The Western Pine association is a trade organization for the producers of pine lumber in the three northwest states. It maintains offices in Portland, but its activity goes considerably beyond the usual trade association efforts to protect and promote the interests of its members. It maintains s research laboratory, also in Portland, which is in charge of Albert Herman. This laboratory conducts experiments and tests intended to help producers get more out of their product and consumers to get better results from its

As a result of the experimental work in the Portland laboratory ft is announced that the association will put up a pilot plant in Bend designed to produce resin, turpentine, fats and fatty acids from pine waste. It will be an industry-financed undertaking, without benefit of government subsidy or loan. If the plant proves commercially successful other plants can be built in pine manufacturing centers over the

Thus the pine people are trying to utilize their waste by extracting valuable by-products from it, the same as the fir people are making a start toward producing alcohol from fir waste, with a plant scheduled for Springfield or

As time goes on we will come to look on the tree as a source of raw materials for chemical compounds and not just as timber, lumber and fuel. Its cellulose is already used extensively to produce plastics, rayon, munitions, etc. The lignin which binds the cellulose together is a mystery material, whose practical value is still being investigated with promising prospects. (Continued on editorial page)

Royal Navy Seeks Enemy In Both Oceans

victory-spurred royal navy sought Moscow. more units of Hitler's thinning surface fleet tonight after the Bay of Biscay battle in which the Brit- atin, a rail junction 15 miles beish reported the sinking of three low Berdichev. Kazatin's capture nazi destroyers at minor cost and dealt a major blow to German the Germans countered with the communications in the entire unsupported claim that six Brit- southern Ukraine. ish destroyers were sent to the bottom and two cruisers damaged.

The admiralty acknowledged only minor damage to the two light cruisers Glasgow and Enterprise and the loss of two planes in the running action against the German flotilla of 11 destroyers. In its final stage the action was handled by the two British cruisers with aerial support, the Brit-

No mention has been made by the British that any of their destroyers participated in the Bay of Biscay action which followed the sinking by air action Monday of a laden nazi blockade runner. Communiques from both sides indicated that the action had ended.

The admiralty said the surviving eight nazi destroyers had been dispersed and fled and that some were damaged.

By LEO BRANHAM LONDON, Dec. 30 -(A')- The reyal navy, which brought its most successful war year to a climax with the sinking of the German battleship Scharnhorst and three nasl destroyers, is being employed in increasing force in the Pacific because of the

heartening turn in the battle of the Atlantic, the admiralty said tonight in a review of 1943 ope-The review reiterated "Britain's worldwide commitments extend to the Pacific" and said vegetables made point-free, these

that "the strength of the royal navy is being brought increasing- rapidly out of storage to east a ly to bear on this theater as a result of the improving situation in European waters." Despite the widening scope of

its tasks, including participation Al Smith Receives in the record 3266-ship armada which carried the invasion forces to Sicily, the royal navy completed its fourth year of war without the loss of a single capital ship or aircraft carrier.

Weatherman Sees Dry New Year

By the Associated Press The weather bureau in a special forecast Thursday said "New Spellman, was imparted in a let-Year's eve and January 1 will be ter written by Archbishop Amleto dry, meteorologically at least, over G. Cicognani, apostolic delegate all scations east of the continental to the United States. divide" and that "unusually pleasant weather for this time of year Fish Outlook Good prevails over the entire country"except in California.

"rain, with snow in the mountains, United States and Alaska of four the scheme may be causing some has been falling intermittently for billion or more pounds, exceeding of those orchardists to look careseveral days."

The Oregon Statesman

NINETY-THIRD YEAR

Salem, Oregon, Friday Morning, December 31, 1943

R Willing to Issue Rail Wage Ruling

oviet Kout azis

22 Divisions Fall Back 1300 **Towns Taken**

By James M. Long LONDON, Friday, Dec. 31—(AP)—A routed German army of 22 divisions -perhaps 300,000 men -reeled back toward the Polish and Rumanian frontiers early today, abandoning thousands of vehicles and more than 100 big guns, as the Russian first Ukrainian army in the greatest soviet offensive of the winter pushed through a 185-mile breach in the heart of the German east wall.

