

Price Control Issue Pondered as Cost of Living Scoots Higher

WASHINGTON, July 14 (AP)—A sharp, war-spurred rise in the wholesale prices of many things people eat, wear or use was confirmed by the government today. President Truman discussed the question of possible home-front mobilization with his cabinet at a morning meeting. It was apparent, however, that the administration had not reached a decision on whether to ask congress for any controls on the price or distribution of goods. Senator Taft of Ohio, the republican leader, said he would oppose giving the president any "blank check or standby authority" to put controls into operation.

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Reds Launch Drive Across Kum River

Calling up Guards, Reserves Rumored

WASHINGTON, July 14 (AP)—Imminent calls for partial mobilization of national guardsmen and reserves and for up to \$6,000,000 in new funds to meet the Korean war crisis were forecast on Capitol Hill today.

Senator Lyndon Johnson (D-Tex.) said he has been informed by high administration officials that the national guard and reservists will soon be ordered to active duty.

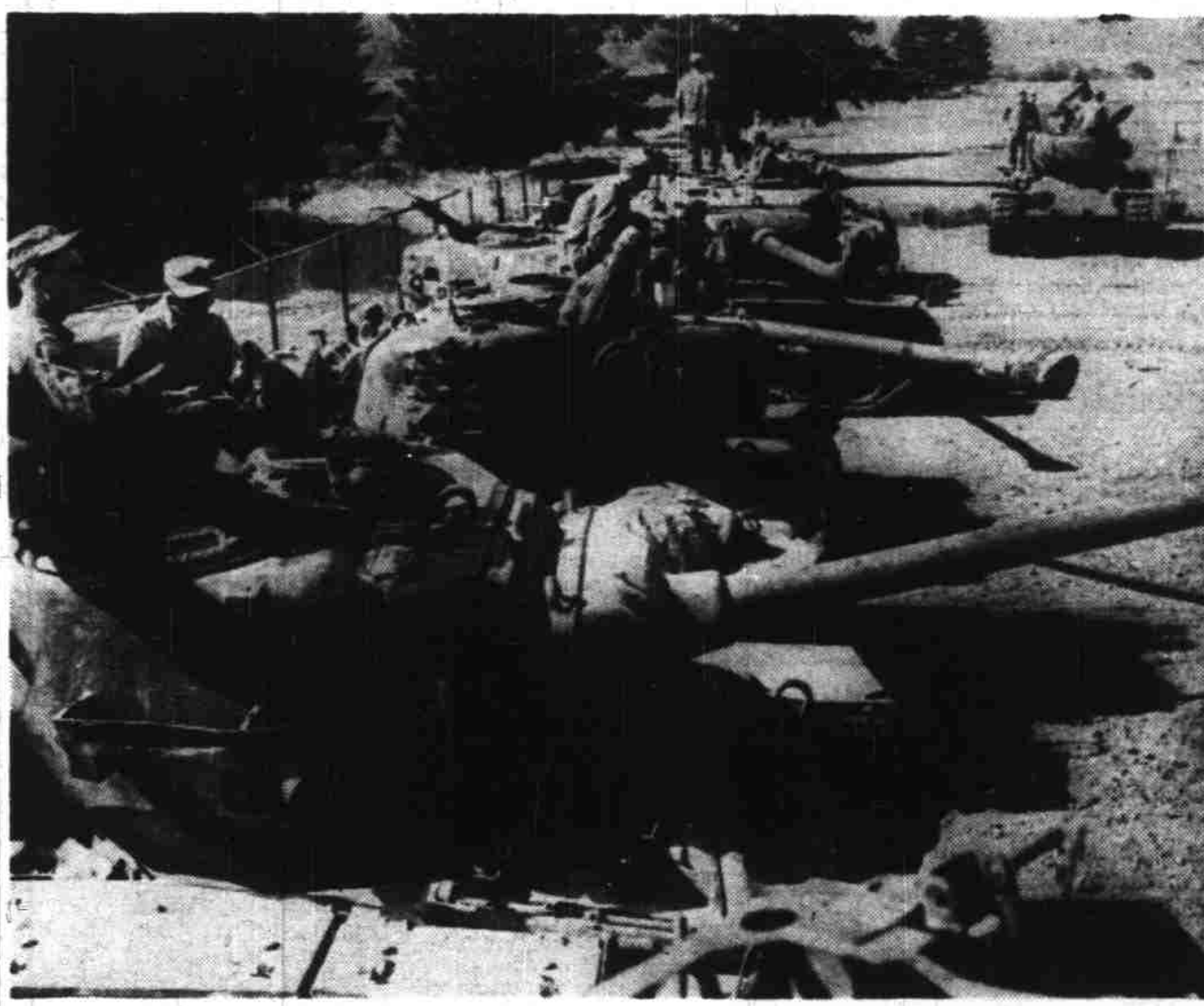
The Texan, a member of the senate armed services committee, said however that only part of the guard forces would be pressed into federal service now, and the reserve will be called as needed—not en masse.

