

# Excess Profits Tax Approved in House

WASHINGTON, Dec. 5—(AP)—The house tonight passed an "excess profits" tax estimated to bring in \$4,600,000,000 from corporations in 1951.

The levy was approved and sent to the senate, 378 to 20. The Senator George (D-Ga.), chairman of the tax-writing finance committee, told reporters he expects the measure to reach the White house for signature in some form before the New Year.

As approved by the house, the levy would be retroactive to last July 1—a few days after the U. S. got into the Korean war.

During the first 12 months of its operation it is expected to fall short of raising the full \$4,600,000,000 asked by President Truman from a tax on "excess" corporate profits. But experts of the house ways and means committee, which framed the measure, estimated it would produce \$4,600,000,000 in calendar 1951 on the basis of increased corporate earnings expected then.

Passage came soon after a substitute tax bill backed by republican policy leaders was defeated, 252 to 145. Only one democrat, Rep. Kennedy of Massachusetts, voted for the republican-favored proposal to shelve the winning bill for the substitute.

The approved measure provides a 75 per cent tax on profits in excess of what it calls normal. It defines normal profits for the best three years in the four-year period 1946-1949. Profits thus defined as normal would be taxable at the present top corporation income levy of 45 per cent.

The substitute backed by republican policy leaders proposed an increase of 45 to 50 per cent in the tax on normal profits, which it defined as 100 per cent of the 1946-1949 average. It proposed also a 75 per cent tax on profits in excess of the average for those years.

# GM, Ford Announce Car Price Increases

DETROIT, Dec. 5—(AP)—The automobile industry's efforts to hold the price line collapsed today.

General Motors and Ford—two of the industry's "big three"—announced price increases on 1951 models. Both blamed higher manufacturing and labor costs.

The action leaves only Chrysler, third member of the large producers, yet to announce price plans. Chrysler will introduce its 1951 cars in January.

Several independent car manufacturers recently put higher price tags on their new models.

The Ford boost, effective immediately, followed by only a few hours the General Motors announcement.

Ford listed specific prices for its cars while GM said prices would be disclosed when its various cars are given first public showing. Chevrolet will be introduced Friday, followed by Pontiac December 11. Dates for first showings of the Oldsmobile, Buick and Cadillac lines have not been announced.

Ford, which upped its truck prices recently, said the boost in its passenger cars ranges from \$87.50 on its lowest-priced Ford to \$165 on its highest-priced Lincoln.

At the time the new Mercury and Ford models were introduced, Ford President Henry Ford II said there would be no price increase in order to help battle inflation.

UAW President Walter P. Reuther sharply criticized the GM increase in a statement tonight.

He said the boost was "totally unjustified and unnecessary."

The increase, Reuther said, "underscores the need for decisive action by the government to stop runaway inflation and protect the living standards of the American people."

Baldock was born in Trinidad, Colorado. His college work in engineering was done at the University of Colorado. After several years of work as civil engineer with private corporations he came to Oregon. For several years he was an engineer with the port commission at Astoria, leaving that employment in 1915 to become district engineer for the state highway department in eastern Oregon. In 1931 he was made chief engineer.

It was my privilege to have four years of rather close association with Mr. Baldock in his official capacity. I would testify that he has two marked qualities: engineering competence.

(Continued on Editorial Page, 4)

# Charles Ross, Truman Press Secretary, Dies

WASHINGTON, Dec. 5—(AP)—Charles G. Ross, scholarly journalist and press secretary to President Truman, died unexpectedly at his desk in the White House late today. He was 65.

Ross was an old schoolmate of the president and Mrs. Truman, with whom he had "grown up" in Independence, Mo. He enjoyed an affectionate and intimate relationship with the president and the presidential family. And he enjoyed as well the esteem of newspapermen in Washington, his native Missouri and throughout the country.

He established a wide reputation as a newspaperman during his long career on the St. Louis Post Dispatch. He won a Pulitzer prize in 1931—in the midst of the depression—for an article on "The Country's Plight—What Can Be Done About It?"

Death was attributed to a heart attack. He was stricken while he was talking with his secretary, Miss Myrtle Berghelm, and television men.

Ross, although nearly two years younger than Mr. Truman, at one time was president of the Bess Wallace, at Independence high school. They were graduated together in 1901 and Ross was the class valedictorian.

Although their paths separated, the two men remained fast friends. When Mr. Truman became president on the death of Franklin D. Roosevelt in 1945, it was a natural move for him to offer the White House press relations post to Ross, his old friend, who had spent more than 40 years in newspaper work.

