

War-Vital Cobalt On Control Lists

WASHINGTON, Dec. 29—(AP)—Rigid control over use of the war-vital metal cobalt—hitting radio and television makers "extremely hard"—was announced today by the government.

Civilian use in January will be cut to one-third of the amount consumed in January, 1950.

Then on Feb. 1, every purchase of more than 25 pounds will require approval of the national production authority.

Cobalt, little known by the public, is precious to many industries—as a steel alloy for cutting tools, for making magnets, lining gun barrels, for quick drying inks and paints—and for making radio and television speakers.

A spokesman for the Radio-Television Manufacturers association said the order will affect ac-

tual production of sets perhaps about March.

The fast changing defense mobilization picture showed these developments today:

1. The economic stabilization agency, which governs price and wage ceilings, announced that it will set up 13 regional offices "to handle price and wage problems and appeals" for each area.

2. The labor department reported that management-labor committees to help solve employment problems in the national emergency will be set up regionally and in labor market areas where important manpower shortages arise.

Food Dealers Asked To Hold Price Lines

WASHINGTON, Dec. 29—(AP)—The government tonight asked food processors and distributors to hold the line on prices.

Price Stabilizer Michael V. DiSalle issued a statement emphasizing that the government's so-called "fair price" standards apply to millers, packers, wholesalers, retailers and other handlers of food products.

DiSalle said the statement was issued as a result of requests for declaration on the meaning of the "freeze" on prices.

He said the "fair price" standards provide for price increases under some conditions—generally in hardship cases—but he declared:

"Food distributors may base price increases only on actual costs paid and not on market or replacement costs. In this way they can make an important contribution to stabilization at a time when voluntary action of all kinds is necessary in the public interest."

DiSalle's statement contended that the "fair price" standards provide for fair profits and do not violate laws forbidding the imposition of ceiling prices on farm products selling below parity.

Parity is the legalistic term for a formula designed to be fair to farmers and consumers alike.

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Telephone Company Denied Rate Increase

PUC Says Returns Adequate

Public Utilities Commissioner George H. Flagg, in an order here Friday, dismissed the application of the Pacific Telephone & Telegraph company for an annual rate increase of approximately \$2,920,000 based on its Oregon operations.

Flagg held that the company had failed to establish that the proposed rate increase was just and reasonable.

Fletcher Rockwood, company attorney, at the conclusion of the hearing involving the company's testimony, announced that failure to grant the increase would result in appeal to the courts.

The PUC application was dismissed on motion of special assistant Attorney General Eugene Laird.

Company officials argued at the hearing that earnings of 7 1/2 per cent were required to attract new capital and cover increased federal taxes, higher wages for employees and other items.

Rockwood said a rate increase of \$4,100,000 actually was needed by the company but the lower rate increase of only \$2,920,000 was filed. Post-war expansion also was stressed in the application.

"So far as ascertainable," Flagg said, "this is the first time a public utility has attempted to secure approval of increased rates by claiming it can only sell its securities by increasing the value of its common stock at the expense of the rate payers."

"The evidence in this proceeding shows that the Pacific company is controlled by the American Telephone & Telegraph company through stock ownership and that American has consistently subscribed to approximately 90 per cent of all its stock issues."

Flagg said a comparison of operations of Pacific company for the first nine months of 1949 and the first nine months of 1950 demonstrates that the rate of return on an annual basis for the year 1950 is 1.62 per cent higher than for the first nine months of 1949.

"Pacific company is now making a rate return of 5.96 on its Oregon operations and it would not be common sense to base rates on estimates of a very uncertain and clouded future," Flagg added.

New Stayton Bank Open



STAYTON—Stayton's branch of the First National Bank of Portland is celebrating its 15th birthday by opening for business in a new building on Third street in the downtown district. The photos show the exterior and the flower-decked interior. (Statesman photos).



