

THE WEATHER

GENERALLY FAIR and continued mild tonight and Friday, with early morning fog in valleys. Low tonight, 40; high Friday, 55.

Capital Journal

HOME EDITION

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4-Lane Route North of Salem Now in Sight

Early Building of By-Pass East of City Also Speeded

By JAMES D. OLSON

Portland, Dec. 21—The long awaited construction of a four-lane highway between Salem and Portland came in sight yesterday when Chairman Ben Chandler of the state highway commission announced the commission will seek authority to issue \$75,000,000 of highway bonds during the next five years.

In making this announcement, Chandler outlined the major projects that will be included in the expanded highway program which, in addition to Highway 99E, includes the Columbia River highway; the Oregon Coast highway; The Dalles-California highway and a connection between the Sunset and Wilson river highways from Glenwood to North Plains.

A general contract for building approaches to the Marion street bridge across the Willamette river was awarded to General Construction company of Portland on a low bid of \$787,736. This was within \$1500 of the engineer's estimate.

(Concluded on Page 5, Column 6)

Wilson Starts Mobilization

Washington, Dec. 21 (AP)—Charles E. Wilson took office today as director of defense mobilization and immediately appointed General Lucius Clay and Banker Sidney Weinberg as his assistants.

Wilson, former president of General Electric, told reporters of the two appointments at the White House after taking the oath of office in President Truman's presence.

Wilson said Clay and Weinberg will serve without compensation. Clay, former U.S. commander at Berlin, is relinquishing his duties as chairman of the board of the Continental Can company.

Weinberg is senior partner of Goldman, Sachs and company, New York investment banking firm. He was a vice-chairman of the war production board in World War II.

The oath was administered to Wilson by Chief Justice Vinson in Mr. Truman's circular office. The three men stood beneath a large portrait of George Washington.

W. Stuart Symington, chairman of the national security resources board, some of whose duties Wilson is taking over in the mobilization job, stepped up after the ceremony smiling and said, "Let me be the first to congratulate you."

Wilson told reporters his immediate plans are to continue just what he is doing now—that is, surveying the job that must be done, and getting "just as many facts as I can."

Cut 2 to 3 Cents On Egg Grades

A general cut of 2 to 3 cents on all grades of eggs went into effect here, Thursday—and on some of the extra large grades the decline was as much as 7 and 9 cents a dozen.

The sharp drops brought eggs down to below the levels where they were before all the sky-rocketing earlier this month, and back to listings prevailing in the summer.

The changes here followed similar ones in Portland, the declines there following a slump in egg prices all over the country.

The local list for buying prices now stands as follows: AA grade, 52 cents—a cut of 7 cents and a mark 13 cents below the listing two weeks ago; large A, 46-56 cents; medium AA, 42 cents; medium A, 40-52 cents; small, 30-32 cents; crax, 23-30 cents.

For the wholesale listings, large grade A generally are now quoted at 62 cents, the mediums at 57 cents.

Weather Details

Maximum yesterday, 57; minimum today, 38. Total 24-hour precipitation: 0 for month; 4.7; normal, 4.7. Season precipitation, 24.0; normal, 15.0. River height, 4.4 feet. (Report by U.S. Weather Bureau.)

Little Hoover Probers Offer Efficiency Plan

Drastic Change in State Fiscal Set-Up Held Necessary

Complete and drastic reorganization of the state's internal fiscal control, by placement of numerous state departments under two new ones—a department of finance and administration, and a department of revenue—is recommended in a report to the 1951 legislature by the legislative interim committee on state government administration.

The committee headed by Rep. Rudie Wilhelm, Jr., of Portland, known as the "little Hoover committee," estimates that adoption of its recommendation will ultimately save the state of Oregon from \$4 to \$8 million each biennium.

Under the proposed recommendations, the board of control's responsibilities for fiscal control would be transferred to the department of finance, as would activities of the printing board, budget division, central accounting division of the secretary of state's office and the surplus property agency.

