

Scene Set for New Price Ceiling Rise

By William O. Varn
 WASHINGTON, Dec. 5-(AP)—The government tonight opened the way for possible price increases on thousands of consumer items, including clothing, meat, food, milk, butter, coal, gasoline, tobacco, beer, drugs and cosmetics.

The office of price stabilization gave thousands of manufacturers, processors, refiners, and mining concerns permission to apply for higher ceilings under the Capehart amendment to the controls law.

This amendment requires the government to allow manufacturers and processors to use their pre-Korean prices and add or subtract cost increases or decreases through last July 26 in computing new ceilings.

Because application of the Capehart formula is optional, OPS said that the general effect of its new order can not be adequately estimated. But, the agency added, "the particular effect will be to raise prices whenever an application for adjustment is granted."

The order carrying the Capehart amendment is effective at once.

Among items affected by the new order are wool and cotton yarns and fabrics; soft drinks, liquor and wine, lumber and millwork, crude oil, canned and frozen fruits and vegetables, and many other processed foods; also many important chemicals, plastics and insecticides.

Volcano Erupts Again

MANILA, Thursday, Dec. 6-(AP)—Hibok Hibok volcano blasted loose again last night and today on devastated Camiguin island where the death toll from Tuesday's explosive eruption has climbed to 172.

Hundreds of others may lie under the blanket of ash and lava that fell like rain across a 10 square mile area.

The governor of Misamis province estimated that the death toll may climb to 500. He earlier had expressed fears that 2,000 may have perished.

The latest explosive blasts were the third and fourth.

AP Correspondent Frank White reported the latest eruption from Cagayan de Oro on Mindanao island.

"Huge masses of flames spurted from the crater and a new vent which opened on the north slope Tuesday night," White said.

There were no reports of injuries or deaths in the latest explosion, White said.

No Vacation for Walter



'Working Walter' is U. S. Rep. Walter Norblad's name while in Salem during sessions of congress. Rep. Norblad is staying at the Senator hotel where he works on schedule of speeches, many telephone and personal calls. He says he will have to return to Washington, D. C., a week early to rest up for his regular job. (Statesman photo.)

Valley Repairs Gale Damage as Season's First Snowflakes Fall

The northwest today was still repairing the damages wrought by the howling storm which swept over the area Tuesday, knocking out telephone and light circuits, blowing down trees, and isolating the coastal city of Coos Bay. A battered ship limped toward port and the toll of dead increased to seven.

Rains soaked the Willamette valley, causing streams to rise, although no major flooding is expected. The Willamette at Salem is expected to crest at between 17 and 17 1/2 feet at noon today. Flood level is 20 feet. The Santiam at Jefferson is 17.7 feet above flood level Wednesday afternoon and still rising. It was expected to reach 15 feet today. But rain Wednesday was light, with .29 inch measured by the Salem weather bureau.

The season's first snow was reported mixed with rain on the hills around Portland. Some areas south of Salem in the Liberty district reported snow, and a heavy hail storm hit the Keizer area shortly before noon. But the weather here predicted no snow except at higher elevations. Heavy snows were reported by the state highway department along all mountain roads.

Service Restored

Except for sections along the southern Oregon coast, most communications were back Wednesday throughout the state. Telephone and light service in the Santiam canyon was back in operation Wednesday morning.

Lebanon, of the Willamette valley, apparently took the brunt of the storm, where power failure shut off the city water for three hours, and winds did \$10,000 damage at the airport. (Story and pictures on page 16).

California Deaths

Two more deaths were reported in northern California when two men drowned as their car plunged through a guard rail and crashed into a storm-swollen stream. A woman in eastern Washington died when her car skidded on an icy road and crashed near Cheney. Falling trees killed three people Tuesday. The seventh death came when a tree toppled over on a shed killing a Junction City man.

Communications to southwest Oregon near Coos Bay were still cut, with communication being maintained by radio amateurs. A freighter, S. S. Sierra, was headed for port at Coos Bay with underwater plates cracked by the heavy seas. Slides still had the highway four miles north of Coquille closed.

Power breaks kept a number of rural schools closed in Lane county, and southern Oregon, and at Prineville and Redmond. In Redmond the roof was blown off the Umpqua National bank. Fishermen at Depoe Bay saved their boats from being washed over the new sea wall by lashing them together and running the engines at high speed to high tide and smashing waves tore away the foundation of a building at Florence, dumping an unused bowling alley and a restaurant onto sand and rock.