Over 300 communities were caputred yesterday-making 550 in two days and 1300 in seven days-by the Russians who now were 43 miles from the pre-1939 Polish border and 90 miles from the Dniester river frontier of Rumania as they plunged forward in the Korosten-Berdichev area LONDON, Dec. 30 -(P)- The beyond Kiev, it was announced by

> One of the most important of the many towns taken was Kaz-

Premier Marshal Joseph Stalin said the Germans were "routed" in a special order of the day yesterday triumphantly summarizing the first six days of the most successful Soviet action since the Dnieper line was broken. He announced that the red army had advanced from 30 to 60 miles to capture more than 1000 towns and hamlets through Wednesday.

Later information in the Moscow communique and its midnight supplement - recorded by the Soviet monitor - gave this picture of the long Russian front (Turn to Page 2-Story C)

Point Free

WASHINGTON, Dec. 30 -(AP) The public will be able to buy canned green and wax beans and a number of frozen fruits and vegetables in January without surrendering any ration stamps. Canned peas and tomatoes have lower point values.

Rationed jams, preserves and marmalades, however, are hiked two points to a total of eight for a pound jar in the new processed food values announced today by the office of price administration. All of the changes are effective

With most frozen fruits and Hood River Voters Pass Proposed PUD Issue items are expected to move more critical shortage of freezer space for the great amount of pork now pouring to market.

Birthday Honor

NEW YORK, Dec. 30-(A)-Former Gov. Alfred E. Smith, 70 years old today, received a special apostolic benediction from Pope Pius XII and congratulations from President Roosevelt and Gov. Thomas E. Dewey of New York.

The benediction, conveyed to the 1928 democratic presidential nominee by Archbishop Francis J.

WASHINGTON, Dec. 30 -(AP) January 7. A spirited campaign is In California, the bureau said, A 1944 fish production in the under way and the immensity of 1942 and 1943 yields but below fully before they leap. Of that, are seasonal in western sections and that the recent cold weather is moderating in the east.

See seasonal in western sections and that the recent cold weather is moderating in the east.

See seasonal in western sections and that the recent cold weather is moderating in the east.

See seasonal in western sections and alarm—probably stirred by contract until same has been appointments of the city of Hood River and alarm—probably stirred by contract until same has been appointments and alarm—probably stirred by contract until same has been appointments and the city of Hood River and alarm—probably stirred by contract until same has been appointments and the city of Hood River and alarm—probably stirred by contract until same has been appointments and the city of Hood River and alarm—probably stirred by contract until same has been appointments and the city of Hood River and alarm—probably stirred by contract until same has been approved."

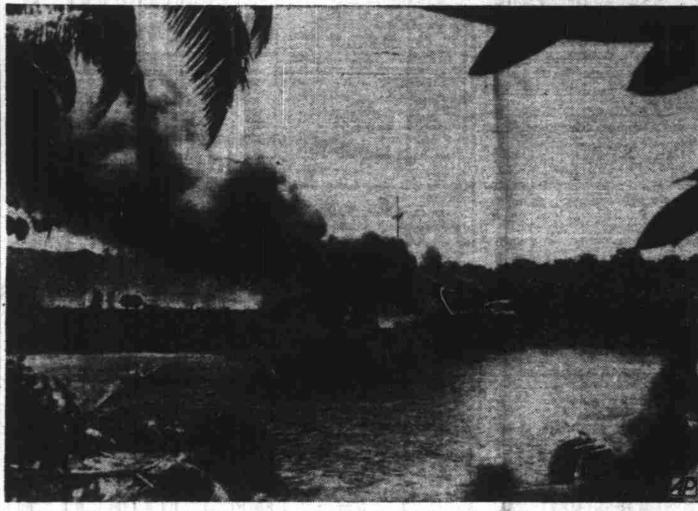
Secondary in 1942 to preserve the expected allied invasion—proved."

Whether that provision was in
Turn to Page 2—Story D)

Started.

Production of both items was question is: Can this tiny PUD contract until same has been appointments and the city of Hood River and alarm—probably stirred by and alarm—probably stirred by the city of Hood River and alarm—probably stirred by and alarm—probably stirred by the city of Hood River and alarm—probably stirred by and alarm—probably stirred by and alarm—probably stirred by the city of Hood River and alarm—probably stirred by and

US Landing Craft Burns From Hits by Japs



Smoke poured from an American (LST) landing ship tanks from a Jap hit in an air attack at a south Pacific island in the combat zone where the boat was unloading supplies. A sister ship stood by with its crew playing water on the burning vessel. (AP wirephoto from marine corps.)