Governor at Head This new department would be directly under the governor, who would appoint a director, the latter to be assisted by technically qualified division heads.

In the field of revenue administration, the committee has proposed that major revenue collections be centered in a state department of revenue, headed by a director appointed by the governor, to replace the present state tax commission. Also recommended would be the three-man tax review board, appointed by the governor, having review and quasi-judicial functions in tax matters.

(Continued on Page 23, Column 1)

West Germans Get 'Security'

Bonn, Germany, Dec. 21 (AP)—The western allies told Chancellor Konrad Adenauer today they are ready to sweep away occupation controls if the West Germans take part in the defense of Europe.

The three western high commissioners told Adenauer in a five-hour meeting of plans laid by the Atlantic pact nations at Brussels for an international army to defend the western world. Then a procedure was agreed upon for negotiating the role of Germany military contingents.

The negotiations involved a drastic revision of Germany's present political status. The Germans had balked at the idea of participation in the western European army unless occupation controls were ended by the British, French and Americans.

The West Germans asked "security treaty" with the occupying powers to replace the present occupation statute under which Germany is governed.

Living Memorial for Pioneers Proposed

A living memorial, and not a mere pile of monument of marble or stone, will probably come out of a bequest to the city of Salem by the late Carroll L. Moores.

Anyway Mayor Robert L. Elfstrom's idea is that a memorial to early Oregon pioneers provided for in the Moores' will should be something that people can use and enjoy, and not just another chiseled shaft or block of stone set up on some greenward. The city, Mayor Elfstrom said, is about ready to make use of the fund.

The bequest now amounts to \$30,836.49. The original amount, at the time of Moore's death in 1940, was \$25,624.22. The Ladd & Bush Trust company, now the Pioneer Trust company, executors of the will, have invested the money carefully, and the interest accumulation now is \$5,212.27.

Carroll Moores, known as "Cal" to his many friends, was a quiet, unmarried man who, during the last years of his life, operated an elevator in the state Supreme Court building and saved his money. He left other bequests, but the last paragraph of the will said:

"I appoint the Ladd & Bush Trust company of Salem, Ore., as executor of this, my last will and testament, with instructions, after executing all previous articles of this will, to use the remainder of my estate in the purchase of a monument or memorial to be erected in memory of the early Oregon pioneers, to be presented to the city of Salem, Oregon, to be placed where the city council or their successors in city government may determine."

Mayor Elfstrom has not at present a definite idea of what form the memorial should be, as long as it is a useful living memorial. It might be, he suggested as an example, a swimming pool in Bush Pasture park, though he said there might be objections to that.

The mayor said he would welcome suggestions from the public.

In September, 1944, the Pioneer Trust company had a letter from the city saying it was not ready to decide on what the memorial should be. Since then the fund has continued to grow.



Stalin Hailed As All Highest

(By the Associated Press) Today is Joseph Stalin's birthday—he's 71—and while his controlled press at home once again hailed him in extravagant prose, communists in the ring of states around Russia pulled out all the stops attempting to outdo each other in praising him.

In Moscow, East Berlin, Prague, Sofia, Bucharest, Budapest and Warsaw, the communist press chanted praise of the man in the Kremlin in phrases like these: "Greatest scientist of our time."

"Leader of the world peace camp."

"Defender of the worker."

"Great genius Stalin."

Leningrad's city soviet announced a decision to rename International Prospect and its continuation, the Moscow highway. From now on, it's Joseph Stalin prospect.

Albania renamed the city of Kucelvo. The address now is Stalin, Albania.

Chicago, Dec. 21 (AP)—U.S. senate crime committee hearings in Chicago have touched off a "full scale" investigation of the city's multi-million dollar policy gambling racket.

The probe, started after witnesses told of the far-flung policy operations, already has landed in jail five of the alleged top gambling figures. All testified during the committee's three days of public hearings which closed last night.

A sixth witness, Ralph O'Hara, a former official of a racing news service, was under federal indictment for refusing to answer pertinent questions. Federal marshals huffed him after the grand jury bills, containing 17 counts, were returned.

