

By Charles F. Sprague

By drawing on its cash reserves and making certain changes in its laws covering present methods of raising state funds the state of Oregon probably can get through the next biennium as far as its current outlay is concerned.

State Treasurer Pearson, foreseeing failure of current revenues to finance a building program has come forward with two proposals: one to borrow from certain state trust funds, at an interest rate of two and one-half per cent. The other is to sell bonds on the open market.

The state has used the former method. The state office building was financed by borrowing from the industrial accident fund, after the method was declared valid by the supreme court.

The present public service building was built by proceeds of a loan of \$2,000,000 from the state irrevocable school fund, and the state office building in Portland is being financed by means of a loan, maximum \$2,500,000, from the retirement fund for state employees.

(Continued on editorial page, 4.)

Reserve Unit Members in Salem on Leave

Slightly more than one-half of the 40th quartermaster headquarters company, Salem army reserve unit on active duty, are in Salem and vicinity this week on seven-day holiday leaves.

The 20 men are stationed at Ft. MacArthur, Calif., for training. They went on federal service in mid-October.

Those here on leave include 2nd Lt. Thomas B. Kay and P. Wayne Rose; M. Sgt. Conrad Erickson; Sgt. 1/c Floyd W. Riley; Sgts. Warren D. Eckles and Daniel J. Fry, jr.; Cpls. Grant J. Mills, Charles A. Chittick, James R. Hamilton, William E. Freese, Lyman E. Simons; Recruits Eugene R. Erickson, Clarence L. Haugen, Leonard B. Lutz, Richard C. Tandy, George D. Fowler, Darwin J. Kerber and Edgar L. M. Michelson. Sgt. 1/c Delmar R. Harmon is on leave at Dayton.

Navy Abandons Plan to Release Reserve Members

WASHINGTON, Dec. 26 (AP)—The navy has chucked overboard its plan to start releasing reservists next summer, a navy spokesman said today.

An announcement last November 1 said enlisted reservists recalled involuntarily would be released at the rate of 5,000 a month and reserve officers at the rate of 1,500 a month beginning in July 1951.

The plan has been abandoned, a spokesman told a reporter. He said the navy does not yet know when or how many naval reservists will be released.

He said naval reserve recall plans have not been changed.

Animal Crackers

By WARRSQ GOODRICH



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The Oregon Statesman, Salem, Oregon, Wednesday, December 27, 1950

Price 5c

No. 278

U.N. Forces Ensnare Red Regimental Thrust

New Calendar Time Is Nearly Here Again



New calendars are replacing old ones as 1951 approaches. Harry C. Mays, 965 N. 18th st., hangs a Pennsylvania railroad calendar with an illustration containing the picture of an engine carrying Mays' old number, 6444, which he piloted during his years with the "Penny" Mays, now retired, was an engineer for 38 years of the 44 he worked for the eastern railroad. (Statesman photo.)

7,500 Guard, Reserve Officers to Receive Call

WASHINGTON, Dec. 26 (AP)—The army today ordered 7,500 national guard and reserve lieutenants and captains to report for active service between March 1 and March 22.

The army said it also will call up 100 women's army corps officers of those grades. The number of lieutenants and captains recalled to date now totals about 27,000.

Egg Prices Continue to Drop in Salem

Egg prices continued to drop in Salem Tuesday but butter was up 1 cent a pound.

The up-and-down egg market continued a downward spiral which started December 22 after egg prices hit a record high for the year on December 10. Salem wholesalers and housewives were buying eggs 19 cents a dozen cheaper than the peak December prices.

Price slashes on the wholesale egg market ranged from six cents a dozen on large AAs to four cents on smaller grades. Wholesalers were buying large AAs for 46 cents; large As for 42; medium AAs for 38 and small eggs for 36 cents a dozen. Retail prices are about 10 cents higher than the wholesale buying price.

Butter was boosted from 78 to 79 cents in retail stores and was wholesaling for 74 cents. Premium butterfat was selling to wholesalers for 73 cents a pound; number 1 for 71 cents and number 2 for 63 cents a pound.

