

Russ-West Dispute over Berlin Export Policy 'Appears Solved'

Kiss for First Blockade Buster



BERLIN, May 12 — A pretty German girl has a kiss and flowers for the engineer of the first train to reach Berlin after blockade of the city was lifted. (AP Wirephoto to the Statesman.)

Attempt Made to Block Formation of Bank in Salem, Meeks Asserts

SAN FRANCISCO, May 12 — (AP) — Two independent Oregon bankers testified at a federal reserve board hearing today concerning Oregon activities of Transamerica Corp.

The board is hearing monopolistic tendency charges brought against the big bank holding company under the Clayton act. It is the first time the act has been used against a bank holding company.

G. Carroll Meeks, president of the Willamette Valley bank at Salem, testified that representatives of Transamerica own banks tried to discourage the launching of the bank in 1947.

John L. Seares, vice president of the Commercial National Bank of Hillsboro, testified as the interest of First National Bank of Portland, Transamerica owned, in acquiring the Hillsboro bank.

The witnesses were put on the stand by J. Leonard Townsend, board counsel.

In his direct testimony Meeks told of conversations in June, 1947 with a man named "Slentz" and with Harold White, an officer of the Transamerica owned Benton county State Bank of Corvallis.

He said Slentz told him it was the opinion of E. F. Slade, vice president of the Portland First National, that an independent bank would not be able to serve the Salem community adequately and efficiently. The conversation was about two weeks after publication of intentions to start a bank.

A similar suggestion, Meeks said, came from White in a meeting a few days later which White had requested.

White suggested that he consider withdrawing his application for a new bank and cooperate with the Portland First National, the witness continued. White indicated, Meeks said, that a position would be open for him in that bank and within two years he would be made manager of the Salem branch of the Portland institution.

To Meeks' statements, Portland to see Slade to confirm the statements made by Slentz and White, Slade told him, he said, that he had made the statements in good faith and that White had not attempted to make a proposition to him.

Samuel B. Stewart, Transamerica counsel, brought out in cross examination that Meeks was employed with the Oregon state banking department at the time Meeks said he had no "actual knowledge" that an application for a Salem branch of the First National of Portland was pending when he made his own application.

Stewart developed from both Meeks and Seares that their banks were growing despite competition.

Guns Approach Shanghai Airport

SHANGHAI, Friday, May 13 — (AP) — Airline pilots today reported they saw small arms fire a scant 10 miles from Shanghai's main airport.

Distant explosion could be heard at the airport, Lungwha. That is where Chinese and International aid lines take off with refugees from this menaced city.

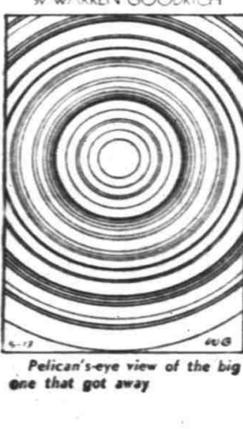
Despite the nearness of attacks, all aid lines were operating.

BRITISH RATIFY FACT LONDON, May 12 — (AP) — The house of commons overwhelmingly ratified the North Atlantic treaty tonight. The vote was 333 to 6.

THE WEATHER table with columns for Max, Min, Precip. for various cities like Salem, Portland, San Francisco, Chicago, New York, and a forecast for the Willamette river.

SALEM PRECIPITATION table with columns for This Year, Last Year, Average.

Animal Crackers



Pelican's-eye view of the big one that got away

Reds Block Trucks; Order Said 'Mistake'

BERLIN, Friday, May 13 — (AP) — A major difference between the western allies and Russians over Berlin's exports appeared today to have been solved.

The Russians yesterday had refused to allow trucks to leave western Berlin for the western occupation zones unless they had a permit either from the Russians or the Russian-backed German economic commission.

But early today west Berlin police quoted the officer in charge of the Russian highway checkpoint outside Berlin as saying only an order from the west Berlin government was required for passage of the trucks through the Russian zone.

Western Berlin is separated from the rest of western occupied Germany by 100 miles of Soviet-controlled territory.

Whether the Russians actually have dropped their demand for a Russian license will not be known before daylight today when trucks again try to get through the Russian checkpoint.