Among many witnesses summoned were not called, Sen Kefauver (D-Tenn), committee chairman, said testimony demonstrated that "interstate crime to a great degree centers in Chicago."

Among witnesses not called during the public hearings, which followed an earlier closed session here by the committee, where several former members of the old Capone gang.

Kefauver said search will be continued for them as well as for other missing big name gangsters. They have been missing from their usual haunts for several months in an attempt to escape being served with a committee summons.

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Auto Crash and Fire Cut-off Power Service

Homes and Christmas trees on Candalaria heights and a large area south of Salem were blacked out for one hour Wednesday night, following a spectacular auto accident on Liberty road and Mizze road.

The accident, involving two cars, snapped off a power pole at the Liberty-Mizze intersection. Nearby residents stated that "it sounded like a cannon explosion" when the wires snapped.

Four persons were injured, none seriously, but only fast work on the part of neighbors in pulling the occupants of the burning vehicles free prevented severe casualties.

The accident involved a Plymouth coupe operated by Walter Kime, Salem route 9, and a Ford sedan driven by Robert Akers, also of Salem route 9.

State police said that the Plymouth car apparently was attempting to pass the Ford, when the bumpers of the two cars became locked together. This threw both cars out of control, and into the power pole, snapping it off near the top.

The Ford immediately burst into flames. Fire quickly spread to the other car. Kime's wife, Barbara Joan, was trapped inside the burning Plymouth. John S. Kunkel, 145 Mizze road, dashed to the scene with a fire extinguisher, and succeeded in quelling the blaze enough to yank Mrs. Kime to safety.

Four teen-agers, Bill Rux, Emmett Henry and Dave and Dean Zanek, all residents of the area, assisted the occupants of the car in gaining their freedom from the fires.

Mrs. Kime and June Bernice Bickell, 173 East Salem Heights avenue, who was also riding in the Kime car, were taken to the Salem Memorial hospital for minor bruises, lacerations and burns. They were treated and released. Akers, who was alone in his car, was confined overnight at the Memorial hospital, but was reported in good condition with cuts and bruises.

Chicago Center Of Gamblers

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3-Year Peace Pact Ends Strike On Railroads

White House Conference Settles Grievances by Compromise

Washington, Dec. 21 (AP)—The months-long dispute between the railroads and four big rail unions was settled today with agreement on a three-year peace pact granting pay boosts to about 300,000 workers.

The agreement, calling also for cost of living adjustments in wages may set a pattern for the government's wage stabilization policies since it was hammered out under government sponsorship.

The settlement was announced at the White House by presidential assistant John R. Steelman after a 26-hour overnight session with union leaders and railroad representatives.

Steelman has been handling the negotiations since the government seized the roads last August to avert a nation-wide strike.

The agreement still must be ratified by union bargaining committees but quick acceptance is expected.

Daniel P. Loomis, chairman of the railroad negotiators, estimated the wage increase—ranging up to 23 cents hourly—will cost the roads about \$130,000,000 a year.

Steelman said the unions had agreed to forego any further wage demands for a three-year period. He called it a "no strike" agreement but President D. B. Robertson of the Firemen and J. P. Shields of the Engineers said they were not actually writing such a clause into the contract.

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Senate Votes \$20 Billion Bill For Defense

Washington, Dec. 21 (AP)—Working at top speed, the senate today voted \$20,000,000,000 for defense spending and gave approval for \$1,600,000,000 of special defense construction, much of it top secret.

Both measures were passed by voice vote. The \$1,600,000,000 authorization measure goes on to President Truman. The house passed it yesterday.

The big appropriation bill, a catch-all for funds asked by President Truman since communist China forces surged into Korea, goes back to the house.

As the bill cleared the senate it carried some \$2,000,000,000 more than voted by the house. These differences are expected to be quickly adjusted.

Lie Hopeful Of Korean Peace

Lake Success, Dec. 21 (AP)—Trygve Lie said today the life of the United Nations does not depend upon the Korean situation.