Air Force Sets High Goal in Plane Buildup

WASHINGTON, Dec. 5-(AP)—Secretary of Defense Robert Lovett disclosed today that the air force has set a new goal of 143 wings—somewhere between 4,200 and 10,700 planes—in planning the next military budget.

So far Lovett compares with current strength of about 90 wings. Pre-Korean strength was 48 wings.

Lovett told a news conference that the defense department is asking President Truman and congress to authorize the extension, and he emphasized that the emergency calls for prompt action rather than a long-drawn program.

The defense chief said 126 of the proposed 143 wings would be combat planes and the remainder transport carriers.

White House said, neither the White House nor the budget bureau has set a ceiling for the military budget to be laid before congress when the lawmakers return in January.

Tax Bureau Legal Chief Quits Due to 'Vilification'

WASHINGTON, Dec. 5-(AP)—Charles Oliphant resigned as chief legal officer of the internal revenue service today, deploring "vilification" and piling another sensation on the heap already collected by a house investigating committee.

As Oliphant gave up his \$14,800 a year job in the Truman administration, Frank Nathan went before the inquiry group to deny a charge that he tried to shake down a wealthy Chicago lawyer for \$500,000 with promises to "fix" his tax troubles through influential friends in Washington officialdom.

Nathan shouted that the accusation was "a dirty, filthy lie."

Oliphant resigned in a strongly-worded letter to President Truman.

"I find it beyond the limits of my endurance to protect my name and reputation and the prestige of the office I hold in the face of baseless and scurrilous charges x x x" he wrote in part.

Linked to Story

Oliphant's name was connected with the shakedown story, but the 42 year old attorney, who has been with the revenue bureau since 1939, told Mr. Truman that it was "fantastic" to infer that he had anything to do with the alleged plot.

The shakedown story was told to the inquiry group—a house lawyer and means subcommittee—yesterday by Abraham Teitelbaum, a well to do attorney and real estate operator in Chicago.

Teitelbaum swore that a Miami Beach, Fla. last winter he was approached by Nathan and Bert K. Naster and told that if he would shell out half a million dollars they would "make it easy" for him in a tax fraud case which is still pending.

Tells of Clique

The two men, Teitelbaum said, hinted that there was a clique in Washington looking for "soft touches" like him. He said they rattled off the names of Oliphant, T. Lamar Caudle, Jess Larson, George J. Schoeneman and Joseph Numan.

Caudle was an assistant attorney general in charge of all tax fraud prosecutions for the justice department before he was ousted by Mr. Truman November 16. Larson heads the general services administration, the government's "housekeeper" in buying supplies and maintaining public buildings. Schoeneman and Numan are former internal revenue commissioners.

Nathan said he wished the committee would "put a lie detector on" Teitelbaum, himself and Mrs. Sheryl Menkin, a friend of Teitelbaum, "to see who is lying." His voice rising, he added: "I don't know what their purpose is."

IT SEEMS TO ME

By Charles A. Sprague

Harold Stassen has gone to Europe to have a talk with Ike. He said so himself on the eve of his departure. No one would come from Ike's headquarters on whether he would talk with Harold or not; but presumably Harold has assurance he will get to see the supreme commander.

Now that will be a conversation a million politicians would like to have. No democrats as well as republicans. The way people have been beating a path to his door Ike must be the better (political) mousetrap the politicians are hunting for for 1952.

Up to this time no one who saw Eisenhower has quided him directly on whether he is a republican or democrat or whether he would accept a party nomination for president or not. Probably Stassen will not quote the general, even if Ike opens up and talks. But what Harold does after his conference may be quite revealing.

The former governor of Minnesota and present president of the University of Pennsylvania has gone this far: He is not for Taft for president; he is not sure about Eisenhower; and is not certain whether he will make a fresh try for the GOP nomination himself. Doubtless he hopes to get his mind cleared up by visiting Ike. He may try to find out: (1) if Ike is going to be a candidate; and (2) where Ike stands on specific questions. If his answer to the first question is "yes" and his answers to the second satisfy Stassen then we anticipate that the latter will bow out in favor of the general. Crass politicians might try to strike a bargain; but that is not Stassen's purpose, nor is Ike one trying to make deals at this stage of the game. Anyhow we shall await with interest.

(Continued on editorial page, 4.)

Tax on Man's Right To Work Ousted

SEATTLE, Dec. 5-(AP)—An attempt by the city of Bellingham, 90 miles north of here, to tax a man's right to work was declared in violation of this state's constitution today.

The decision was announced here by Superior Judge Henry Clay Agnew.