If Soviet authorities enforce their claim to authority over western Berlin's exports they could keep 2,000,000 residents of the American, British and French sectors of the city on a basis of "virtual charity" said Brig. Gen. Frank L. Howley, American commandant here. He declared western Berlin "must export to the west to live."

The Soviet blockade of western Berlin and the western allies' counter blockade of the Russian zone of Germany were lifted on schedule all along the 1,000-mile German cold war front.

American and British airlift crews kept flying supplies into Berlin at the rate of nearly 500 tons an hour and expected to keep on doing so for another 30 days.

Mrs. Fox Joins Marion County School Staff

Appointment of Mrs. Floyd Fox to the Marion county educational board was announced Thursday by Mrs. Agnes C. Booth, county school superintendent. She replaces W. P. Emery, who resigned after moving to California.

Mrs. Fox, who is a member of the school board of Union Hill district 42C, taught school for several years in Multnomah county after graduation from Oregon College of Education and University of Oregon. She was a 4-H leader for 15 years and has been president of the Marion County 4-H Leaders' association.

The new director is also on the county agricultural planning board and a member of the governor's state committee for displaced persons. She has been chairman of the county farm, home and rural life committee. The wife of Floyd Fox, sr., she is the mother of two children.

Other members of the board are Mrs. Genevieve Olsenburg of Keizer, George W. Hubbs of Silverton, Harley W. Luby of Jefferson and Mrs. Booth.

Unemployment in East Linn County Shrinks

ALBANY, May 12 — Unemployment in the eastern Linn county area has shrunk to about 500 from a mid-winter peak of 1,600. E. G. Sloan, manager of the local state employment office, announced Thursday.

Operations of the logging industry at near and an increase in light building has contributed to the increase of available jobs, Sloan said.

West Salem Mayor Predicts Time Change

WEST SALEM, May 12 — Mayor Walter Musgrave predicted today that this city will go on daylight saving time next week, when Salem makes the switch.

Musgrave has called the city council into special session at 7 p. m. Friday to consider a time change and to discuss possible new offers for purchase of city-owned surplus steel pipe.

Admitted Commie Given Scholarship by A-Board

WASHINGTON, May 12 — (AP) — An acknowledged communist turned up today with an atomic energy commission scholarship, given him to study relatively at government expense.

Members of congress protested the award to Hans Freistadt, a graduate student and part-time physics teacher at the University of North Carolina.

The atomic energy commission said the awards are made without a security checkup when no atomic secrets are involved. Otherwise, it said, "freedom of inquiry and education" would be menaced.

The Oregon Statesman

89th YEAR PAGES The Oregon Statesman, Salem, Oregon, Friday, May 13, 1949 FOUNDED 1851 PRICE No. 53

Stowaway



NEW YORK, May 12 — Gerhart Eisler (above), described as one of the top alien communists in this country, addresses a May day rally in New York City's Union Square on April 30. He is now en route to England on a Polish steamer as a stowaway. (AP Wirephoto to the Statesman.)

Scotland Yard Men Awaiting Eisler's Arrival

WASHINGTON, May 12 — (AP) — A stowaway aboard a Polish ship en route to England was "positively identified" today as the missing Gerhart Eisler, 53, alleged former No. 1 communist in the United States.

U. S. Immigration Commissioner Watson Miller told newsmen there was no question about the identification.

Miller said Scotland Yard detectives are waiting for Eisler's ship, the Gdynia-American liner Batory, to dock at Southampton, England. It is due here Saturday.

Justice department officials immediately opened an investigation into Eisler's disappearance. The Batory sailed from New York six days ago.

Eisler — if it is indeed he — skipped the country under two jail sentences — a one-year term for contempt of congress and a one-to-three year sentence for concealing his communist connections in applying for a permit to leave the United States.

He had been free on \$23,000 bail pending his appeal from both convictions.

Men Needed to Work in Fields

Thursday morning the supply of farm labor hands at the state employment lacked 20 men of being enough, W. H. Baillie, manager of the Salem office said.

With hop yards, strawberry patches and general farm crops work getting under full headway with the advent of excellent growing weather Baillie urges all who wish employment in this line to report early each morning at the office at Cottage and Ferry streets.

Cherry growers are among the group worrying over the possible labor shortage. Men wishing jobs should report by 6 a. m. and have lunches, the agency urges.