Marines Crack Cape Gloucester Defense; Bougainville Belted

Airdrome Falls To Yanks; Flame Throwers Used

By DEAN SCHEDLER ADVANCED ALLIED HEAD-QUARTERS, New Guinea, Friday, Dec. 31.-(AP)-Hard-hitting United States marines have cracked stubborn Japanese defenses to capture the vital airdrome at Cape Gloucester, New Britain.

The leathernecks' final assault put them in full possession of the two air strips at noon yesterday, just four days and a few hours after their Sunday's invasion landing at Borgen Bay.

Details of the final hours of the battle were meager, but Gen. Douglas MacArthur's communique announcing the victory said Pacific Thrust that "following an intense air

A headquarters spokesman said an air assault on two successive days had softened up the line of Japanese pillboxes for the marines, who used flame throwers to clear out strong points which survived aerial bombing.

"Many hundreds of Japanese dead are in the area," the spokesman said, adding that American losses were "slight."

The airdrome area and its perimiter were plastered Wednesday morning by artillery and heavy

landing strips, one running east (Turn to Page 2-Story E)

By RALPH C. CURTIS

Gov. Earl Snell has announced,

particularly in reference to the

Oregon War Dads' proposal that

That would appear to leave

high and dry the Hood River

county delegation which recent-

ly came here to advocate a spe-

cial session for amendment of

the PUD law, so as to check-

mate the Hood River PUD's

\$175,000,000 scheme to take over

all privately - owned power sys-

tems in northwest Oregon if not

The delegation may have been

borrowing trouble. The approxi-

mately 2000 voters of the PUD

may say "no" when they vote

of the legislature.

the entire state.

Happy New Year, Boss-

By the Associated Press "I have the honor to present the Gloucester airdrome to the cornmander in chief as a New Year's present," Lt. Gen. Walter Krueger, commander of the sixth army to which the marines are attached, messaged to MacArthur.

Continuing, he remarked, "I praise the gallantry of the marines, the splendid cooperation of

Adm. King Says preparation our ground forces took the positions by assault."

By HAMILTON W. FARON WASHINGTON, Dec. 30 -(AP) A tremendous offensive against Japan is planned in 1944, it was made clear today by Adm. Ernest J. King who said the United Nations will begin shifting their power from the Atlantic to the Pacific theater even before the final defeat of Germany.

The tall, raw-boned naval commander-in-chief stood before a and medium bombers and attack chart in his office, using a cigar- against the 30 remaining Nipponplanes. By nightfall that day, the ette holder as a pointer, to give ese soldiers. They killed half of marines had taken the first air in an interview the frankest dis- these. The others fled. American cussion of the Pacific war yet to The airdrome contains two come from a big naval figure.

people of Oregon, without any again, there it is.

comeback from the hundreds of On its face, it gives the hydro-

vision when it was enacted said tric, Northwestern Electric and

it was needed to give a PUD ne- perhaps other utility systems.

The PUD law says a district veto, on its merits, any feature of

(Turn to Page 2-Story H)

thousands of affected citizens?

amendment be modified and some perty "within or without, or part- including the Guy C. Myers con-

millions of dollars recaptured for ly within and without, the district, tract, as well as any specific pro-

postwar projects expenditure, that and , . . sell or dispose of such posals to purchase Pacific Power

cessary authority to own trans-

mission lines and the like, and

However, the PUD law is a bul-

"Prior to the completion of

the purchase or construction of

a utility, as herein defined, no

control, either expressed or im-

plied, involving an obligation on

the part of the district in excess of \$5000, shall become binding

until approved by the (state

hydroelectric) commission, and

it shall be unlawful for the

board (PUD directors) to make

provisions is this:

the "Walker plan" income tax may acquire and administer pro-

"there will be no special session" property." Advocates of this pro-

Last Big Island In Solomons **Gets Pounding**

31-(A)-The Americans have begun to throw the military book at the hapless Japanes on Bougainville-including airplane belly tanks and paratroopers.

Headquarters reports today were crowded with actions intended to accelerate the Japanese retreat from the last big Solomon island barring the southwestern over Rabaul itself, Solomons air engagements. based American planes have shot down 113 enemy fighters in daily strikes since December 23.

The belly tanks were dropped by Warhawk fighter planes flying along the enemy-held eastern coast of Bougainville, starting gasoline fires.