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Freezing Rain Glazes Eastern State Region

The east and parts of the south were one big ice slide Friday. There was fog in South Carolina and a weird gathering of fumes over Detroit, and it was still cold, except for Florida and the far west.

Freezing rain coated highways from east Georgia north into New England. Motorists were warned of extremely hazardous driving conditions. In New England, heavy snow accompanied the freezing rain. Snow up to six inches was expected in eastern and southern New England by Saturday.

One man was killed by a truck near Mattick, Mass. Five other persons lost their lives in crashes on slippery pavements in Alabama and Louisiana.

Charleston, S. C., was blanketed with fog, with ship movements and air traffic stalled. And in Detroit, an unusual atmospheric condition scared residents, who thought leaking gas was filling their homes. A body of warm air was close above the city, while at the surface there was a thin layer of cold air—and no wind. All the city's smoke and fumes, which normally rise and are blown away, lay stagnant near the ground. The weather bureau's explanation didn't clear the atmosphere, but it relieved worried Detroiters.

Ice made roads impassible in southeastern Connecticut, while New Jersey's roads were lined with stalled cars. Southeastern New York was pelted with freezing rain, which was expected to spread throughout much of the state. At La Guardia field 82 flights were cancelled. Temperatures were below seasonal normals throughout the entire country east of the Rockies, except for the Florida coast.

Reece Jones, a Salem postal clerk for more than 24 years, will be superintendent of the Hollywood classified station, due to open at 1 p. m. today, Postmaster Albert C. Gragg announced Friday.

Gragg said necessary equipment for all postal business, except postal savings, would be moved to the Tile road location Tuesday morning. Carriers will not operate from there until the end of next week. The station will be headquarters for nine city foot carriers, five mounted routes and rural routes 2 and 7.

Jones, who resides at 2540 S. Summer st., is now foreman of clerks at the main office. Who will succeed him there was not known Friday. He will be assisted by one clerk in the Hollywood station.

ENEMY JET DOWNED
U. S. FIFTH AIR FORCE, Korea, Saturday, Dec. 30—(AP)—F-86 Sabre jets destroyed one enemy MIG-15 jet and probably another in an air battle south of Sinuiju Saturday morning.

MANILA BRACES FOR BLOW
MANILA, Saturday, Dec. 30—(AP)—The U. S. air force base at Clark field today ordered its personnel into storm-proof buildings as a typhoon swept toward Manila after causing crop damage in the central Philippines.

THIRTY-ONE COUNTY DRAFTEES
Due for induction on Tuesday

The list includes: John H. Cook, Benjamin Fredrick Von Flue, Victor John Hanuska, Roy Lee Smith, Walter Darrell Johnson, Deral Jones, Jr., Virgil Floyd Gregory, Elmer L. Wolf, Harvey Mike Mitchell, James Leo Uebelmann, Jr., Lawrence Joseph Wurdinger, Jr., Robert Wesley Keppinger, Roy Francis Rice, Frank LaVern Wallis.

Victor Paul Troyer, Ardith Lee Goin, Francis Raymond Keagline, Glenn Ray Graber, David Russell Blum, Glenn Frederick Monner, Andrew Reuben Biro, Russell Elmer Broyles, Robert Arthur Lels, Howard William Hattberg, Richard Terrance Gannon, Warren W. Osborne, Eugene Gerald Clason, Clayton A. S. Jacobs.

Transferred from other boards for induction here are James Gilbert Hartless, Myron Teddy Hartless and Robert Gene Wier.

David Arthur Garren was transferred to Chamberlain, S. D.

Reds Continue Advance On East Flank in Korea

U.S. Cannot Stand Alone, Dulles Says

NEW YORK, Dec. 29—(AP)—Republican foreign policy adviser John Foster Dulles said tonight America can never stand alone as a Gibraltar against the world.

"Solitary defense is never impregnable," he said in an address.

On the other hand, he went on, it is not necessary "to spread our strength all around the world in futile attempts to create everywhere a static defense."