An army spokesman told reporters at the Pentagon: "There isn't any doubt in the world that we are going to hold in Korea. There is no Dunkerque in sight. It isn't hopeless like Bataan. It isn't a rout."

The army's assurances came as President Truman and his cabinet received a review of the military situation from Gen. Omar Bradley, chairman of the joint chiefs of staff.

Mr. Truman and the cabinet also discussed the whole range of possible steps for home front mobilization, but cabinet members said no decisions were reached.

Readying U.S. Tanks for Far East



FORT LEWIS, Wash., July 14 — These and others like them were being put aboard ships today at Seattle, Tacoma and Olympia for shipment to the Far East where they may eventually be in combat with North Korean communist forces. Here, men of the 72nd Heavy Tank Battalion inspect their 45-ton "General Patton" as the Second Division began loading operations. (AP Wirephoto to the Statesman.)

American Sector Breached

TOKYO, Saturday, July 15 (AP)—North Korean troops smashed in one attempt to cross the Kum river, knifed over today and hurled back the American defenders before strategic Taejon.

General MacArthur's communique said the first communist attempt to leap the river came late yesterday and was "thrown back with heavy losses."

The successful crossing was made near Samgyo, about 30 miles northwest of Taejon. The bridgehead appeared to be extensive. It already was under attack by U. S. fighter planes.

Field dispatches said the communists simultaneously opened a heavy attack on the American east flank. If successful this attack might trap U. S. infantry and artillery along the river.

The South Koreans were under severe attack at the east end of the American positions along the river. The southerners called for American artillery support.

MacArthur's communique made apparent mention of this action. It said, however that the communist second and fourth communist divisions were keeping up the pressure on the southerners in the Chochiwon-Chongju area.

If this is the same sector as mentioned in field dispatches, it would indicate that the fighting on the American east flank still is north of the Kum river.

The communique said that U. S. and South Korean forces "continue to withdraw generally before superior forces, fighting rearguard actions until reinforcements arrive."

The headquarters communique declared that while the Kum river crossing was "a setback" it was "no cause of undue alarm." The strength of the bridgehead forces was unknown.

The northerners also were trying to ferry tanks across the 200-yard-wide river. Four were reported knocked out, one in mid-stream.

Fighting still raged at the bridgehead with the "final outcome undetermined," headquarters said.

An American field artillery position was overrun. It was not known at headquarters whether the men and guns were able to withdraw.

The artillery had been sending barrages across the river in an attempt to upset the communist forces on the north bank.

The successful crossing was several miles southwest of where the first red attempt met disaster.

North of the Kum in this sector, some defending forces still appeared to be in action.

The communique said the North Korean sixth division was engaged in an encircling movement just south of Yesan, which is 40 miles northwest of Taejon. Whether the defending forces are American or South Korean was not indicated.

On the extreme eastern end of the front, the communist fifth and fifteenth divisions were reported active near Tanyang, about 65 air miles northeast of Taejon. This is the sector where the reds are threatening to slash U. S. communication lines to Pusan, southeast port and base.

Front dispatches, apparently later than the communique, said the communist pressure in the bridgehead area northwest of Taejon had eased somewhat during the morning.

The crossing was made after a night of artillery duels and small arms fire.

An earlier communist force, apparently about 100 strong, crossed last night. It infiltrated American positions. Some of the reds wore the green fatigue uniforms of the U. S. army. Apparently the uniforms had been taken from captured troops.