The paratroopers went into action to help clean out Japanese from a strong point at the upper end of the beachhead held by Americans on the west-central coast at Empress Augusta bay. After most of the Japanese were ousted Tuesday from an area 600 yards east of the Torokina river mouth, the paratroopers went in casualties were listed as one dead four wounded.

These were other highlights: (Turn to Page 2-Story F)

electric commission authority to

the Hood River PUD proposal-

& Light, Portland General Elec-

In the creation of a PUD, pre-

liminary petitions are filed with

powers are only advisory.

However, the commission does

have definite power to veto the

proposed re-grouping of units in

a PUD, if the vote has been fav-

orable in some and unfavorable

Germany

Raid Follows Up **Night Attack** On Nazi Capital

By ROBERT N. STURDEVANT LONDON, Friday, Dec. 310P) A record force of approximately 1500 American planes blasted targets in southwest Germany yesterday as its part in possibly the most sustained air assaults of the war which saw at least 3000 British and American war planes over Germany and occupied territory in the past 24 hours.

The American daylight attack yesterday, which also set a record for the deepest penetration by escarting fighter planes, some of which flew the entire 1100 mile round trip, came a few hours after RAF night raiders dealth Berlin a shattering new 2240-ton

A joint US Eighth air forceair ministry communique issued early today said that 23 German fighters were destroyed while the American force lost 22 bombers and 12 fighters for a total of 34 planes, in fights raging across France in Germany.

RAF, dominion and allied fighters flew supporting sweeps for the giant American operation and accounted for four of the nazi fighters shot out of the sky. The American fighter planes got eight while 11 were felled by the gunners of SOUTH PACIFIC ALLIED the US heavy bombers. The ob-HEADQUARTERS, Friday, Dec. jective of the American bombing mission was not announced.

Blasting their targets through clouds, the American Fortress and Liberator airmen employed once more a remarkable new navigational instrument which permits the bombardiers to hit targets they can't see. The losses, while comparatively small for the forces involved, nevertheless accentuated approach to Rabaul. Included was the reports of returning crewmen the spokesman's assertion that of numerous fighter attacks and

The American operation came only a few days after the announcement of the establishment of a high command for the allied (Turn to Page 2-Story B)

Allies Achieve Air Superiority

By W. W. HERCHER LONDON, Dec. 30-(AP)-The allies have achieved air superiority in every theatre of the war and sent planes on the offensive all around the world, the RAF announced today. In a triumphant review of the

aerial war of 1943 Britain's air arm said the year's fighting produced these victories and accomplishments in various fields of op-

(1) Nine of Germany's 21 major industrial cities with popula-Hydroelectric Body Has Intervention Power if tions of more than 250,000 each have been "so seriously devastated that in all probability they have been forced for some time to consume more than they pro- future," because of a surplus of thereabouts, determine the power tended to cover such a situation duce.'h How small a tail can wag the policy for more than half the as this is perhaps debatable, but

(2) Many more U-boats have been destroyed by the coastal command in 1943 than in the three previous years together. The whole of the North Atlantic is now covered by shore-based aircraft, the report said.

(3) Magnificently complete air support was given allied ground forces in Africa, Sicily and southern Italy.

Lumber Output Drops

would not be utilized indefinitely the hydroelectric commission and to extend a PUD's services; but it is required to make investiga-WASHINGTON, Dec. 30.-(AP)tions and hold hearings. Even Lumber production this year esthough the commission's report on timated at 32,500,000,000 feet plants. ky document, and among its many its investigation may be unfavorwill be 10 per cent below 1942 output, the lumber survey comable, an election must be called on creation of the district if the mittee said tonight in a quarterly report describing the lumber To Be Produced economy as "tight." sponsors still desire to proceed. In this respect the commission's

Vichy Police Watchful

By the Associated Press
Reorganization of the Vichy poorable in some and unfavorable lice to "Preserve France from the in other areas. This veto power was not exercised in the case of the Hood River PIII) when the by radio Vichy which said unrest started.

lice to "Preserve France from the important resumption of ci-first important resumption of ci-vilian manufacture since the war should call Red Cross offices,

US Planes Refuses Union Bombard Limitations As Binding

Brotherhoods Expected To Stand Pat on Overtime; 10 o'Clock Deadline Set

By Joseph A. Loftus

WASHINGTON, Dec. 30—(AP)—President Roosevelt advised the 15 nonoperating railroad union s today he is prepared to issue a ruling on their wage demands but declines to be bound by the limitations they set forth in their acceptance of arbitration.