Other Salem market quotations were unchanged.

THE WEATHER

Table with columns: Location, Max., Min., Precip. Rows include Salem, Portland, San Francisco, Chicago, New York, and Willamette River.

SALEM PRECIPITATION Since start of weather year, Sept. 1 26.55 13.94 16.13

Papal Bull Extends Catholic Holy Year

VATICAN CITY, Dec. 26 (AP)—Roman Catholics will be required to say more prayers, especially for peace, than did the pilgrims to Rome in the 1950 holy year to gain the benefits of its extension through 1951 to the whole world.

150-Mile Defense Line Set

By Robert Eunson

TOKYO, Wednesday, Dec. 27 (AP)—Units of the enlarged U. S. Eighth army, deployed on a 150-mile line all across Korea near the 38th parallel, today surrounded a North Korean regiment which slipped through the defenses.

South Korean troops encircled the red infiltrators at an unspecified point south of Chorwon, a city 17 miles north of the parallel. It is 47 miles northeast of Seoul.

The North Korean reds infiltrated about two miles before South Korean reserves were moved up. Quickly the South Koreans surrounded the reds and began a methodical slaughter.

The long expected Chinese communist offensive across the 38th parallel toward Seoul still had not developed.

Authoritative sources in Tokyo said the Eighth army's 150-mile line near the 38th parallel is so well defended that any sizeable force driving south would be hit hard by the defenders. These sources said the U. N. troops command all approaches through the mountainous terrain into South Korea.

In Seoul, the Eighth's new commander, Lt. Gen. Matthew B. Ridgway, told South Korean Syngman Rhee that "I aim to stay" in Korea.

Simultaneously with Ridgway's arrival, it was disclosed that the 10th corps, taken out of northeast Korea in the dramatic two-week Hunan evacuation, has been placed under the eighth's command.

There was no new report today on a battle which republic of Korea (ROK) headquarters said erupted Tuesday between South Koreans and Chinese in the Korangpo area. Korangpo is two miles south of the parallel at a point 28 miles northwest of Seoul.

Chinese and Korean red forces are estimated to have 30 divisions of 300,000 or more men along or immediately to the rear of a 120-mile front running from west to east along the 38th parallel.

A giant new exodus of civilians began from Seoul Tuesday following a wave of Christmas day rumors that the Chinese had begun their attack in force.

Associated Press Correspondent William J. Waugh said there was no panic but there was fear in the eyes of men, women and children alike as they streamed out of the city in long lines.

President Syngman Rhee told his people it would be better for them to leave now so they would not hamper military operations if the situation became worse.

It was exactly six months ago today that Seoul first fell to the North Korean red invaders. It was liberated on September 27 by U. N. forces.

A North Korean blow aimed at Chunchon, 45 miles northeast of Seoul, was turned back Tuesday and the situation there was better for the time being, ROK headquarters said.

There are other indications that communist forces may be as close as 21 miles from Seoul on the northwest hinge of the U. N. line. General MacArthur's headquarters previously mentioned an "enemy force" of undisclosed size operating around Sinsan. The reds used mortars there on Saturday and sent out probing thrusts Sunday. There has been no subsequent reference to them or any clarification as to whether they were regulars or guerrillas.

Associated Press Correspondent Stan Swinton, returning to Tokyo from the smoking Hungnam beachhead reported that Ridgway would take over the Tenth corps as well as the U. S. First and Ninth corps. This placed all American forces in Korea under a unified command.

The Tenth corps had been under the command of Maj. Gen. Edward M. Almond, formerly chief of staff of General MacArthur. Almond's operations in northeast Korea were separate and distinct from the Eighth army in the west.

Swinton said that under the unification of command, Almond would be under Ridgway.

One source said the unification order came direct from Washington.

There had been some criticism over the divided command in northwest and northeast Korea, particularly when the Chinese Red army sent first one force, then the other into retreat.

BOYCOTT PLAN STUDIED WASHINGTON, Dec. 26 (AP)—A proposal for a free world economic boycott of communist China was reported under study by the United States today as a possible next step in dealing with the Korean crisis.

