



**BERLIN, Dec. 3.—**Berlin western sector police grapple with Communist heckler (right center, bare-headed), at Christian Democratic rally in Borough of Spandau in British zone of city last night. Another demonstrator (right, cigarette in mouth) pushes way toward police in attempt to aid companion. (AP Wirephoto via radio from Berlin to The Statesman.)

**IT SEEMS TO ME**

*By Charles F. Sprague*

Walter Reuther, head of the UAW-CIO, says his union would prefer a rollback in prices to a wage increase. When he says this he recognizes a fundamental truth, that the true measure of a wage is its buying power in the market. There is one other simple truth to be understood and that is, before 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 unless production of goods and services is increased.

These are simple economic principles 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 unequal, and often unfair; but so far in America our system has functioned better than any other in any country.

To get back to a price rollback: This will not come by law. The 81st congress will not order it for two reasons: 1st, rollback to where and to what? 2nd, prices in many lines consumers are most interested in are in retreat, particularly foods.

What will push prices up further is higher wages or increased government spending. Most businessmen are reconciled to some business recession with lower 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 breakdowns and slowdowns to the hurt of both workers and employers.

## State Pay Rise Cost Estimated

The proposed salary increase of \$30 a month for virtually all state employees 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 biennium, State Budget Director George Aiken announced Friday. Aiken said he based his estimate on 1,100 state workers.

## Animal Crackers



"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—**(AP)—Fighting mad social democrats in West Berlin tonight threw communist invaders out of their election campaign rally and served defiant notice that they are "too tough" to bend under Red dictatorship.

The communist hecklers, following a week-long pattern, tried to break up one of the final rallies of the powerful social democratic party and bumped into hard and willing fists. Social democratic party guards bounced a half dozen of the hecklers around. Then party physicians waiting at a specially-erected first aid station dressed the victims' cuts and bruises.

## Sec. Sawyer Calms Fears of Business Men

**NEW YORK, Dec. 3—**(AP)—Secretary of Commerce Charles Sawyer, speaking with President Truman's blessing, sought tonight to end the fears of business over the administration's forthcoming economic program. He left the way open, however, for further economic controls and increased taxes.

Sawyer, in the major speech before the closing session of the National Association of Manufacturers' 53rd Annual Congress of American Industry, said controls might have to be imposed if the military budget for the next fiscal year exceeds the current budget. He also cautioned businessmen to consider "the inflationary effect of large profits and unreasonably high prices" and asked that big business cooperate with the small businessman.

## Snow Clogs Pass Roads

By The Associated Press  
More snow was forecast for eastern Oregon and high elevations tonight in the wake of Thursday's fairly general snowfall.

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

By Lillie L. Madsen  
Farm Editor, The Statesman  
Outstanding testimonies at the hearing on the proposed hop marketing agreement, which went into its second day Friday at the Salem Chamber of Commerce, were presented by Dr. D. B. LaRoach, consultant to chief of the bureau of agricultural economics in the department of agriculture, Washington, D. C. and by Dean Walker, Independence hop grower.

Dr. LaRoach flatly stated that there would be some "real problems ahead" for the growers in 1949, adding that unless there is an "abnormal increase in the consumption of beer or an unusually high net export trade in hops, or a material increase in the hops-beer ratio, or a crop failure" the probable annual supply of hops after 1948 will exceed the annual demand by several million pounds. He suggested as a remedy the development and use of the uniform standards for grading hops which are now in progress by the department of agriculture.

## CIO Ends Dock Walkout, AFL Block Remains

**SAN FRANCISCO, Dec. 3—**(AP)—The west coast maritime strike ended officially at noon today. But there was no certainty that long-idled ships would sail in the immediate future.

No sooner did the last of the striking CIO and independent unions come to terms in their 93-day strike than a new maritime hitch developed in demands of the non-striking AFL Sailors Union of the Pacific. Harry Lundberg, head of the AFL-SUP, announced his men would sail no ships unless certain jurisdictional guarantees were acknowledged and contract wage provisions met.

## McNary Dam to Start Power Output in 1954

**WALLA WALLA, Dec. 3—**(AP)—The date of April 1, 1954, was set today for the first production of electric power from the huge McNary dam now rising across the Columbia river, Col. William Whipple, army engineer for the Walla Walla district, announced.

## Mme. Chiang, Marshall Talk

**WASHINGTON, Dec. 3—**(AP)—Mme. Chiang Kai-Shek conferred with Secretary of State Marshall today for the second time in 24 hours and told reporters she came away "encouraged."

## Dallas Lumber Mill to Close

**DALLAS, Dec. 3—**(AP)—The Pope and Talbot lumber mill here will close Monday, laying off its 125 employees.

## Club's State Convention to Hear Morse Tonight

By Thomas Wright  
Staff Writer, The Statesman  
Discontent with party policy on the national level dominated most discussions of the resolutions committee at Friday night's session of the 10th annual Federations of Young Republican clubs meeting in Salem.