Judge Agnew tossed the city's ordinance out on the grounds it violated the state's constitution, which, in effect, forbids any graduated net income tax.

Animal Crackers

By WARREN CODRICH

A public hearing was set for 7:30 p.m. December 18 at city hall, on the proposal to change a residential property to special business zoning.

It appeared that the quake centered in the Mulberry district, about 10 miles northeast of Brawley. Seismograph instruments at San Diego, Calif., and Tucson, Ariz., timed a quake in that general vicinity at about 7:54 a.m., Pacific Standard Time.

California Valley Shaken by Quake

EL CENTRO, Calif., Dec. 5-(AP)—The northeastern section of the Imperial valley was shaken today by an earthquake that caused some small damage in isolated ranch areas.

It appeared that the quake centered in the Mulberry district, about 10 miles northeast of Brawley. Seismograph instruments at San Diego, Calif., and Tucson, Ariz., timed a quake in that general vicinity at about 7:54 a.m., Pacific Standard Time.

State Street Zone Change Favored

Tentative approval was given by Salem planning and zoning commission Wednesday to Dr. Edgar Fortner for a zone change to permit erection of a medical clinic on State street near 15th.

A public hearing was set for 7:30 p.m. December 18 at city hall, on the proposal to change a residential property to special business zoning.

OSCAR LIBRARIAN DIES

CORVALLIS, Dec. 5-(AP)—Lucy M. Lewis, 72, director of the Oregon State college library for 25 years, died here today after several months' illness.

Rusk to Head Rockefeller Foundation

NEW YORK, Dec. 5-(AP)—Dean Rusk, assistant secretary of state for far eastern affairs, today was named president of the Rockefeller foundation, one of the three largest ever set up in this country.

He will succeed Chester I. Barnard, who will retire next June at the mandatory retirement age of 65. Rusk has not yet resigned his state department job but has been expected to do so shortly.

Counterfeit Passers Warn Their Victim

PROVIDENCE, R. I., Dec. 5-(AP)—Detectives said today a band of youths, led by a 15-year-old, freely told a victim their poorly made currency was counterfeit before they accepted two such \$10 bills.

"That bill looks funny," said a woman baker proprietor.

"Sure it does, I'm a counterfeiter," said the youth and they both laughed as he picked up his change and a loaf of bread.

"Say, I got one like this before," said the woman. "It looks phoney."

"Sure it's phoney," said a second young customer. "I make them. I got a barrel full at home."

More laughter as the transaction was repeated.

The four youths involved eventually were rounded up, including the 15-year-old, whose name was withheld under juvenile law. Detectives said he told them he had 14 or 15 of the bills, he said he found "them in a hole in a tree in the park."

Eugene O'Neill in Critical Condition

BOSTON, Dec. 5-(AP)—Eugene O'Neill, Nobel and Pulitzer prize winning playwright, is in critical condition at Faulkner hospital.

The 63-year-old dramatist, whose home is at Marblehead, returned to the hospital last week end after several previous visits. He has Parkinson's disease, described as a deterioration of the nerve centers.

The hospital confirmed that the playwright is so ill he can have no visitors, except for his wife, Carlotta Monterey, who spends most of her time with him.

Tito Releases Archbishop Conditionally

BELGRADE, Yugoslavia, Dec. 5-(AP)—Marshal Tito's communist government today gave Archbishop Stanjevic conditional release from prison on charges of collaboration with the Nazis in World War II.

The announcement, made through the official news agency Tanjug, did not say what the conditions were. But it referred to Msgr. Stanjevic as the "former archbishop" making clear that the government does not recognize him as the head of the Catholic church in Yugoslavia or in any other official capacity.

It seemed obvious that Tito hoped to make public opinion in Western countries more friendly to regime by the release. But a new element of controversy may now be introduced.

Vatican sources already have declared that the mandate Archbishop Stanjevic received upon his consecration remains intact even if the Yugoslav government should not recognize it.

The strong-featured, spare-framed Stanjevic (pronounced Step-peen-ats), was sentenced to hard labor Oct. 11, 1946, while still declaring his innocence.

He never was required to work. The announcement said that, by his own decision, he will live in the local parish house at Krasic.

Red Truce Delegates Evade U.N. Questions

MUNSAN, Korea, Thursday, Dec. 6-(AP)—Communist truce delegates dodged or gave evasive answers Wednesday on terms for suspending a Korean armistice but the United Nations command indicated it was ready to probe today for areas of common agreement.

In exploratory talks Wednesday the communist and Swedish satellite Poland and Czechoslovakia, as suitable to serve on the communist proposed neutral inspection teams to police a Korean truce.