Reporters asked the U. N. secretary general if the U. N. can survive in 1951 if the Korean problem is not peacefully settled.

"Oh, yes," Lie answered quickly. "The future of the United Nations does not depend on the outcome of what is going on in Korea."

Amplifying, he said some of the principles were under attack, but that the U. N. itself must survive, that the U. N. must keep on trying to achieve a free and united Korea and must keep on resisting aggression.

"The present situation is a difficult one, but I still believe that world peace can be preserved," he said. "I still believe that none of the big nations and none of the small nations want war."

Lie was asked if he included among "all nations" the Chinese communists. He referred the question to statements by Chinese communist envoy Wu Hsiu-Chuan that the Peiping government wants peace and hopes for peace.

Manila, Dec. 21 (AP)—The partly burned wreckage of a U.S. C-54 military transport was sighted by search planes today near the top of a 9,324-foot mountain 140 miles northeast of Manila. There was no sign of life.

The four-engine plane with 37 persons aboard struck the 8,000-foot level of Mount Tabayoc enroute Tuesday from Okinawa to Clark Air base, 60 miles north of Manila. It carried 30 military personnel and a crew of seven.

Search pilots flew close to the wreckage and positively identified it as the missing C-54. It was last heard asking for weather reports when within 30 minutes' flying time of Clark field.

The crash scene was so remote that a ground team may require several days to reach it. A parachute team was unable to make a drop because the wreckage is on a sharp ledge, with a drop of several hundred feet on each side.

Two British Movie Stars Wed Tuesday, Ariz., Dec. 21 (AP)—Stewart Granger and Jean Simmons, two of Britain's foremost motion picture stars, honeymooned today on a leisurely motor trip back to Hollywood.

Granger, 37, and Miss Simmons, 21, were married by a Methodist minister last night at the home of T. K. Shoenhair near here.

Hoover Gets Good Response

New York, Dec. 21 (AP)—Herbert Hoover's office today reported a "tremendous, favorable response" to his speech last night proposing a western hemisphere defense against communist aggression.

"The telephone hasn't stopped ringing," said an office spokesman. "Telegrams are arriving in floods. They started coming in even before Mr. Hoover returned to his office from the broadcasting station."

"Not one message has been unfavorable."

Asked whether the former president had consulted anyone in the national administration prior to the speech, the spokesman said:

"I would doubt it. Mr. Hoover always writes his own speeches and expresses his own views."

Mr. Hoover intends to remain in New York over the Christmas and New Year's holiday.

Gifford Calls on King London, Dec. 21 (AP)—Walter S. Gifford took the traditional ride in an open coach to Buckingham palace today to present his credentials as the new U. S. ambassador to the court of St. James. He was received by King George VI at noon.

Red Attacks Rolled Back On Perimeter

Hungnam Beachhead Quiet After Allied Land-Sea-Air Barrage

Washington, Dec. 21 (AP)—The Hungnam beachhead and west Korean front reported relatively quiet. At Hungnam, allied land-sea-air barrages roll back most menacing attack on perimeter. Reds reorganizing but too slowly to hamper planned withdrawal of allied forces on beachhead.

Tokyo Headquarters—New listings indicate total American casualties through Dec. 12 were in excess of 42,000. In stand against Chinese Reds, U. N. losses were 12,325. Field commanders report communist Chinese losses at ratio of 10 to 1—a total of more than 120,000.

Frozen bodies of Chinese and white-robed Korean Reds littered the snow-cruled east flank of the United Nations defense ring where the attack was made. Communist survivors apparently were numbed to a standstill by the fury of 'round-the-clock bombardment Wednesday by allied warships, planes and land artillery.

Quiet on Western Front Shattered survivors reported the field dispatches were thrown back from the point of gravest peril to the allied forces holding their last sliver of northeast Korea around Hungnam on the Sea of Japan shore.