RED ARMY ON MOVE
 HONG KONG, July 15 (AP)—Pro-nationalist newspapers here today asserted the entire fourth field army of communist China has been ordered moved to Manchuria — next to the Korean war zone — by the end of July.

It Seems To Me

By Charles A. Sengstacke

The curbstone spectator derives some amusement from the conflict in policies of two of the state farm organizations, the Oregon Farmers Union and the Oregon Farmers Union. Each is an organization of and for the farmer; but they look at current politico-economic problems through different-colored lenses. The former is conservative; the latter frankly radical. In fact the FU seems now to buddy more closely with organized labor than the state grange, which long held a close political alliance with labor.

The division of opinion has been evidenced in the argument over legislative reapportionment. The Farm Bureau by dint of strenuous effort qualified sufficient petitions for the "balanced plan" of reapportionment. The Farmers Union did the best job of circulating petitions for the labor union plan, but the unions fell down on their end so their initiative was lost in the shuffle.

Nothing daunted, the FB returns to the fray and Ronald Jones, its president, has given out a statement condemning the "balanced plan" as a "pious fraud" on the farmers. Why, says Jones, this plan will deprive Marion and Yamhill, great agricultural counties, of one representative apiece; likewise Klamath, Umatilla, Coos and Clatsop will lose representation while four small counties in central Oregon, (all rural), will get a representative apiece.

The same loss in representation would occur under the population plan which the Farmers Union supported. The fact is that that plan would give Multnomah county a third of the representation in house and senate, while the "balanced plan" would hold Multnomah to not more than one-fourth. Under the former rural upstate would have less representation in the (Continued on Editorial Page 4)

Indians Claim Discrimination By Services

Accusations that the American Indian is being discriminated against and that the federal Indian service "is weighed down in politics," were hurled by speakers at a conference on Indian affairs here Friday.

The conference was called by Gov. Douglas McKay. It was held in the executive department. Many speakers, some of Indian blood, represented the Indians and other interests.

Wayne Crawford, appearing for the Klamath reservation Indians, said he had attended a lot of meetings at which Indian bureau officials were present but no action favorable to the Indians resulted.

"Don't be fooled that the Indian service wants to free the Indian," Crawford said. "They are more interested in holding their jobs. I am convinced the Indian service is weighed down in politics and has no intention of giving the Indians a helping hand."

Crawford warned Governor McKay he would encounter opposition from any program to free the Indian but suggested that a committee of men willing to speak out their mind be appointed to work on a liberation proposal.

Other speakers cited what they termed vicious cases of discrimination against the Indian. They referred particularly to signs in hotels, restaurants and other public places denying them food and shelter.

"It is this discrimination that has forced many Indians into an unfavorable environment and eventually resulted in their arrest for some criminal offense," one speaker said. A few speakers declared themselves opposed to elimination of the Indian reservations.

The charge also was made that some insurance companies have refused Indians insurance on their automobiles.

(Additional story on page 5)

Decisions Held On Demotion of Fire Captains

A hearing on two Salem fire department demotions was concluded Friday night after 14 hours of testimony.

Salem's civil service commission will await a transcript of the proceedings before deciding whether to sustain the demotions or reinstate J. F. Baggett and Ben O. Faught as fire captains.

This was announced by Chairman William J. Entwiss, who said his commission may reopen the hearing to take testimony from two possible witnesses who could not be reached by subpoenas Friday—recently retired Battalion Chief Walter Eberhard and City Manager J. L. Franzen.

Both were reported out of the city. The hearing Wednesday and Friday at city hall concerned the appeal of Baggett and Faught to the commission from their demotion by Fire Chief W. P. Roble on grounds of inefficiency, insubordination and discourtesy.

In closing argument the fire chief's attorney, Bruce Williams, declared that Roble had demoted the men for cause, but "not in a vindictive sense." The attorney said the charges represented culmination of many things which had to be corrected for the good of the service.

Speaking for the men seeking reinstatement, Attorney Allan Carson labelled the charges as "silly" and "a tempest in a teacup." He maintained that the demotions were prompted by the recent state firefighters' convention resolution condemning the city manager form of government.

Baggett served on the convention resolutions committee. Just after the convention Fire Chief Roble resigned, but later withdrew his resignation.