The reds also mentioned Switzerland, Denmark and Sweden as qualified to serve because they had not sent troops to Korea.

The Thursday meeting lasted two and one-half hours. Another subcommittee meeting was scheduled for 11 a. m. Friday.

Referring to attempts to obtain clarification of the red truce inspection plan, the communique said:

"This attempt was unfortunately largely unsuccessful. The communists repeatedly gave evasive answers or refused to answer. . . . The allies also noted that the reds still have not replied to an offer to begin separate subcommittee discussions on exchange of prisoners of war. The reds said they had "received no instructions" from Maj. Gen. Nam II, their senior delegate.

SEOUL, Korea, Thursday, Dec. 6-(AP)—The fifth air force destroyed five communist jets and damaged five more Wednesday in the tenth straight day of aerial duels over northwest Korea.

Far east air forces said 80 MIGs swooped down on an allied rail-cutting mission and damaged three F-84 Thunderjets. There were no other reports of allied damage or losses.

Allied night fighters and bombers attacked almost 2,000 communist vehicles Wednesday night and fought off two red aircraft.

The allied night pilots claimed at least 220 red vehicles destroyed. B-29s surprised a red convoy of 100 trucks and strafed and bombed two for two hours, leaving fires and explosions all along the road.

The action over northwest Korea contrasted sharply with the fading "twilight war" along the 145-mile battle line. Only slight contact was reported Wednesday by the U. S. eighth army.

A-Bomb Necessary As Defense Weapon, France Tells Russia

New Expansion Of A-Weapon Output Planned

NEW YORK, Dec. 5-(AP)—Chairman Gordon Dean of the atomic energy commission said tonight that tentative plans are now being developed for a vast new expansion of America's atomic weapons output—the third since 1949.

Dean said the proposed expansion was spurred by the threat of the "Communist colossus" towering the world's free nations and was made feasible, at least in part, by fresh discoveries of uranium deposits in Canada and Colorado.

"There has recently been a very decided improvement in the uranium supply outlook," Dean said in a speech prepared for the annual mobilization dinner of the American Ordnance association.

"Although the known sources of uranium available to us today are certainly far from inexhaustible, they nevertheless do represent a substantial improvement over the situation which prevailed until a relatively short while ago."

Dean said one of the major reasons "why a further expansion of the atomic energy program is now being considered" is the fact that recent technological developments "have made possible the consideration of atomic weapons for tactical as well as strategic employment."

In tactical usage, atomic weapons would be employed for close support of ground troops—by such means as atomic artillery shells, "baby" A-bombs or atomic guided missiles.

Strategic usage would involve long-range attacks against enemy defense centers, with big, mass-destruction atom bombs as the weapon.

"These additional new uses," Dean continued, "obviously tend to raise the demand for numbers of atomic weapons."

The AEC chairman emphasized that the proposed expansion is still on an "if and when" basis. Similarly, he made it clear that if the plan is put into execution, it will mark the third big step-up in atomic production in the last three years.

Storm Provides Means of Getting Rid of Dead Whale

DEPOE BAY, Dec. 5-(AP)—It's an ill wind, etc., as proved again by the big storm.

Along with the damage to property on the coast, the storm broke up a log raft. The logs then pounded to pieces the dead whale that long has laden the Depoe Bay air.

The pieces of whale still are about, but engineers expect to be able to get rid of them—something they had not been able to do with the mammoth body, lodged in a rocky cove near town.

North America Income 45% Of World Total

UNITED NATIONS, N. Y., Dec. 5-(AP)—North America, with only nine per cent of the world's total population, produces nearly 45 per cent of the world total of national incomes, a United Nations survey shows.

Asia, with more than half the world's people, produces only one-tenth of the world income total.

The U. N. statistical office's report on "national income and its distribution in underdeveloped countries deals individually with 57 countries and gives national per capita incomes by continental areas.

In terms of U. S. dollars, it shows the continental per capita incomes of less than \$100 as follows: 1. North America, \$1,100; 2. Oceania, including Australia and New Zealand, \$560; 3. Europe, \$380; 4. The U. S. S. R., \$310; 5. South America, \$170; 6. Africa, \$75; and 7. Asia, \$50.

The United States is the only country with a per capita national income of more than \$900. In the \$600 to \$900 group are Australia, Canada, Denmark, New Zealand, Sweden, Switzerland and Britain. Those with per capita incomes of \$100 to \$300 are Brazil, Bulgaria, Chile, Columbia, Egypt, Greece, Japan, Mexico, Peru, Southern Rhodesia, Spain, Surinam, Syria, Turkey and Yugoslavia.