But, apparently the Young Republicans were going to seek a reorganization of the party from the top level down rather than request ouster of GOP powers. Heavy floor discussion is anticipated at today's sessions in the armory.

Some members of the delegation hoping to clear the party of "Old Guard" blamed for defeats in the November election, were ruled down in the committee meetings at the Senator hotel Friday night.

Two other resolutions promising fireworks on the floor of the convention today are reapportionment of legislative districts and increase in salary for state legislators. A resolution to temper the Taft-Hartley act is also included in the list to be considered by delegates today.

Highlight of Saturday's packed schedule will be the keynote speech by Wayne L. Morse, United States senator from Oregon, at the banquet in the chamber of commerce

# 'Proof' of Security Leaks Found

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

**DALLAS, Dec. 3—**(Special)—"Buzzie," a blind Boston terrier and perhaps the only dog served by a "seeing-eye" dog, passed on to a brighter 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, but with the aid of "Sportie," his "seeing-eye" dog companion, he trotted about town without much difficulty.

## 3,000 Refugees Feared Drowned In China Ship Blast

**SHANGHAI, Dec. 4—**(AP)—At least 3,000 refugees from war-torn Central China were feared drowned today when an overloaded ship sank after an explosion tore the mouth of the Yangtze river.

The China Merchant Steamship company's 2,089-ton Kiangyuan, loaded with about 4,000 passengers, blew up in what appeared to be China's worst marine disaster in recent history.

## Suburban Bus Runs Revised, Starts Monday

Slight schedule changes affecting Salem suburban routes of Oregon Motor Stages will go into effect Monday, Robert J. Davidson, local manager, announced Friday. He said the revision was 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.

## Young Republicans Gather at Salem; Discontent with National Policy Seen

Starting off the Young Republicans Oregon convention here in Salem late Friday were the local party workers shown above at the beginning of registration in the Senator hotel. Left to right are, Jack Schoppert, Polk county YR chairman, Edith Wisneczech, assistant registrar; Steve Anderson state YR president; Lee Zahler, secretary Marion county YR; Mrs. Lester Cour, secretary state federation; and R. H. Spooner, member state executive board. (Photo by Don Dill, Statesman staff photographer.)

## Railroad Crossing Work Set

City council complaints of poor grade crossing maintenance in Salem were countered Friday by a Southern Pacific announcement of trackage and crossing improvements due early in 1949.

Reconditioning of trackage on 12th street from Marion to Mill streets, and repaving of crossings in that area, will be started soon, it was declared Friday by H. M. Williamson, SP assistant division engineer from Portland.

## Vote to Decide Future of Fete

Whether and when Salem is to have a 1949 Cherryland festival will be asked of local merchants during the coming week, the festival association board decided Friday.

Questionnaires will be dispatched to find out if businessmen want another celebration, such as held the past two Julys, and if they would prefer it at that time, earlier or later.

## 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 a hollow pumpkin on a Maryland farm, offers conclusive evidence 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 microfilms were obtained from Whitaker Chambers, a self-described former communist who now is a senior editor on Time magazine.

## Silverton Road Change Lacks Rights-of-Way

The state highway commission Friday asked Marion county to furnish rights-of-way for the proposed realignment of the Salem-Silverton highway from the Pudding river to Silverton.

In a letter to the court the commission said it was considering the construction of the new road in its 1949-50 program. The length of the section is 3.4 miles and its estimated cost is \$325,000.

## Community Sing At Dallas Today

**DALLAS, Ore., Dec. 3—**A community sing and a Christmas film are to be presented on the courthouse lawn here Saturday at 3 p. m. under sponsorship of Dallas Ministerial association. The program will be in the armory in case of bad weather.

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

## Radiant-Heat To Road Passes Freezing Test

**KLAMATH FALLS, Ore., Dec. 3—**(AP)—Oregon's radiant-heated highway had its first test today and came out dry and warm.

Snow piled down heavily in 14-degree temperature. The highway's surface temperature was 62 degrees and O. Roy Kenyon, resident engineer for the state highway department, said the system was "working beautifully."

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**18 SHOPPING DAYS LEFT**

*Buy CHRISTMAS SEALS*

**Weather**

City	Max.	Min.	Precep.
Salem	43	32	trace
Portland	45	37	trace
San Francisco	50	44	31
Chicago	56	50	50
New York	52	41	63

Willamette river 10.2 feet.  
**FORECAST** (from U.S. weather bureau, McNary field, Salem): Partly cloudy with sunshine during the morning hours, becoming cloudy with rains tonight, high today near 46. Low tonight near 28.

**SALEM PRECIPITATION** (Sept. 1 to Dec. 4)

This Year	Last Year	Average
14.82	15.93	11.23