

East German Rejects Talks

BERLIN (AP) — East Germany's Communist leader Walter Ulbricht has rejected a Western proposal for four-power talks to prevent violence along the Berlin wall and promote free movement in the divided city.

Ulbricht told the East German Communist party's Central Committee his regime is prepared to talk with West Berlin's city administration on "normalizing relations."

"This is a matter concerning East Germany and West Berlin, not the occupation powers," he said.

The four powers can only negotiate a removal of the occupation regime in West Berlin, Ulbricht added.

All that is needed to stop trouble along the wall, he continued, is to stop "border provocations" from West Berlin, stop "revengist and militarist" propaganda from West Berlin, and muzzle RIAS, the U. S. radio station in the American sector of West Berlin.

East Fires First

Ulbricht's remarks were reported by ADN, the East German news agency.

The United States, Britain and France, in notes Monday to the Soviet Union proposing a meeting, accused East Berlin guards of killing defenseless people trying to flee to West Berlin. The notes said in all cases in which there had been an exchange of fire between West Berlin and East Berlin Guards, the East Berliners had fired first.

Blast Holes Wall

An explosion blew a hole in the Red wall Tuesday night at Kochstrasse, a few hundred yards from Checkpoint Charlie, the international crossing point into East Berlin.

West Berlin police said they did not know who set off the blast or what kind of explosive was used. The police said the explosion knocked out more than 20 windows in a nearby West Berlin office building and created a sizeable hole in a section of the wall that East German labor brigades had been reinforcing.

Russia and a number of other nations have refused to pay their share of the cost of U. N. forces in the Congo and the Gaza Strip area of Egypt, leaving the United Nations in precarious financial condition.

The World Court has undertaken to rule whether the non-payment should disqualify members from voting in the U. N. General Assembly. Such a penalty is provided for nonpayment of shares of regular U. N. costs.

Purchases Pledged

Stevenson testified that the Senate-approved plan, if backed by an expected favorable decision of the international court, would serve to thwart the "hostile attitude of the Soviet Union."

Stevenson testified that 39 nations have already purchased or formally pledged the purchase of more than \$65 million of the \$200 million U. N. bond issue.

He said the crux of the question before Congress is whether the United States wants an effective United Nations and "whether the United States will continue to play, or will no longer play, the great part in the U. N.'s affairs that he fits our power and our responsibility."

Court Rule Favors Timber Firm

PORTLAND (AP) — A federal judge ruled Tuesday a timber holding company can treat profit from sales of timber to loggers and railroad tie-millers as capital gains rather than ordinary income.

Federal Judge William G. East said Timber Conservation Co., a Central Point timber holding company, is entitled to a refund of about \$130,000 in income taxes and interest due for the years 1952, 1953 and 1955.

The Central Point firm buys and sells tracts of timber for investment and income.

The ruling will allow other timber holding firms to declare profits as capital gains.

The Timber Conservation Co. claim was presented in a 1960 trial. It opposed the government contention that "sales" of timber it made to loggers and tie-mill contractors were not sales but were service agreements and that the profits would have to be treated as ordinary income.

Judge East sustained the firm's claim that the transactions constituted a "disposal" within meaning of sections of the Internal Revenue Codes of 1939 and 1954.

The decision said that to qualify for capital gains treatment the lands had to be held by the firm for six months.

The judge said most of the loggers treated the timber as their own in their business records and had the risk of the market in the sale of their products.

Korean Discipline

SEOUL, South Korea (AP) — The South Korean military junta says it plans to discharge or discipline some 300 government officials accused of misconduct based on a recent nationwide "special inspection."



New Medal

Quemoy Defenders Placid In Face of China Buildup

By FORREST EDWARDS
Of the Associated Press

QUEMOY — Nationalist Chinese defenders on this bit of gun-bristling rock are taking the massive Communist buildup on the China mainland only five miles away a lot more calmly than most of the rest of the world.