# Animal Crackers



WARREN GOODRICH  
You know that book I borrowed from you? I finally finished it—it was delishious!

# The Oregon Statesman

FOUNDED 1851  
100th YEAR 20-PAGES The Oregon Statesman, Salem, Oregon, Wednesday, December 6, 1950 PRICE 5c No. 253

# 8th Army Forms New Defense Line

## Collins Discounts A-Bomb

TOKYO, Wednesday, Dec. 6—(AP)—The U. S. Eighth army, still a fighting force, today awaited the vanguard of a 1,000,000-man Chinese communist army from a new defense line in northwest Korea.

It had halted its retreat from Pnyongyang toward the 38th parallel. But there was no retreat yet for 30,000 U. S. troops trapped in northeast Korea where appearance of red forces close to the coast increased the peril.

A tempered note of optimism for the northwestern situation was voiced by Gen. J. Linton Collins, U. S. army chief of staff.

"I think the Eighth army is capable of taking care of itself," he said after a flying front line inspection Tuesday.

Asked at a news conference in Seoul whether the atomic bomb would be of worthwhile tactical use in Korea, the chief of staff replied:

"Virtually not, from what I saw yesterday (Tuesday). Precisely where the Eighth army has set up its new lines was a carefully guarded military secret."

AP correspondent Don Huth said he saw large United Nations convoys move south of the 38th parallel which is 70 miles south of Pnyongyang.

A possible suggestion that it was a defense line in depth came in reports from the field. These told of North Korean guerrillas being driven out of positions along commanding ridges and hills north of the 38th. South Koreans also were reported to have built other defense positions south of the parallel.

Suitable for Defense

In that area, the main roads and railroads are commanded by rough, jagged hills suitable for artillery and other defensive works.

Already the Chinese were in abandoned Pnyongyang where allied air attacks dealt them deadly blows. Approximately 5,000 reds almost verbatim, before its publication. It had "no comment."

## State Payday Brings \$10 Extra to Employees



State employees lined up Tuesday to cash their monthly paychecks in the state treasurer's office. Smiles were occasioned by the \$10 cost-of-living increase in the employee's monthly salaries. Most indicated that the increase would be well used for Christmas shopping. (Photo by Don Dill, Statesman staff photographer.)

# Communists in The Willamette Valley? There Aren't Many, But They're Here

(Editor's note: What is the communist status in the Willamette valley? That is what The Statesman wants to know and wants its readers to know. Following is the result of a study of many sources. Some of the information is based on provable fact. Other information is based on hearsay. The Federal Bureau of Investigation was shown the story, almost verbatim, before its publication. It had "no comment.")

One of their favorite meeting places is a ranch near town. Some of them have tacitly repudiated allegiance to Russia. There is no reason to suppose the repudiation is sincere.

Any one of them, man or woman, in the fervor of fanaticism could cause considerable damage if and when the chips are down.

That appears to be the picture in the valley area today.

No known communist was contacted in the preparation of this survey. That can come later. No sources are being quoted. It is not the purpose of this story to dry up wells of information.

At Least One 'Cell'

There is at least one communist "cell" under close surveillance in the immediate Salem area. Such surveillance by federal law, now is a matter for the FBI.

It cannot be said that communism is strong in the Willamette valley. But it still lives and it is known that new converts have been obtained in the years since the United States and Russia became allies in World War II. Best available information indicates the total movement, members and fellow travelers, compares in strength to that which it reached in the late 30's.

None Registered

There is no communist registered as such in Marion county. There are no more or less routine meetings which once were held in the neighborhood of South 14th street when city police quite often crashed the gate. Nor is a former meeting place in north-central Salem known to be frequented.

But the names of members and fellow-travelers, to a considerable extent, are known. And when and if an order goes out to the FBI to pick up persons whose loyalty it is reasonable to doubt, there could be arrests in the valley all the way from Aurora to Eugene, and in Polk, Benton, Yamhill and Linn counties as well as Marion.

Remains Underground

In the meantime, communism is not recognized as a political party in Oregon and the party stalwarts remain underground.

Bits of communist literature, floating around the valley at times, appear to be aimed mostly at young teen-agers. There seems to have been no attempted general distribution of red literature since 18 months ago when it showed up at a Champeel meeting of pioneers. Most of it was promptly destroyed by persons in attendance.

The most recent flareup of communism in Salem was in a church. Around 200 persons attended a meeting there, many of them under the impression it constituted only a public forum. The church and 99 per cent of all those attending disavowed the assemblage when its intent came under suspicion. Sponsors were from Portland via California.