Either of these courses he called disastrous.

Instead, Dulles suggested an economic, political and military ring around the Soviet world to make Russia pay dearly for any new aggression.

Speaking only for self, Dulles said, the free world will have "the capacity to counter-attack."

"We are not bankrupt in resourcefulness," he insisted.

Dulles' speech was delivered at a dinner of the American Association for the United Nations.

He told a reporter that he was speaking solely for himself rather than for the state department, for which he is an adviser. He added that President Truman did not see his speech in advance.

In the speech, he said the United States need not "crawl back into our own hole in the vain hope of defending ourselves against the rest of the world."

Says Idea a Fallacy
And the idea of a Gibraltar-like defense, he added, is a fallacy, and a dangerous one.

His speech—a major outline of his foreign policy views—followed former Republican President Herbert Hoover's qualified demand Dec. 20 that the U. S. withdraw from Europe and Asia and make our oceans the frontiers of an American Gibraltar.

Dulles—as foreign policy adviser to the state department—holds a higher rank in President Truman's democratic administration than any other republican.

He said in advance his speech was not intended as a reply to Hoover—whose recommendations only yesterday were termed by President Truman "isolationism."

Bread Prices Go Up Today

Bread prices of the Cherry City Baking company will rise one cent a loaf today in Salem, it was reported Friday night.

New prices will be 24 cents for a 1 1/2-pound loaf and 17 cents for a one-pound loaf.

The Associated Press Friday reported similar increases will take effect today at some major Portland bakeries. Other bakeries are expected to make similar increases next week. One manager reported that material costs have gone up 22 per cent since July.

The Benson bakery in Salem announced there would be no increase in its bread prices today.

Paramount Mart Closes Today Though New Building Plan Dims

Paramount market on downtown Liberty street will be closed after today, but possibility of a large-scale development at that site appeared in doubt Friday.

Arthur M. Erickson, who announced yesterday his Paramount market would be discontinued, also owns supermarkets in north and east Salem and is building a new one on South Commercial street.

Despite the sudden vacating of the market building, no known move is underway to construct a new building, reported at one time to be designed for a large chain store. Plans to vacate another building on the North Liberty site apparently have been abandoned.

Walter Graham, Portland, who has represented the "Mark Salem" development, was not reachable last night, but some Salem businessmen affected by the plans indicated a belief they were not now materializing.

The proposed business development, heralded as one of the city's biggest, appeared certain last June

Posthumous Promotion Sought for Gen. Walker

WASHINGTON, Dec. 29—(AP)—President Truman asked congress today to permit Posthumous appointment of the late Lt. Gen. Walton H. Walker to the grade of full general.

Walker, commander of the U. S. Eighth army in Korea, was killed in a jeep accident Dec. 23.

In letter to Vice President Barkley and House Speaker Rayburn, the president said: "I recommend the enactment of legislation which would permit the posthumous appointment of the late Lt. Gen. Walton H. Walker to the grade of general in the army of the U. S."

A briefing officer said one force of 5,000 men had pushed as far as 12 miles south of the old Korean dividing line at a point about 35 miles from the east coast.

He said this heaviest communist force was "in contact" with United Nations troops Friday after advances of up to more than seven and a half miles Thursday.

Patrol Meets Force
A second red force, 2,000 strong, was encountered by United Nations patrols about 10 miles W from the east coast and 13 miles south of the parallel.

These forces were not identified as guerrillas. Reports at eighth army headquarters indicated they were either by-passed North Korean troops or fresh forces which had swept down from the north.

The briefing officer said there was evidence of enemy infiltration and cutting of U. N. supply routes in the eastern sector.

He said there also were indications of increasing enemy strength on the fluid eastern front. One U. N. division reported four enemy regiments in this sector.

There still was no sign of the big red push which allied officers believe will come soon.

