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FIVE CENTS COPY

Crack Red Troops Storm Orel

Dutch Surrender Tarakan Island

Honor Pearl Harbor Heroes



Justice Owen J. Roberts, head of the fact finding board sent to Honolulu by President Roosevelt to investigate the attack on Pearl Harbor, is shown with his colleagues as he placed leis on the graves of the heroes who died. Left to right are Rear Admiral William H. Standley, Justice Roberts, Maj. Gen. Frank McCoy, Brig. Gen. Joseph McNarney, Walter Bruce Howe. (Central Press)

Exiled Governments Pledge Retaliation

Opening Solemn Ceremony in London, Eden Says Post-War Punishment Will Be Meted for 'Oppression and Brutality.'

London, Jan. 13.—(AP)—The government of eight axis-occupied nations and the Free French pledged themselves today to post-war punishment of occupation officers and their accomplices for what Anthony Eden, British foreign secretary, described as the "oppression and brutality" imposed on Europe.

"The Ombudsman also have little reason to look at the future with any hope," Eden asserted at the opening session of a conference.

Eden said the session, convened on the initiative of the governments in exile, would show that the "German so-called 'new order' in Europe is a sham."

"Today's meeting," he said, "is also a message of encouragement sent out to the oppressed populations of Europe."

In a solemn ceremony in St. James palace, the governments in exile had the groundwork for post-war machinery which may some day doom axis officials and soldiers judged to have behaved contrary to the "accepted ideas concerning acts of war."

Prime ministers and foreign ministers bitterly assailed Germans and

Fire Destroys Fayetteville Plywood Plant

Fayetteville, Jan. 13.—(AP)—A spectacular fire with flames leaping high into the air and punctuated by explosions burned the plant of the Rankin and Brown Plywood Mfg. Co., to the ground here today with an estimated loss of \$200,000.

Fayetteville was blacked out almost three hours when a wall of the building fell across the main power lines of the city and cut off all electricity.

No one was reported injured.

The fire was discovered at 6:55 a. m. The fire department, returning from another blaze, arrived on the scene quickly to be greeted with a thunderous explosion from the front part of the building. Flames quickly enveloped the whole plant.

Steamer Sunk 160 Miles Off Nova Scotia

An East Coast Canadian Port, Jan. 13.—(AP)—A large steamship has been torpedoed and sunk by a submarine 160 miles off the Nova Scotia coast within the last 36 hours and survivors reaching here estimated today that 94 lives had been lost. Eighty-nine were saved.

The sinking was nearer the North American coast than any hitherto reported.

Of those rescued, 66 were Chinese and 23 were white. Four white crewmen and about 90 Chinese crewmen and passengers were lost. Most of those lost were victims of near zero weather while they were afloat on rafts and small boats.

Although Japanese submarines have operated within sight of the United States west coast and submarines have been reported within sight of Newfoundland, this is the closest sinking in the battle of the Atlantic.

Car Dealers Tell Plight

House Committee Told Government Orders Constitute Death Sentence to Dealers.

Washington, Jan. 13.—(AP)—Organized automobile dealers told a House committee today that government orders curtailing the production of automobiles and freezing sales of cars and trucks constituted a death sentence for their business unless relief were provided.

Their case was presented by Ray Chamberlain of Washington, executive vice president of the National Automobile Dealers Association, as a special House committee created to study small business opened its hearings.

Chamberlain suggested that the government permit the delivery of

Conquest Costs Japs Heavily

British Dispatches Promise Important Announcement, Indicating Arrival of Allied Reinforcements in Far East.

(By The Associated Press) Dutch East Indies headquarters at Batavia acknowledged today that its garrison at Tarakan had been compelled to surrender in the face of overwhelming odds, but said Japanese conquest of the tiny island off the northeast coast of Borneo was "very costly to the invaders."

News of this new Jap conquest came as cheering word spread that

Batavia, Jan. 13.—(AP)—Japanese invaders have captured the little oil-producing island of Tarakan, off northeast Borneo, but a stubbornly fighting little Dutch garrison held them off until all oil fields and all equipment were thoroughly demolished, it was announced officially today.

Only then, the Aneta news agency said, did the garrison's survivors surrender.

Large numbers of Japanese had poured onto Tarakan, literally over running it.

Anglo-American reinforcements were on route to the Far East battle zone.

British dispatches declared cryptically that an important announcement could be expected at any moment "which may change the Malay situation considerably in Britain's favor."

This seemed to indicate that powerful allied counter blows may soon be struck.

