule will be the keynote speech | which begins at 7 p.m. Honored

by Wayne L. Morse, United States guests and new officers will be

Discontent with party policy on down in the committee meetings cast over KSLM and NBC.

the national level dominated most at the Senator hotel Friday night.

organization of the party from the the list to be considered by dele- noon agenda

hoping to clear the party of "Old quet in the chamber of commerce keynote address.

City council complaints of poor grade crossing maintenance in Saof trackage and crossing improve-

12th street from Marion to Mill films were obtained from Whittakstreets, and repaying of crossings er Chambers, a self-described forin that area, will be started soon, mer communist who now is a senit was declared Friday by H. M. jor editor on Time magazine. Williamson, SP assistant division engineer from Portland. Many ties will be replaced and

new rails laid. Williamson said. No official figures were made ground. public but reliable sources have estimated cost around \$25,000.

also are to be repaired-two on the Gear branch in the 20th street Took Agents to Farm district and two on spurs on South 14th street.

At the last city council meetcity attorney to draft a bill to provide penalty for railroads operating without franchise in Salem. This action followed suggestions by Alderman Albert H. Gille that neglect of railroad crossings by pumpkin and fished out the microboth railroads operating in Salem films, Stripling said. was subject of widespread complaint and that suspension of

The 12th street stretch was reconditioned by the SP six years have necessitated the new work, Williamson said.

### Vote to Decide **Future of Fete**

p.m. Swegle buses will have same will be asked of local merchants intervals from 6:20 a.m. to 6:20 during the coming week, the fes-

Questionnaries will be dispatcha.m. and then at 45-minute inter- ed to find out if businessmen want vals until the night schedules be- another celebration, such as held the past two Julys, and if they Chemawa bus route will add an would prefer it at that time, earl-

lem at 5:15 p.m. daily. Revised Other matters concerning the Chemawa Sunday schedule calls festival, such as professional prothe shell exploded and struck him for departure from Chemawa at motion, were laid on the table 9:15 a.m., 12:45 p.m. and 6:10 p.m. pending results of the survey, said The hospital reported Frantz in and departure from downtown Sa- Sidney L. Stevens, association pre-

have a 1949 Cherryland festival tival association board decided Fri-

## Discontent with National Policy Seen

DALLAS, Ore., Dec. 3-A community sing and a Christmas film are to be presented on the court- well. It leaves the well at 136 house lawn here Saturday at 3 p. degrees and returns at 84. m, under sponsorship of Dallas Ministerial association. The pro- section of U. S. highway 97, not gram will be in the armory in case yet opened to travel. of bad weather.

The film will be "A Savior Is Born," according to the Rev. Arthur Hoenisch, chairman of the committee. The program was requested by the merchants committee of Dallas Chamber of Commerce.

(Additional church page 12).

#### **Opposing Armies Converge in China**

NANKING, Dec. 3-(AP)-Communists columns on the Hwai Starting off the Young Republicans Oregon convention here in Salem late Friday were the local party river line 100 miles from Nanking workers shown above at the beginning of registration in the Senator hotel. Left to right are, Jack swung back north today to meet Schopprt, Polk county YR chairman, Edith Wisseneach, assistant registrar; Steve Anderson state YR the threat of large Chinese govpresident; Lee Zahler, secretary Marion county YR; Mrs. Lester Cour, secretary state federation; and ernment forces marching south from Suchow.

Collision of these armies of more than 100,000 combatants on each side at some still-to-he-determined point was expected to produce decisive results. Guard" blamed for defeats in the at 8:30 p.m. Morse's speech "The

#### November election, were ruled Elephant's Future" will be broad-Weather

tonight. High today near 46. Low to night near 38. ng hours, becoming cloudy with rain Highlight of Saturday's packed toastmaster at the evening banquet

### Chambers Reveals Microfilm Evidence Hidden in Pumpkin

WASHINGTON, Dec. 3-(AP)-The House Un-American Activities committee tonight declared a bunch of microfilms, found in lem were countered Friday by a a hollow pumpkin on a Maryland farm, offers conclusive evi-Southern Pacific announcement dence that national security information was "fed out of the state department" before the war.

Rep. Mundt (R-SD), who made the announcement on behalf of the committee, said the micro-

nish rights-of-way for the propos-

ed realignment of the Salem-Sil-

In a letter to the court the com-

"As this road is not on the state

highway system," the letter stated,

"the commission will consider its

The project is to include a new

Marion County Commissioner Ed

ourt soon to go over the project.