The present status of communism in the Willamette valley and Santiam canyon—it's still here. But more information on it is needed.

# Discrimination Due to Military Status Rebuked

Gov. Douglas McKay Tuesday warned against discrimination on the part of state department managers against state workers subject to draft or call as reserve officers.

"Such practice will not be tolerated by my office," Governor McKay averred.

Governor McKay said because a state employee or an eligible applicant on the civil service list is subject to selective service draft or to call for active duty due to his reserve status he is not to be discriminated against in promotion, transfer or employment.

"If state personnel have already been refused promotion or transfer on this account it will be the duty of personnel managers to correct such errors promptly," Governor McKay said.

"In the interest of fair treatment to men and women who may be called to serve this country, I shall expect your cooperation."

# Motorist Catches Own Stolen Car, Arrests Driver

ALBANY, Ore., Dec. 5—(AP)—After a wild highway chase, Arthur Rayburn was held in the Linn county jail here today.

He was nabbed by Russell Taylor last night, after a chase from Junction City, where Taylor saw his own car being driven away.

Taylor jumped into the car of a friend, I. H. Woods, and they raced after Taylor's car. The speed at times reached 90 miles an hour. Near Halsey, they caught up. Taylor said the driver was Rayburn, and that he disarmed him before calling police.

# Winter Storm Crosses Midwest on Way East

By the Associated Press

A cold wave, preceded by snow and strong winds, knifed deep into the plains states and south Tuesday and began fanning out toward the storm-harried eastern states.

As the storm picked up intensity, the weather bureau issued cold wave and snow warnings for a broad area from Iowa to western Pennsylvania and West Virginia.

Skidding temperatures in the upper Ohio valley checked the threat of serious floods along the swollen Ohio river, at least momentarily. Flood danger also diminished in California and all but 700 of the 5,000 who fled from their homes Sunday were able to return.

But the threat of new snow in the Ohio river valley will keep flood fears alive.

From four to seven inches of snow was expected Tuesday night and Wednesday for most of Illinois, Indiana, Michigan and the southern part of Wisconsin. The storm is followed by a surge of Arctic air

# Winter Storm Crosses Midwest on Way East

that is expected to drive the mercury down to 10 to 20 degrees below in Wisconsin and zero or below zero in Illinois and Indiana by Thursday morning. Winds of 20 to 25 miles an hour were expected to cause some drifting.

The cold wave is expected to push into Ohio, Kentucky, Tennessee, West Virginia and western Pennsylvania Wednesday night and Thursday. Snow from two to six inches is forecast for these states.

Up to six inches of snow fell across most of Minnesota and the eastern Dakotas and temperatures were expected to drop to 20 degrees below zero in the northern areas overnight. Cold wave warnings were issued for Iowa, Wisconsin and Illinois.

The advancing cold brought these low readings: Butte and Glasgow, Mont., -25; Cutbank, Mont., -17; Sheridan, Wyo., -14; Akron, Colo., -4; Rapid City, S. D., and North Platte, Neb., -2.

# 13 U.N. Nations Ask Reds to Stop At 38th Parallel

By Francis W. Carpenter  
LAKE SUCCESS, Dec. 5—(AP)—Thirteen middle eastern and Asian nations appealed tonight to communist China and North Korea to refrain from crossing the 38th parallel in their power drive against U. N. forces in Korea. The appeal pleaded for time to consider of ways to end the crisis in the orient.

The appeal was transmitted to Wu Hsiu-Chuan, head of the Communist Chinese delegation now in New York, with a request that he send it at once to his government at Peking.

The plea was made by the U. N. delegates of India, Afghanistan, Burma, Egypt, Indonesia, Iran, Iraq, Lebanon, Pakistan, the Philippines, Saudi Arabia, Syria and Yemen. The Indonesian and Afghan delegates joined in the consultations pending instructions from their governments and added their names to the petition after learning from their capitals.

The 13 countries acted as Canada's Lester B. Pearson suggested a cease fire, Secretary General Trygve Lie called for all out efforts to settle the crisis, and the steering committee of the U. N. sent the issue to the full assembly.

Pearson, Canada's external (foreign) affairs minister, speaking in a Canadian broadcast shortly after the steering committee sent the assembly the case of communist aggression in Korea, said the talks should begin if and when the military situation in Korea is stabilized.