In the west, the Chinese and North Korean communists continued their big buildup. They moved ever closer to Seoul, the menaced capital of South Korea.

The peninsula-wide front was reported relatively quiet, aside from the action near the eastern end. Patrol activity continued.

Planes of the U. S. Far East air force resumed their constant pounding of the enemy in clear weather at dawn today. In some 450 sorties Friday they inflicted an estimated 500 enemy casualties.

General MacArthur has predicted the big red push will come between Jan. 1 and 10.

Lt. Gen. Matthew B. Ridgway, eighth army commander, returned to his headquarters after a tour of the front and said he was "confident" his army would fulfill its mission in Korea.

Adm. Sir Patrick Brind, commander of the British Far Eastern fleet, came to Tokyo Friday for conferences with the general staff.

300,000 New Jobs for West

SAN FRANCISCO, Dec. 29—(AP)—The man who is mobilizing manpower in the west said today war production will create about 300,000 new jobs by next summer in five western states, Hawaii and Alaska.

Glenn E. Brockway, regional director of the federal bureau of employment services, said "spot" manpower shortages already are developing in some sections.

He told a news conference that recruiting has started to line up 2,000 workers in highly-skilled classifications, such as aeronautical engineers, chemists and tool and die makers.

Brockway said that in the region he covers—California, Oregon, Washington, Nevada, Arizona, Idaho and Alaska—unemployment stood at 700,000 last February, and has decreased now to about 225,000.

14 DIE IN PLANE CRASH
MAR DEL PLATA, Argentina, Saturday, Dec. 30—(AP)—A passenger plane crashed near this famed resort, 230 miles southeast of Buenos Aires early today and 14 persons were reportedly killed.

When announcement was made of the acquisition of several downtown properties by Melvin Mark of Chicago. These properties lie on the east side of Liberty street between Chemeketa and Court streets.

Involved in a \$200,000 sale to Mark were Leon's and the Golden Pheasant restaurant properties. Earnest money of \$50,000 was paid to L. L. Balch and Charles Foulger, operators of Leon's. It is shown in the recorded deed.

Leon's had planned to vacate by January 15, but Balch said Friday that negotiations are "still incomplete" with Mark. He said Leon's now has no definite plans to vacate.

Mark also had leased for 99 years the Paramount market property, owned by George Putnam. He said Friday he did not know who would occupy the market site in the future. Putnam added that Mark Salem still had the lease but "if certain stipulations are not met the lease will be cancelled."

CANADIANS PLAN FORCE
OTTAWA, Dec. 29—(AP)—Prime Minister Louis St. Laurent indicated today the Canadian government is planning to send several fighter squadrons to Europe and said the army's special force may go to Korea.

Enemy Moves Closer to City of Seoul

TOKYO, Saturday, Dec. 30—(AP)—Seven thousand enemy troops in two groups are now 12 and 13 miles south of the 38th parallel on the east flank in Korea, the U. S. eighth army said today.

A briefing officer said one force of 5,000 men had pushed as far as 12 miles south of the old Korean dividing line at a point about 35 miles from the east coast.

He said this heaviest communist force was "in contact" with United Nations troops Friday after advances of up to more than seven and a half miles Thursday.

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Engineers Ask Better Terms

CLEVELAND, Dec. 29—(AP)—The brotherhood of locomotive engineers late today demanded "more favorable" terms in a proposed three-year peace pact between the railroads and four unions.

The brotherhood's officers were instructed to "go back to Washington" to get them.

There was no amplification of what terms the union wants to improve, or whether the union considers its stand an outright rejection of the proposals.

The three other railway operating organizations—firemen, conductors and engineers—will meet within the next ten days to consider the plan.

Providing wage increases and other benefits for approximately 300,000 men, the plan was worked out in conferences led by presidential assistant John R. Commons.

Eight days ago it was announced from the White House as a settlement of a long dispute over wages and operating rules.