Slots Reappear Near Portland

PORTLAND, May 12 — (AP) — A report that slot machines have reappeared in a few private golf clubs just outside Portland drew a "haven't heard of it" response from the sheriff today.

Sheriff M. L. Elliott said his men have found no slot machines in public places, but can not check privately-owned clubs without a search warrant.

"If someone wants to sign a complaint against the clubs," he said, "we'll do our job."

Stavton High Plans For Record Crowd At Homecoming

STAYTON, May 12 — Early reservations for the banquet Saturday night indicate that a record share of the Stavton high alumni association's 700 members will be present for the 30th annual homecoming.

Alumni activities will join with the annual high school May day program at 10 a. m. Saturday. The traditional baseball game between the high school and alumni team will top the afternoon schedule.

Rash of Forest Fires Plagues State Columbia Tributaries Rise Swiftly

Dikes Washed Out by Creek Near Union

By the Associated Press The hot sun beat down yesterday and Pacific northwest rivers rose up toward flood stage.

The mighty Columbia river was swollen but most of the flood threats were concentrated along its upstream tributaries in eastern Washington and northern Idaho.

Boaters on Ferry, Idaho, waded its almost annual bridge over the dikes. Two bridges were closed in Okanogan county in northeastern Washington.

The Wenatchee river lapped at dikes tops at Cashmere, Wash. The Twisp river spilled over its banks in the Methow valley of Washington.

Lake Couer d'Alene in northern Idaho rose enough to close a section of U. S. highway No. 95.

The army corps of engineers dispatched 160 men and heavy equipment to Bonanza, Ferry, to help cope with the rapidly climbing Kootenai river.

The Kootenai was rising 3 1/2 feet a day as hot weather speeded the runoff of the Canadian snow pack.

In Oregon, atherine creek started on a rampage near Union. It washed out several dikes. Sandbag crews worked to keep the water away from three or four farmhouses. There was no immediate danger to the town of Union which suffered a \$500,000 flood a year ago.

The Columbia went over flood stage at Vancouver, Wash., but no major damage was expected. Elmer Fisher, river forecaster, said the Columbia probably would go over the 18 foot stage predicted earlier. It will rise at least four days, he said, and probably will reach a stage of 209 feet Monday.

There was no prospect, though, of any such flood as the one which struck the Oregon-Washington coast last year.

The Snake and Clearwater rivers rose a foot at Lewiston, Idaho, today. The Snake invaded a warehouse on low ground to a depth of two feet and approached a nearby roadway.

Homing Call Strong in Cat

PORTLAND, May 12 — (AP) — Mrs. Robert Martin didn't want her cat, and so three weeks ago she had him dumped 55 miles from home, in wooded country where she thought he could forage himself.

Two days ago the home-loving cat came plodding back to her front door.

"I guess," she told reporters, "it'll have to send him to the humane society."

She said the reason she doesn't want him is that "he just hasn't any personality."

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Dr. Charles A. Howard, former state school superintendent, will be the featured speaker at the banquet program. The alumni ball will follow in Forester's hall. (Additional details, page 6)

Carl Hall, Salem Artist, To Receive \$1,000 Prize



CARL HALL Wins National Honor

Truman Renews Pleas For \$4 Billion Tax Hike

WASHINGTON, May 12 — (AP) — President Truman today stuck to his request for a \$4,000,000,000 tax boost and anti-inflation powers, touching off sharp new opposition in congress and business circles.

Mr. Truman told a news conference the twin programs he repeatedly has asked are still needed to keep the government from operating in the red and to hold the nation's economy on an even keel.

Then, in reference to a congressional drive to trim federal spending, he said he believes in and has been practicing rigid government economy. As an example, the president said he had cut the national debt about 26 billion dollars, which he said was more than any other chief executive had done.

In other developments on the economic front, Senator Taft (R-Ohio) told a national lumbermen's meeting "the greatest failure of the 81st congress is in the financial field." He said that if congress "could cut \$3,000,000,000 off expenditures we could avoid a tax increase." But he added he is "not particularly optimistic that it will."

Shortly after Taft spoke, the house voted to add about \$1,500,000 annually to government costs as it approved a measure giving its members \$5,000 extra for clerical hire and a \$500 allowance for telephone and telegraph charges on official business.

State Highway Engineer R. H. Balduck said today this project might be included as a part of the commission's program for his next two years.