These were among the rapid-fire developments in the U. N.:

1. The full assembly was called into an emergency session for tomorrow to deal with the steering committee recommendation. The Soviet bloc is expected to fight the committee action vigorously.
2. Lie, who has talked twice with Wu, said at a dinner in Lie's honor that the nations must seek every honorable means to keep the conflict from spreading, to bring an end to the fighting, and to renew negotiations on the wider issues that divide the world.
3. Sir Gladwyn Jebb had lunch in his Riverdale (Bronx) home with Ambassador Wu and his advisers.

Pearson said he knew the policy he suggested would be called "appeasement" but said it is not appeasement. He said it is an attempt through diplomacy to reach a way of life with the Asian communist world. At the same time, Pearson called for stronger defenses in the free world.

# Truman, Attlee Discuss 'Dunkerque' Possibility

WASHINGTON, Dec. 5—(AP)—President Truman and Prime Minister Attlee talked today of "steps to be taken" in Korea under any set of circumstances including, it was reported, the grim possibility that a Dunkerque-type evacuation may eventually be necessary.

Officials emphasized that no such evacuation has been decided upon. They said the American and British leaders were canvassing the question of what their course should be in case any one of three eventualities occurred:

1. The advancing Red Chinese hordes, for some reason, should voluntarily stop their forward progress.
2. Gen. MacArthur's forces should be able to hold a defense line in Korea, about which there is no certainty.
3. The U. N. forces should find themselves unable to keep any foothold at all in Korea.

There were no further details, although officials said the president and prime minister were determined to support U. N. action in Korea to the limit.

# Bradley Discusses Evacuation Plan

Gen. Omar N. Bradley acknowledged tonight that in secret testimony before the senate foreign relations committee today he had touched on the possibility of evacuating hard-pressed U. N. troops from the extreme northeast sector of Korea.

One senator who heard him had told reporters earlier that Bradley had said the recent withdrawals of U. N. forces had made it possible to evacuate them from Korea as a whole if the defense line could not be held. However, Bradley said tonight "any reference I made to evacuation was in connection with the hard-pressed troops in the extreme northeast sector which are now moving back to a concentration in a beachhead."

"Any reports other than this are misleading and merely speculation," Bradley added.

The general had appeared yesterday before President Truman and Prime Minister Attlee to outline the military situation in Korea. Afterwards high officials quoted him as saying that evacuation plans are ready if they have to be used.

In his statement tonight, Bradley made no reference to his remarks at the Truman-Attlee conference.

# Re-Invasion Story Declared False

Presidential Secretary Charles G. Ross, who died suddenly soon after he talked with reporters, denied London reports that the president and the British leader agreed yesterday that United Nations forces would re-invade Korea if they were driven out by Chinese Communists.

"It is not true," Ross told newsmen. "That did not come up at the conference. There were no decisions reached yesterday."

A reporter asked if it was still intended that American troops and their allies should hold in Korea.

"No comment," Ross replied. He said he could not discuss the military situation in Korea.

Tonight's brief communication made no mention of any agreement between Mr. Truman and Attlee on what moves should be taken to cope with the grim situation in Korea or elsewhere in the troubled world picture.

This was the second meeting between the leaders of the two countries. Another session is scheduled for 11:30 a. m. tomorrow at the White House.

# U. S., Britain in General Agreement

Chairman Connally (D-Tex.) of the senate foreign relations committee told news men he had been informed that Mr. Truman and Attlee have reached general agreement on all major policy questions.

Connally said the agreement covered policies posed by allied reverses in Korea.

At the Pentagon, an army spokesman said the retreat of American troops and their allies in Korea is orderly and "without panic."

The spokesman said allied forces, beset by vanguards of a 1,000,000-man Chinese Communist army, are falling back with "relatively light" casualties and with most of their equipment.

# CORVALLIS CONSTRUCTION

CORVALLIS, Dec. 5—(AP)—Corvallis building permits for the first 11 months of the year totaled \$2,083,673, the first time in history that a year's volume exceeded \$2,000,000.

# Marvin Helland Given Promotion

Marvin L. Helland, who has been attached to the Salem office of the state forestry department for 10 years has been promoted to executive assistant in the department, announced Tuesday.

He succeeds Lt. Col. Homer G. Lyon, Jr., who has been called into military service.

### THE WEATHER

	Max.	Min.	Precip.
Salem	49	43	.66
Portland	43	43	.25
San Francisco	50	30	trace
Chicago	33	27	.01
New York	37	29	trace
Willamette river 12.9 feet.			

FORECAST (from U.S. weather bureau, McNary field, Salem): Cloudy with rain today and tonight. High today near 52 and low tonight near 40.

SALEM PRECIPITATION

Since start of weather year	Sept. 1	Normal
This Year	25.23	10.64
Last Year		11.61