(Additional details on page 2)

Fire Destroys Barn on South 12th Street Lot

A spectacular fire raced through a wooden barn behind a South 12th street home shortly before midnight Friday, shooting flames about a hundred feet in the air for a brief period.

The unoccupied barn, owned by Dr. C. R. Wilson of Silverton and rented by H. D. Yarbrough, 897 S. 12th st., was destroyed in about 15 minutes. Only the charred and water-soaked framework remained.

Four trucks from south and central Salem stations were at the barn minutes after E. S. VanAntwerp, 835 S. 12th st., phoned in the alarm about 11:15 p.m. It was too late to save the structure, but firemen stopped flames from spreading to nearby residences.

Firemen were still shooting streams of water on smouldering ashes early this morning.

VanAntwerp said the barn, which was empty, seemed to explode into flames which were visible as far away as the Salem airport. The blaze attracted hundreds of onlookers.

Origin of the blaze was still undetermined early this morning, although fire captains believed defective wiring may have been responsible.

Beef Loins, Ribs Hit Record High

PORTLAND, July 14 (AP)—The wholesale price of good beef loins and ribs hit a record high today.

The federal market news service reported a price of 85 cents for loins and 65 cents for ribs, both up 5 cents. Previous high was set in August, 1948.

These two led a general wholesale advance in meat prices, expected to be reflected soon in retail markets.

Poultry prices also advanced a cent a pound. Eggs continued unchanged.

Peace Terms Unchanged

WASHINGTON, July 14 (AP)—The United States served notice on the world today that its rock-bottom requirement for a settlement of the Korean crisis is the withdrawal of the communist invasion army from South Korea.

A state department statement prompted by speculation over the diplomatic activities of Prime Minister Nehru, plus information from other sources, disclosed a firm and unyielding American policy concerning these points:

1. There can be no compromise with aggression in Korea as far as this government is concerned.

2. The United Nations is the proper forum for negotiation on the crisis and the United States will not negotiate directly with Russia.

3. The United States does not intend to enter into any deal with Russia for admission of Communist China to the United Nations in return for Russian intervention to call off the North Koreans.

Tito Demands End to Bulgaria's Border Forays; Soldier Killed

Guard Capture Aim of Patrol; Fight Feared

BELGRADE, Yugoslavia, July 14 (AP)—Bulgarian and Yugoslav frontier guards exchanged fire in a series of incidents yesterday and a Bulgarian soldier was killed, Yugoslavia announced today.

Declaring military patrols had been sent across the frontier in an effort to capture Yugoslav guards, Premier Marshal Tito's government demanded that Bulgaria "halt these practices."

The demand was made in a note handed the Bulgarian legation. Bulgaria is an active member of the Moscow-directed cominform. Yugoslavia was cast out of that international communist organization two years ago on grounds Tito wasn't loyal to the party line.

The two nations share a 300-mile frontier, largely rocky, barren and mountainous. Yugoslavians' Serbian republic fronts a part of the frontier and the Macedonian republic on the rest.

(The sites of the Yugoslav-Bulgarian clashes were not specified. Competent observers in Istanbul, however, have speculated Bulgaria might attempt to unite Yugoslavia, Greek and Bulgarian Macedonia while world attention is focused on Korea. The Bulgarian army command has been Russianized in recent months. The defense minister is Lt. Gen. Petar Panchevsky, 48-year-old Bulgarian who was an officer in the Soviet army. Russian veterans hold high commands.)

The incidents appeared to be part of the war of nerves between Yugoslavia and the cominform, the subject of a rash of rumors in recent weeks. The rumors have been dominated by reports of troop movements in all three of Yugoslavia's eastern neighbors in Russia's sphere — Bulgaria in the south, Romania at the center and Hungary in the north.

FIRE HITS BEACHFRONT
 HAMPTON BEACH, N.H., July 14 (AP)—A general alarm fire out of control for more than an hour and a half tonight levelled a block of wooden buildings on the beachfront but was stopped before it reached the Casino, a dance hall.

Where Reds Breached Line



Arrow at center-left shows where North communist troops battered a bridgehead across the Kum river defense line today. American defenders were thrown back in the vital sector before Taejon, temporary capitol for the South Korean government. Simultaneously, the reds placed Southern Korean troops under heavy attack elsewhere along the 150-mile front line. (AP Wirephoto map to the Statesman.)