(Continued on Page 5, Column 1)

War Casualty List Mounting

Tokyo, Dec. 21 (AP)—General MacArthur's headquarters said today American casualties in the worst fortnight of retreat in Korea totaled 11,064 killed, wounded and missing. It said other United Nations forces from abroad suffered 1,011 casualties in that period.

The total of 12,975 did not include Republic of Korea losses. Headquarters said field commanders reported Chinese Red losses at a ratio of 10 to 1—a total of more than 120,000.

The period was dated Nov. 27-Dec. 12, but the total also included relatively small losses suffered during "U. N. probing attacks beginning Nov. 12."

Washington, Dec. 21 (AP)—The defense department raised its total of announced Korean battle casualties to 36,421 today. This was a rise to 2,543 since its last report a week ago.

Of these, 5,518 were listed as killed in action, 25,587 wounded and 5,316 missing. Of the wounded, 662 later died, bringing total deaths to 6,180.

The department announces 67 casualties whose next of kin has received notification.

Canadians at Front Seek Fight

With Canadian Forces in Korea, Dec. 21 (AP)—Husky, wise-cracking Canadian infantrymen—many of them combat veterans and all of them volunteers—are stamping their feet on a Korean hillside.

They want to fight. They figure that's what they came over here for. As one of them put it: "This waiting around is no fun."

Wearing sharply creased khaki-green battledress, the Canadians already have commanded the respectful attention of friendly troops and civilians in the area of their hill encampment.

One American GI remarked as a small column of the Canadians passed him on the roadway, "These boys sure look good. I hear they have quite a record."

During the First World War, the Princess Patricia's won official battle honors for the part they played in the bloody battles of YPRES, Vimy Ridge, Amiens, Passchendaele and other major engagements in France and Flanders.

In World War II, they fought in the Sicilian and Italian campaigns and took part in the drive into Holland.

War at a Glance

(By the Associated Press) Fighting Front—Both Hungnam beachhead and west Korean front reported relatively quiet. At Hungnam, allied land-sea-air barrages roll back most menacing attack on perimeter. Reds reorganizing but too slowly to hamper planned withdrawal of allied forces on beachhead.

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(Continued on Page 5, Column 1)

Red China Asked To Reply to U. N.

Lake Success, Dec. 21 (AP)—The United Nations has told the Chinese communists chances for talks on a general far eastern settlement—desired by the Reds—would be improved if Peiping heeded U. N. calls for a cease fire in Korea.

In a second direct appeal to the communist government, the three-man U. N. cease fire committee said a pending Asian-Arab proposal for such negotiations would receive greater U. N. consideration if the Korean fighting was halted.

The second message, sent to Peiping Tuesday night, gave no promise that the far eastern talks would follow a cease fire. The United States strongly opposes linking the Korean fighting with such other Asian problems as Red China's demands for Formosa and for a seat in the United Nations.

Peiping as yet has made no reply to either the committee's first appeal for more cease fire talks or to the second note.

Acheson Back Hopeful Of Achieving Peace

Washington, Dec. 21 (AP)—Secretary of State Dean Acheson returned from the Atlantic pact meeting at Brussels early today, confident that there is a good chance to achieve world peace.

He landed at National airport at 3:13 a.m. (EST) in President Truman's plane, the Independence.

The secretary said he will confer with Mr. Truman today on the historic conference which agreed to establish a 1,000,000-man western European defense army under Gen. Dwight D. Eisenhower.

A similar report will be made to congress and the nation. The secretary refused to comment on blistering republican denunciations of himself and the state department during the current international crisis.

He also declined to discuss former President Herbert Hoover's speech last night because he has not yet read it.

Acheson said the conference was "very successful" and that it "squared away" plans to get the allied army "working." He said the defense force "is the only way possible" to achieve world peace.

Acheson, whose departure from Brussels was delayed by fog, described the flying weather as "poor," but added that the political weather in western Europe "looked well."

Acheson was met at the airport by Dr. H. Freeman Matthews, deputy undersecretary of state, and other state department officials. Mr. Truman had planned to meet the secretary, but changed his mind when it was learned that Acheson would not land until long after midnight.