The president asked for an answer by 10 a.m. if his basis of procedure is not acceptable. The unions are expected to stand their ground and insist that overtime is the only issue inasmuch as they have accepted the 4 to 10-cent increases.

was approved by Stabilization Director Fred M. Vinson.

Americans Fight Through San Vittore

Vittore today, blasting out a path the carriers' contention.' to the strategic city of Cassino on Adriatic coast to within nine miles

(The German news agency DNB | wage dispute. in a broadcast recorded by the Associated Press said that the allies had made a "leap frog" landhind the German lines near the localized before the allies could of the unions had merely postponreach the Appian way, the coastal road to Rome.)

San Vittore, on the southern trol rather than cancel them. base of Mt. Sammucro six miles from Cassino, was reduced to rubble by a terrific American artillery bombardment yesterday before Lt. Gen. Mark W. Clark's infantry left its foxholes and charged into the village. An American patrol previously had penetrated into its streets, only to be driven

Canadian troops in the two days since Ortona's fall had swept across a wide area west of the town and were reported approaching the valley of the little Testore river. Infantry was pushing along the coastal road to Pes-(Turn to Page 2-Story G)

out by fiercely resisting nazis.

Aluminum Plants Close, Not in West

WASHINGTON, Dec. 30 -(AP) Several small aluminum plants will be closed "within the near official said tonight.

A. H. Bunker, in charge of WP-B's aluminum and megn programs, said that "possibly 15" aluminum pot lines would be closed. Potlines produce aluminum from alumina. Told of a report in congression

al circles that most of the shutdowns would be in the west, Bunker said he would be "astonished" if many were in the west. He mentioned plants at Messina, NY., and plants are operated by hydro electric power from government workers said Thursday.

plants. With only 134 donors, Salem

Irons, Bath Tubs

WASHINGTON, Dec. 30 -(AP) be taken here. The nation's war economy passed | Approximately 30 of last Tuesa major milestone today when or- day's donors came from Sweet ders were issued for the manu- Home and Lyons, "Without the facture of 2,000,000 electric irons we'd have been left far behind lice to "Preserve France from the and 50,000 bath tubs in 1944—the indeed," declares E. J. Scellars.

Overtime was not an issue when the 4 to 10 cents

The carriers contend now that if there is to be an allowance for overtime, consideration must be given to the 4 to 10-cent increases because the 10 cents was allowed to eliminate substandard conditions and would not have been necessary if payment was to be made for overtime.

The president advised the unions the 4 to 10 cents would not be reduced, but added: "If I am to arbitrate the question of what ALLIED HEADQUARTERS, AI- should be given for overtime in giers, Dec. 30 .- (P)-American the future, I could not be debarred troops fought through the streets in advance from considering of the demolished village of San whether or not there is merit is

Chiefs of the three operating the main inland highway to Rome, unions who cancelled strike auwhile victorious Canadian forces thorizations only after government pressed on beyond Ortona on the seizure of the nation's railroad system, accused the administration of delay and mishandling of the

The joint statement was issued by top officers of the firemen. conductors and switchmen shorting on the Italian west coast be- ly after the war department declared that it could not return the mouth of the Garigliano river. railroads to private management The broadcast said the action was as it desired because at least two ed their strike cancellation orders for the period of government con-

> They also charged that two other operating brotherhoods, who capitulated first, had struck them "a stab in the back."

> The statement disclaimed any responsibility for the taking over of the carriers, and asserted that "for five days we and other responsible representatives of our unions were waiting for some representative of the administration to make some move in the direction of an adjustment."

The statement by Robertson, Fraser and Cashen quoted President Roosevelt in taking over the railroads as saying "I cannot wait, the war cannot wait."

The trie protested, however that from December 23 until December 29 "the admin tion arranged no meeting with the chosen representatives of the three organizations involved in an effort to reach a peaceful settlement."

They added that the pational the metal, a war production board mediation board had taken jurisdiction of the dispute "under the clear provisions of the railway labor act, and, if the board had (Turn to Page 2-Story A)

Blood Donor Quota Needed

Blood donor registrants are Burlington, NJ., as possibilities. ital city is to meet its quota Tues-They use coal while the western day when the mobile blood plasma unit calls here, Red Cross

> failed this week for the first time to meet its quota. Although it is expected to provide 140 pints each Tuesday, when everything works smoothly, 180 pints of blood can