Ray J. Glatt Appointed Marion County Judge

Holiday Deaths Hit Staggering Total of 724

By the Associated Press

Observance of Christmas this year cost the nation a frightful violent death toll of at least 724 persons over the three-day holiday.

On city streets and along the highways, traffic mishaps took the greatest toll, 545. This was more than 100 above the number of persons killed in traffic accidents during the 1949 Christmas holiday.

Another 179 lives were snuffed out from miscellaneous causes, including fires, drownings and falls. The death toll from both traffic and miscellaneous causes was reported from 6 p. m. (local time) Friday to midnight Monday. The 1949 Christmas toll was 580, including traffic and miscellaneous accidents.

Ned H. Dearborn, president of the National Safety Council, which had estimated 440 persons would die in traffic mishaps this Christmas, termed the higher toll "a black Christmas indeed for America."

The number killed this Christmas more than doubled the total of those killed in traffic crashes over a similar 78 hour period, December 8 to 11. In that period, an Associated Press survey showed 245 traffic fatalities, equivalent to 75 a day. The holiday toll averaged about 156 a day.

Only one state—South Dakota—escaped without a single traffic fatality that could be attributed to the Christmas observance.

Texas, with 47 fatalities from traffic alone, led the nation in the number of persons killed by violence. High on the list were California, Illinois and New York.

The death toll by states, traffic and miscellaneous included: California 43-13; Idaho 4-0; Illinois 36-5; New York 27-21; Oregon 4-0; Washington 10-1.

10-Year-Old Boy Designs Atom Torpedo

WASHINGTON, Dec. 26 (AP)—Ten-year-old Tommy Pearce called on the navy ordnance chief today to explain an idea for attacking the communists with an "atomic torpedo."

Tommy, a fifth grade student in Arlington, Va., wasn't too sure of his spelling, but he brought along complete and detailed charts showing how a "butten" in the nose of the torpedo would set off an atomic explosion.

"I think that when you find a way of setting off a bomb by inducing electricity into it, that you should have an atomic torpedo," the young designer wrote.

"You could use it in attacking enemy shore batteries. I hope you can use this plan."

Rear Admiral A. C. Noble, chief of the navy's ordnance bureau, talked over Tommy's plan with him at the navy department and assured him it was "very interesting."

Admiral Noble said he has sent Tommy's sketches to navy engineers working on torpedoes and bombs, and declared:

"It is quite possible that some of your ideas may already be in use or may be included in new designs."

Woodburn Man Selected by Gov. McKay



Ray J. Glatt, longtime Woodburn area resident, who was appointed Marion county judge Tuesday night by Gov. Douglas McKay.

Ray J. Glatt, 57, Woodburn farmer and civic leader, Tuesday night was appointed Marion county judge by Gov. Douglas McKay.

Glatt succeeds Judge Grant Murphy who died last Wednesday. His appointment is effective until the 1952 general election.

McKay said his decision was influenced by Glatt's service on the Marion county budget committee and the building committee for the new Marion county courthouse.

McKay also said he felt the appointment was in fairness to the people outside Salem in Marion county "who are not very well represented directly because all state legislators are from Salem and the two county commissioners live in or near Salem."

"Sound Judgment" "Glatt has sound judgment that is recognized throughout the county," the governor said. "It was difficult to find a man that measured up to the ability of the late Judge Murphy."

McKay stressed that it was extremely difficult for him to decide between Glatt and Harry Collins, Salem, whose name also was proposed for the judgeship. The governor said he felt that Glatt's background had been more suitable for a position of "practical grasp" of county problems. Collins recently retired as district manager of the Pacific Telephone and Telegraph Co.

A republican, Glatt was an unsuccessful candidate for state representative from Marion county in the 1948 primary election.

For 36 Years Glatt has farmed near Woodburn for more than 30 years. He moved there from Indiana with his parents in 1904. He is principally a producer of hops, grass seeds and cherries.

His civic duties at Woodburn have included service on city and school budget committees, presidency of the Chamber of Commerce, and chairmanship of the draft board. At present he is on the executive board of the Cascade area council, Boy Scouts.