Truman Boards Yacht For Weekend Cruise

WASHINGTON, Dec. 29—(AP)—President Truman boarded the yacht Williamsburg shortly before 4 p. m. (EST) today for a weekend cruise in nearby waters.

He is expected to spend much of the time in work on his study of the union message.



Governor McKay is going down to Sauvie Island at the confluence of the Willamette and Columbia rivers today where he will take part in the dedication of a bridge to connect the island with the mainland, the first in the more than 100 years of white settlement on the island. His mother will cut the ribbon opening the bridge to traffic, which is appropriate since she was born on the island and her father was an early settler there.

Marion and other upriver counties will be well represented at Sauvie Island, if not by people, then by soil, for the island's rich alluvial soil is the deposit of the Willamette and Columbia rivers through centuries of time. There is another connection between Marion county and Sauvie Island: its first permanent settler was Laurent Sauve, a French-Canadian who ran a dairy on the island for Hudson's Bay company.

He retired in 1844 and, as did so many of the employees of HBC, came to French Prairie, settling at St. Paul where he died in 1858 and is buried. The island's name is derived from his own. Also Jason and Daniel Lee, who in 1834 visited the island in their search for a place to start their mission work, rejected it because of fears of the annual high water and fever and ague and came to what is now Mission Bottom north of Salem to establish their mission, which later was abandoned because of high water.

The story of Sauvie Island is pleasingly told by one who has lived on it for years, absorbed its traditions and become intimate with its soil and its moods, Omar C. Spencer, a prominent Portland attorney. His book has just been published by the Oregon Historical (Continued on Editorial Page 4).

Truck, Bus Plates Hit By Shortage

Law enforcement officers Friday were requested by Secretary of State Earl T. Newbry to give truck, farm, bus and motorcycle owners 10 days additional time in which to obtain and display proper 1951 plates.

The request, Newbry said, was based on a shortage of aluminum used in the manufacture of these plates.

Newbry said that while most of the plates have been delivered to the secretary of state's office the small date tabs are not immediately available. As a stop-gap measure, Newbry is issuing the plate with a windshield sticker which will permit operation of a vehicle until the tabs can be delivered.

Newbry said he was confident that the proper plates and tabs for trucks, farm vehicles, buses and motorcycles can be issued within a few days.

Proper plates for exempt vehicles, publicly owned, will probably not be available for two or three weeks.

Because of the acute aluminum situation it was necessary some time ago to accept a substitute metal for certain plates and tabs, Newbry said.

Miners Rescued From Shaft Fire

SILVER PLUME, Colo., Dec. 29—(AP)—Fire sealed six men in the smuggler gold mine for about three hours here today but they scrambled to safety after rescuers bulkheaded the main shaft to halt a rain of burning embers.

The men were in a lateral tunnel at the 700 foot level and about 500 feet in from the mouth of the mine when a fire broke out in the shaft house.

Rescuers entered the mine at the 100-foot level and braved falling brands to shove heavy planking across the main shaft, sealing it off. They then called to the trapped men who scrambled, unhurt, 400 feet up the wooden ladders along the side of the shaft.

GENERAL'S BODY SHIPPED
TOKYO, Saturday, Dec. 30—(AP)—In a driving rain the body of Lt. Gen. Walton H. Walker left Tokyo's Haneda airport at 9:55 a. m. today for its final resting place in Arlington National cemetery.

THE WEATHER

	Max.	Min.	Precip.
Salem	50	49	.01
Portland	49	48	.01
San Francisco	55	48	.00
Chicago	29	12	.00
New York	30	23	1.02

Willamette river 4.0 feet. FORECAST (from U. S. weather bureau, McNary field, Salem): Partly cloudy with a few showers today coming fair tonight. High tonight about 54 and low tonight about 34.

NEW YEAR PRECESSION
Starts start of weather year Sept. 1. This year starts at 11:59 p. m. on Dec. 31.

"Best center and feedback we ever had!"