Moch Answers Red Plea for A-Bomb Ban

By Francis W. Carpenter
PARIS, Dec. 5-(AP)—French Delegate Jules Moch has answered Russia's demand for a United Nations ban on the atomic bomb with a declaration that a ban is necessary to France's defense, authoritative sources said tonight.

Moch was said to have made this statement Monday in the secret big four talks on the conflicting east-west disarmament plans. He apparently referred to Soviet Foreign Minister Andrei V. Vishinsky's demand for immediate prohibition of atom bombs, before any control system has been set up.

The belated disclosure came after big four delegates spent six more hours today in another round of questions and answers. No progress toward agreement was reported.

Scanty reports emerging from the guarded subcommittee rooms indicated the western big three and Vishinsky are working out an idea about their points of difference, but that is as far as it goes.

Luis Padilla Nervo of Mexico, the U. N. assembly president who acts as chairman, said after the two closed sessions today that very clear statements were made on the respective positions. He said the subjects are very difficult.

On the basis of present positions, it appears some kind of armistice agreement will be formed by the general assembly which meets tomorrow—and it is considered likely the Russians will take part. Both the Russians and the west have been in substantial agreement on the need for such an armistice to replace the old atomic energy commission and the commission for conventional armaments.

Storm Forces Golden Gate Bridge Repair

SAN FRANCISCO, Dec. 5-(AP)—Some repairs will have to be made to the Golden Gate bridge as a result of the gale that swept against the span last Saturday night.

The announcement today by General Manager James E. Ricketts said "These repairs in no way affect the safety of the bridge nor will they interfere with the flow of bridge traffic."

Winds up to around 69 miles an hour whipped through the Golden Gate Saturday. The storm was such a menace to traffic on the bridge that traffic across it was halted for about three hours.

"Ricketts' statement today said "While the strain and stress of Saturday's wind were far less than the bridge was designed to withstand, they will necessitate among other things, repairs to the expansion joint guide assembly of the floor system where the wear and tear of traffic occurs."

Iran Oil Board Members Quit

TEHRAN, Iran, Dec. 5-(AP)—Two top men of Iran's oil nationalization board resigned today as economic distress signals were hoisted by several government officials.

Sen. Abdolrasam Najm, a financial expert, resigned as managing director of the 11-member parliamentary watchdog board, and Senator Mohammed Sorroli stepped down with him.

The news came with rumors unconfirmed that both quit in opposition to the demand of oil nationalization boss, Hussein Maki, that Iran sell oil to Russia and the communist nations.

Rooster Has Homing Traits

MEMPHIS, Tenn., Dec. 5-(AP)—Roosters, it seems, get homesick, too.

This one did—hoofing it through three miles of city streets to get back home.

Mrs. Roy Newman, attorney and chicken fancier, told this story today.

She gave a friend, G. A. Robinson, a white rooster earlier this week. The next day Robinson reported the bird missing.

Mrs. Newman glanced out her window. The gift rooster—wet and bedraggled—was wandering around the yard.

Blood Donation Record Expected In Salem Today

CAIRO, Egypt, Dec. 5-(AP)—Police chief shotgun blast and used clubs to disperse anti-British student demonstrators here today. A government spokesman then declared all demonstrations will be banned throughout Egypt, effective tomorrow.

Salem, Ore., Dec. 5-(AP)—One of Gen. Dwight D. Eisenhower's closest friends in congress came back from Europe today convinced the general will run for president on the republican ticket.

Sen. Carlson (R-Kas) told a reporter: "I was working for the general's candidacy before I left and I'm starting again tomorrow morning. And I expect him to be nominated and elected president on the republican ticket."

Carlson said he spent 45 minutes with Eisenhower a couple of weeks ago and they talked politics. He would give no hint, however, of whether Eisenhower made any commitments on the subject.

Blood Donation Record Expected In Salem Today

A record group of 480 donors have signed to give blood as "Christmas gifts for the boys in Korea" in Salem today and the response caused two extra days to be set aside for later blood donations in Salem, it was announced Wednesday night by Frank W. Parebr, Marion county Red Cross chapter chairman.

The extra days have been set for January 3 from noon to 5 p. m. at the armory and January 7 during the evening at city hall.

Donors today will give blood from noon to 5 p. m. at the armory.

(Story also in section 2, page 6).



16 SHOPPING DAYS TILL CHRISTMAS