A federal aid project in realign-

ing the Salem-Silverton road from

Middle Grove school northeast of

Salem to Central Howell has just

KLAMATH FALLS, Ore., Dec.

Snow piled down heavily in

The state installed pipes carry-

ing a heated anti-freeze solution

cumulation of ice and snow along

a grade at the north entrance to

the city. Believed to be the first

application of radiant heating

principles to a public road, the

experiment aroused wide interest

The anti-freeze solution is

The heated stretch is on a new

CINCINNATI, Dec. 3-(AP)-The

Federal Council of the Churches

of Christ in America went all out

today for elimination of racial

In so doing, America's largest Protestant church group approved

President Truman's Civil Rights program in principle and then

Delegates adopted a report

SHOPPING

DAYS LEFT

which says in effect that it is fine

in a natural hot-water

in engineering circles.

heated

segregation.

practice it.

in the pavement to prevent ac-

and came out dry and warm.

Radiant-Heat

been completed.

Rogers said Friday the commis-

Silverton Road In a statement, Mundt said the Change Lacks copied documents were given Chambers by an unidentified "member of the communist under-

Rights-of-Way Robert E. Stripling, chief inves-tigator for the committee, told reporters Chambers was subpoenaed Four crossings in other areas yesterday to produce the docu-The state highway commission ments. Friday asked Marion county to fur-

Then, according to Stripling's account-

verton highway from the Pudding Chambers took two committee river to Silverton. ing, Salem aldermen directed the agents to his farm near Westminster, Md. He led them to a spot mission said it was considering the back of the farmhouse and showed construction of the new road in its them a pumpkin, hollowed out, 1949-50 program. The length of the Jack-O'-Lantern fashion, but minsection is 3.4 miles and its estimatus a face. ed cost is \$325,000. Chambers lifted the top off the

Mundt's statement said:

improvement with state and feder-"There is now in the possession al funds only in the event that spur track franchises might be the of the committee, under 24 hour necessary rights-of-way will be aconly way to force necessary im- guard, microfilmed copies of docuquired by the county without cost provements by the railroads. In ments of tremendous importance, to the state." the case of the mainline, it was which were removed from the ofexplained, franchise violations fices of the state department and ing Salem suburban routes of would be determined by the state turned over to Chambers for the bridge over the Pudding river and purpose of transmittal to Russian a railroad overpass. communist agents. Said 'Startling'

"These microfilms are of such sion's request came as a "surprise" startling and significant import- to the court. He indicated, howance, and reveal such a vast net- ever, the matter would be studied. work of communist espionage with- Forrest Cooper of the highway in the state department, that they commission is to meet with the far exceed anything yet brough before the committee in its 10-year

"These documents have been the object of a ten-year search by agents of the U.S. government and provide definite proof of one of the most extensive espionage rings in the history of the United States. Proof Said Established

"On the basis of evidence now before the committee, it appears that conclusive proof has been established that secret documents of direct significance to our national security were fed out of the state Freezing Test department by a member of the communist underground to Whit taker Chambers, who at that time 3 -(A)- Oregon's radiant-heated was operating as one of the Wash- highway had its first test today ington contacts for the communist underground operating in Ameri-

14-degree temperature. The high-Mundt, chairman of a subcomway's surface temperature was mittee, released the new informa-62 degrees and O. Roy Kennen, tion on behalf of the entire unresident engineer for the state American activities group. highway department, said the system was "working beautifully."

He announced that he is getting in touch with other members with the aim of reopening the committee's hearing into alleged commun ist espionage as soon as possible.

### **Community Sing At Dallas Today**

went further. to pass a law abolishing racial segregation, but what really is needed is to have every man believe in his heart that non-segregation is 100 percent right, and

Opening session today will be Min. Precip. Two other resolutions promis- at 10 a.m. in the armory. A preing fireworks on the floor of the view of convention business, and the 10th annual Federations of convention today are reapportion- committee meetings will occupy Young Republican clubs meeting ment of legislative districts and in- the morning schedule, with the Willamette river 10,2 feet. crease in salary for state legisla- business session coming to order

FORECAST (from U.S. weather bu-reau. McNary field, Salem): Partly cloudy with sunshine during the morntors. A resolution to temper the at 1:45. Reports, resolutions and Russell Tripp, Albany, will be

SALEM PRECIPITATION