Glatt was one of the organizers of the Woodburn Fruit Growers' Cooperative association and was manager of it for 10 years. He is a graduate of the University of Oregon.

Scotland Yard Asks Nation to Help Find Stone

LONDON, Dec. 26 (AP)—Scotland Yard appealed to the nation tonight for help in tracking down prowlers who stole the stone of a priceless historical relic, from Westminster Abbey Christmas day.

Baffled officials of the National Police Agency asked the public to be on the lookout for the thieves and issued to newspapers some photographs of the 36-pound stone - on which 27 rulers have taken their coronation oaths. Usually the Yard keeps silent about a case until it is ready to be cracked.

The stone is regarded as a symbol of the union of the crowns of England and Scotland. The origin is lost in legend, but for centuries before the stone was brought to London in 1296, it was used in the coronation of Scottish kings. Scots refer to it as their "stone of destiny."

Operating on the theory the theft was the work of extreme Scottish nationalists, police stopped all cars traveling through the north of England and in Scotland.

The dragnet failed to turn up any sign of a small British Ford car which police said had been parked near the abbey about the time of the theft.

Salem 'Hams' Place 5th in National Meet

The Salem Amateur radio club won fifth place out of 500 contestants in a national "station contacting contest" conducted last June, club officers were advised Tuesday.

Object of the contest was to contact as many other amateur stations as possible during a 24-hour period. The local club set up portable equipment on a mountain peak 15 miles southeast of Gates and placed calls in rapid succession.

Log books were sent to national headquarters to determine final rankings.

New Tax Request by Truman During January Held Doubtful

WASHINGTON, Dec. 26 (AP)—A White House aide said tonight that it is doubtful President Truman will send congress a request for new taxes in January.

Presidential Press Secretary Joseph Short made the statement after a conference Mr. Truman held with his four top advisers on the Korean crisis and the president's state of the union message.

Short told newsmen: "I doubt very much if there will be a request for new taxes in January."

He would not elaborate. There have been reports the administration would send a new tax bill to the 82nd congress shortly after it convenes January 3. Mr. Truman himself had indicated he would suggest the new congress enact higher taxes.

Mr. Truman cut short his Christmas vacation in Missouri and flew back to Washington late today. A short while afterward he had dinner at the Blair House with Defense Secretary Marshall, Secretary of State Acheson, Secretary of the Treasury Snyder and Gen. Omar Bradley, chairman of the joint chiefs of staff.

Short also attended the dinner. He told reporters Bradley brought the president completely up to date on everything that has taken place in a military way since day to go to his home at Independence, Mo.

Short said Korea was the main subject of discussion. He said the situation there was explored "from every angle."

Marshall also made a report on progress made in building up the nation's defenses.

Mayor Lee Told To Revise Plan For Civil Defense

PORTLAND, Dec. 26 (AP)—Mayor Dorothy McCullough Lee was told today to change Portland's civil defense plans.

A letter from Governor Douglas McKay informed her that the state had decided to use a defense plan organized on a county-by-county basis. Previous Portland plans were based on a regional set-up with the city signing mutual aid agreements with other cities in a 25-mile radius.

McKay's letter said that mutual aid agreements in the future would be limited to cities within county boundaries. If a county cannot fill the needs of its cities in an emergency, then aid can be sought from the state government under the new plan.

600 Sign Up for Ashland Defense

ASHLAND, Dec. 26 (AP)—A civil defense campaign here resulted in more than 600 volunteers signing up, Richard Scott reported today.

Scott, chairman of the sign-up program for the Junior Chamber of Commerce, said nearly 500 cards already have been turned over to the Ashland civil defense director. The rest of the cards are expected to be turned in soon.

30,000 Gifts Arrive Late in Portland

PORTLAND, Dec. 26 (AP)—Hold on there, Christmas isn't over yet. Some 30,000 gifts arrived in Portland from the east today—five carloads apparently delayed by the recent strike of trainmen at Chicago.

Postmaster E. T. Hedlund said it would take two days to deliver the packages.