Balduck said the commission's eventual plan is for a four-lane route from Portland to Eugene, with four-lane sections in the vicinity of Roseburg, Grants Pass, Medford and Ashland.

The highway now is four-lane only from Portland South to New Era, a distance of about 15 miles.

Healthiest Pair Chosen at 4-H Fair in Albany

ALBANY, May 12 — (Special) — Lyle Noah, Route 2, Albany, and Barbara Brown, Route 4, Corvallis, were chosen "Healthiest Boy and Girl" as the Linn county 4-H club fair opened at Albany Thursday. One thousand 4-H members represented 135 clubs with exhibits at the Albany high school gymnasium and the Hospitality room of the Portland Gas and Coke company local office.

Judging will be completed Friday and the exhibits will be open to public inspection in the afternoon. Contestants, parents and leaders will attend a banquet at 6 p. m.

Runnersup for the "Healthiest Boy and Girl" titles were: Second place, Paul Anderson, Tangent, and Sally Ohlson, Route 3, Albany; third place, Bruce Johnson, Route 3, Albany, and Carol McDonnell, Sheed.

Voters in six north Marion county grade school district will cast ballots Monday on a proposal to dissolve union high school district 6, which was formed by a vote of the districts last May 27.

Pulls will be open at Aurora, Butteville, Broadacres, Donald, Hubbard and White. Voters opposed 393 to 211 a similar proposal at an election Sept. 16.

Silverton Park, Pool Superintendent Named SILVERTON, May 12 — (Special) — Corey Granger, 202 Cowling st., was named park and municipal swimming pool superintendent today, and will begin work Monday. He replaces D. E. De Vinney, who resigned because of illness.

Granger came here from Kansas four years ago.

88 in Salem; Blazes Blamed On Lightning

A high of 90 degrees for Salem today was predicted at midnight by the U. S. Weather Bureau at McNary field. The high Thursday was 88.

Eighteen forest fires are in progress in the state, 17 of them being directly attributable to the heat wave, all started by lightning. The eighteenth, and largest of the group, in the Forest Grove area, was started by a short circuit.

In predicting 90 degrees for today the weather bureau said the skies would probably be clear, with a north wind prevailing. Despite the predicted higher temperature the weather will be more tolerable than on Thursday, the bureau predicted because the air would probably be drier.

The largest of the 18 fires was started by a short circuit in the logging operations of C. F. Laughlin on Turner creek in the Forest Grove area. The blaze, in slashings, was being trailed.

Fourteen spot fires burst out in the Willamette National forest and in Western Lane county, all the result of lightning. Foresters started a plane patrol, and key lock-outs were ordered to duty, ignoring the usual May 15 opening of the fire warden season.

Three other fires in Crook county of about an acre each were started by lightning. More thunderstorms forecast for the state today continued the fire danger. Maximum temperatures in Oregon Thursday included: The Dalles 82; Pendleton 90; Gresham 89; Portland 88; La Grande 87; Burns 86 and Medford 82.

4-Lane Road to Salem on Road Board Agenda

The state highway commission will consider widening the two-lane Pacific highway from New Era to Salem to four lanes.

State Highway Engineer R. H. Balduck said today this project might be included as a part of the commission's program for his next two years.

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Mike DeCicco Refuses to Quit

PORTLAND, May 12 — (AP) — Mike De Cicco refused today to resign as treasurer of the Oregon state democratic central committee, and challenged the committee to oust him.

The Portland tire dealer declared he would not abandon his job at the request of "Goody Goody Gossin and the Honeyman interests."

His reference was to W. J. Jossin, state chairman, who had objected to a beach fracas involving De Cicco, a woman housekeeper and several sailors; Jossin has called a meeting of the executive committee to oust De Cicco.

POWER LINE BIDS OPENED

PORTLAND, May 12 — (AP) — The Bonneville Power administration opened bids today on Lebanon line terminal additions to the Albany sub-station. The low bidder was Lacy Construction co., Portland, with \$7,397.

Bravery and The Air Lift

"Bravery is nothing more than fear in a man beaten down by the pride in a man," and bravery was plentiful in the Berlin airlift.

Henry McLemore gives some pertinent comments on the great operation in his column on page 4 today — and a suggestion.

Our Senators WON, 13-11

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