Rains Check Air Operation

TOKYO, Saturday, July 15 (AP)—The Far East air force said today Superforts, jets and Mustang fighters yesterday braved bad weather and struck ground targets all the way from the front to Seoul, 90 miles north.

The Australians joined the Americans in making 190 individual flights. It was the second straight day that the dominant Allied air arm had been hampered by the weather.

Bread Price Due For Cent Raise

Portland, July 14 (AP)—The price of bread will be boosted 1 cent a loaf tomorrow.

Major wholesale bakeries announced the advance and chain stores said they would follow suit on their own brands of bread.

This will make the retail price on most brands 16 cents for a 1 1/2-pound loaf and 23 cents for a 1 1/2-pound loaf. Chain store brands will sell for 14 and 20 cents.

Air Raid Warning Centers Setup in Key State Cities

PORTLAND, July 14 (AP)—The defense program for northern Oregon is moving from the planning into the organization stage, Louis E. Starr, state civilian defense director, said today.

Air raid warning centers in the four key cities of Pendleton, The Dalles, Eugene and Portland have been set up in offices of law enforcement agencies, he said. They have direct telephone lines to the air force security center.

Sub-key centers are being set up in other northern Oregon county seats.

Scouts Return From Jaunt To Jamboree

More than 100 Salem area Boy Scouts and leaders returned here Friday from the National B. O. Scout Jamboree at Valley Forge, Pa.

The Scouts, weary but apparently happy, climbed off a Southern Pacific train from San Francisco about 6 p. m. and were greeted by hundreds of parents, friends and Boy Scout officials.

A 24-day journey took the Scouts not only to the jamboree but also to the national capitol, national parks and many metropolitan cities throughout the country.

Jamboree troops 13 of the Silver Falls and Polk districts, 14 of the Cherry City (Salem) district and 23 of the Clatsop and Marion districts made the trip, accompanied by Scout officials.

Progress of the trip has been reported to readers of The Oregon Statesman by Special Correspondents Fred Minifie and George Stroutz, jr.

AMMUNITION EXPLODES

GOSPORT, Eng., July 14 (AP)—Eight ammunition loading barges exploded tonight and started a raging harbor fire near a munitions depot at this English channel port. Seven persons were injured.

Animal Crackers

By WARREN GOODRICH



"I'll tell you what—you can have all the grass you can eat for fifty cents!"

Explosion Shatters Seattle Building



SEATTLE, Wash., July 14 — Smoke and flames pour from a three-story business building on Seattle's First avenue after an underground gas explosion shattered the building early today. One man was killed and 12 others injured in the blast. The victim was apparently standing on the sidewalk when the explosion came. (AP Wirephoto to the Statesman.)

BASEBALL

Team	Score
Western International	
At Salem 6, Spokane 4	
At Tacoma 2-8, Wenatchee 4-2	
At Vancouver 5, Yakima 0	
Coast League	
At Portland 1, Sacramento 0	
At San Diego 4, Seattle 6	
At Los Angeles 5, San Francisco 3	
At Oakland 3, Hollywood 2	
American League	
At Washington 0, Detroit 2	
At Philadelphia 3-2, St. Louis 2-5	
At New York 1, Cleveland 5	
At Boston 13, Chicago 1	
National League	
At Pittsburgh 8, New York 7	
At Chicago 6, Brooklyn 1	
At Cincinnati 4, Boston 6	
At St. Louis 4, Philadelphia 2	

THE WEATHER

City	Max.	Min.	Precip.
Salem	83	51	.00
Portland	71	47	.00
San Francisco	71	48	.00
Chicago	81	53	.00
New York	78	67	.00

Willamette river -1.6 feet.
 FORECAST (from U.S. weather bureau, McNary field, Salem): Generally fair today, tonight and tomorrow. High today near 87 and low tonight near 52. Expected low relative humidity this afternoon near 36 per cent. Weather excellent for most farm activities today but winds will be gentle to moderate during afternoon hours.

SALEM PRECIPITATION	Last Year	Normal
This Year	43.69	41.70
		37.54