In the last three weeks, a top Nationalist commander reports, the Reds have boosted their military might to about 400,000 infantry and more than 300 jet fighters in the mainland crescent that rings three sides of the Quemoy complex.

That is 50 per cent above the pre-June 1 estimates of Communist strength in the area.

The Nationalists have an estimated 70,000 soldiers on this 50 square miles of island. The only planes here are a few tiny single-engine artillery spotters. Jet defense for the Quemoy complex would have to come from Formosa airbases 150 to 200 miles away or—possibly—from U. S. Navy carriers operating in the shallow Formosa Strait.

American Jets

American jets would defend Quemoy only if the Communists attacked and then only if President Kennedy decided that the Red attack was the prelude to an attack against Formosa itself.

Despite the disparity of Communist and Nationalist strength, there is little apparent worry on this island whose mountains and cliffs are honeycombed with tunnels and gun positions carved out of solid rock.

Quemoy knows it can withstand any artillery bombardment the Reds can hurl at it. Its defenders express confidence that they can throw back any invasion the Reds might attempt with what landing craft the Communists are known to have.

In October 1949, the Nationalists virtually wiped out two Red divisions that tried an invasion. The Reds tried again the following July, and again the Nationalists killed or captured almost all of the invaders. Quemoy stood up under an intense

artillery bombardment in September 1954, another in June-July 1957, and a six-week artillery pounding in the fall of 1958.

During the 1958 attack, the Red guns pounded the Quemoy complex with half a million high explosive shells.

Better Position

Quemoy today is in far better position to withstand an artillery attack and an invasion than four years ago.

Headquarters and command posts are buried in granite tunnels many feet below the surface. Hundreds of underground dumps are piled high with food, weapons and ammunition.

Scores of tanks can rumble out of huge underground caverns in minutes. Machine guns and high velocity antitank guns can sweep virtually every yard of beach. Large areas of the sandy beaches are mined.

Miles of tunnels carved out of solid rock provide living areas for many of the Nationalist soldiers. There are hundreds of underground shelters for the island's 45,000 civilians. Already whole villages live underground as a matter of course.

Despite Peiping charges that the Nationalists are preparing to invade the mainland, and statements by Nationalist officials that the time is ripe, Quemoy shows no sign of being a staging area for an invasion.

Unander to Attend Republican Meeting

PORTLAND (AP) — Sig Unander, the Republican nominee for U. S. senator from Oregon, is going to Gettysburg, Pa., to attend a meeting of GOP leaders on the farm of former President Eisenhower Saturday.

He will leave for the conference from Vancouver, B.C., where he was scheduled to speak at the National Plywood Distributors Assn. convention Wednesday.

4 Churches Set Merger

DETROIT (AP) — Four Lutheran denominations are preparing to merge Thursday into a single body.

Each of the groups was holding closing sessions of their separate denominational conventions, before the formal merger.

The Rev. Franklin Clark Fry, president of the United Lutheran Church, one of the merging groups, said that Christ "wishes unity."

"By Him the United Lutheran church was brought into being," he said. "By His word we strike our tents."

The Rev. Malvin H. Lundeen, president of the Augustana Lutheran Church, another of the groups, said its life is "not to be destroyed or lost" by merger, but is to "be manifested in a more significant form."

The other two denominations are the American Evangelical Lutheran Church and the Suomi Synod. Differences in national origin was at the root of the original divisions.

The new denomination will have a total of 3,200,000 members, sixth largest Protestant body in America.

Growers to Vote

SALEM (AP) — Growers will vote by mail from July 9 to 28 on whether to form an Oregon orchardgrass seed producers commission, the State Department of Agriculture said Wednesday.

The Oregon Orchardgrass Growers Assn. has asked that the commission be formed to aid in marketing and research.

At Oxford

Dean Rusk, Comedian Honored

OXFORD, England (AP) — U. S. Secretary of State Dean Rusk paraded through Oxford in flowing red robes and black scholar's hat Wednesday and received the university's honorary degree as doctor of civil law.

The degree is the highest the university can confer on a non-royal person.

Behind Rusk in the procession of university dons and dignitaries came Comedian Charlie Chaplin — similarly decked in academic attire and grinning broadly to shouts of "Good Old Charlie!"

Objections had been voiced in the university to conferring on Chaplin an honorary doctorate of letters, but the choice seemed popular with crowds of townsfolk and students lining the narrow, twisting streets.

For Rusk there was dignified applause. The procession ambled through town in brilliant sunshine, watched by spectators clustered in narrow upstairs windows.

Violinist Yehudi Menuhin also received an honorary doctorate of music and the president of the World Bank, Eugene Black, an honorary doctorate of civil law at the ceremony in Oxford Town Hall.

The ceremony, with speeches in Latin, was followed by lunch and a garden party.

Rusk, who attended Oxford 30 years ago as a Rhodes scholar, already holds an Oxford master's degree in philosophy, politics and economics.

Mail Carrier Position Open

The Board of U. S. Civil Service Examiners has announced an examination for the position of clerk-carrier at the Springfield Postoffice.

Applicants must reside within the delivery area of the post office or must be a bonafide patron or employee of that office. The starting wage for the position is \$2.16 an hour.

Detailed information, including instructions for applying, can be obtained at the Springfield Postoffice. The closing date for applications is July 19.

New Stamps Issued

MEXICO CITY (AP) — The Mexican government is issuing a new series of airmail stamps to commemorate President Kennedy's visit this weekend. Four million copies of the issue will go on sale.



Federal Judge Sets Hearing On Air Strike

Restraining Order Extended 10 Days

NEW YORK (AP) — Federal Judge George Rosling called renewed hearings Wednesday in Pan American World Airways' effort to stave off a renewed flight engineers strike by means of an injunction.

Rosling put off making an expected ruling on a preliminary injunction Tuesday and instead extended a restraining order against the Flight Engineers International Assn. (FEIA) until 4 p.m. EDT July 6.

The FEIA's attorney, Daniel Kornblum, angrily charged the court was abridging a congressionally granted right to strike. Rosling countered that he wanted time to conduct an "orderly" hearing to bring out all the facts and to study the law.

Additional Arguments

Rosling scheduled additional testimony and arguments for Wednesday afternoon in federal court at Brooklyn. There was now immediate indication how many days the hearings might consume.

Kornblum at first said he would appeal immediately to the Circuit Court of Appeals. But he later modified that by saying he probably would not appeal right away, awaiting instead the outcome of Wednesday's hearing.

Rosling's delaying a walkout by Pan American's 500 flight engineers had no effect on an FEIA strike which has grounded Eastern Air Lines since last Saturday at an estimated loss of \$1 million-a-day in revenue. Pan American conceded Tuesday that uncertainty in the minds of passengers over continued operations had hurt its business during this heavy vacation period.

Union Obeys Order

The flight engineers also went on strike against Pan American last Saturday, but returned to work a few hours later when the airline secured the temporary restraining order from Rosling.

Although they obviously did not like the new delay imposed on them by Rosling, union leaders said they would advise their members to obey the order. The union had been prepared to resume its walkout Tuesday if the court order had expired or been lifted.

Pan American and Eastern engineers took the strike route to enforce demands that they be guaranteed a seat in jet cockpits in planned reduction from four to three crewmen.

LOOK AGAIN — This little entrant in a baby show in Winnipeg looks as though part of her could qualify for the Miss Universe contest. Although she attracted the judges' attention, they couldn't really allow points for momma's legs.

Debentures Sold

NEW YORK (AP) — The Northwest Natural Gas Co. of Portland, Ore., has sold \$6 million in 5 per cent debentures due June 1, 1962, in a private offering. Lehman Bros. negotiated the financing. Northwest will use proceeds to retire bank loans and for construction.

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