A small part of the garrison at Tarakan escaped, it was announced. Authoritative quarters said the small Dutch garrison "fought bravely for two days" until Japanese airborne and parachute troops "literally overran the place."

As many as 20,000 Japanese were said unofficially to have been thrown into the assault.

The garrison's chief function, the quarters said, was to hold the tiny island long enough to wreck its oil wells.

Imperial Tokyo headquarters said Japanese troops also captured Kuching, an airbase at Menado, Celebes Island port.

Japanese bombers struck savagely at British troops attempting to hold a new line of defense only 150 miles north of Singapore after abandoning Kuala Lumpur in a retreat which dispatches from the front said was executed in orderly fashion and with comparatively few casualties.

The air assault apparently was designed to prepare the way for a new

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Treasury Proposes Tax On All Bonds

Washington, Jan. 13.—(AP)—A Treasury suggestion for elimination of the present tax exemptions on many federal, state and municipal bonds aroused strong opposition in Congress today.

In search of the \$9,000,000,000 in new revenue which President Roosevelt's budget message called for, Treasury experts were reported to have told congressional leaders at a conference recently that from \$300,000,000 to \$400,000,000 could be added to annual receipts by asking all government bonds subject to immediate taxation regardless of their date of issue.

Senator Taft, Republican, Ohio, a member of the Senate finance committee, said he had heard of this proposal and felt that there was such strong opposition to it within the committee that it was unlikely ever to win approval.

As a counter suggestion to this Treasury plan, some congressional quarters mentioned the possible imposition of a gross income tax.

American-Filipino Artillery Proves Superior To Japs

21-Year Contract



A Hollywood movie company signed this little actor, "Wonder Baby Corey," to a 21-year contract, the longest term contract in film history. (Central Press)

Willkie Offered Post

GOP Presidential Candidate Chosen to Assist Labor Board; Has Not Accepted.

Washington, Jan. 13.—(AP)—President Roosevelt has selected Wendell L. Willkie, the man he defeated for the presidency in 1940, as one of a number of advisers and arbitrators to assist the new twelve-man war labor board, and discussed the job with Willkie today.

Stephen Early presidential secretary, indicated Willkie had not definitely accepted the position.

The labor board, with William H. Douglas as chairman, was created late yesterday by executive order and is named with authority to arbitrate labor disputes, to handle arbitration to keep war industries operating at full speed. It supervised the defense production board and will advise its functions and most of its employees.

Willkie has consulted the Chief Executive with comparative frequency in recent months and there have been repeated rumors that he would be asked to take a government position, particularly since he has

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War Department Announces Columns of Enemy Tanks, Other Armored Units and Infantry 'Shattered and Dispersed.'

Washington, Jan. 13.—(AP)—American and Filipino artillery batteries have "proved definitely superior" to the Japanese, the War department said today in announcing that columns of enemy tanks, other armored units and infantry had been "shattered and dispersed" in a 24-hour battle.

Even hostile batteries — 44 in all — have been shattered in the continuous artillery duel, reports from General Douglas MacArthur said, and Japanese batteries have been forced to fall back from their earlier positions.

The War department said American and Filipino batteries "routed" enemy tanks, other armored units and large heavy infantry forces had been "shattered and dispersed" by the relentless shelling from the defenders. Losses to the American-Filipino forces as they stubbornly defended the Bataan peninsula west of Manila Bay were called "relatively slight."

Japanese drive bombers supported the enemy artillery fire but there were no enemy bombing attacks on the fortifications at the south tip of Bataan or Corregidor island, the guardian of Manila Bay.

Australia May Become Last Bastion

Washington, Jan. 13.—(AP)—The unbroken face of Japan's expanding empire threatened the capital today to the possibility that the United States may be forced back to Australia, the last bastion from which a desperate counter-offensive can be launched in the south Pacific.

This admittedly was taking a long view, but the tide of battle in the Far East seemed to point ominously toward the hope that somewhere in the East Indies the enemy would be brought up short by a serious defeat.

Dutch officials in details of the fighting on Celebes and Borneo, generally interpreted the situation as an indication that the Japanese invaders were gaining ground. On the Malay peninsula, the momentum of enemy advances continued.

In this drive toward Singapore the Japanese already were in a position for a flanking attack on the Dutch island of Sumatra. Should both Borneo and Sumatra fall, the invaders would be poised for a pincer assault on Java, the strongly defended island which is the core of Netherlands resistance.

The Japanese have spread their forces dangerously thin, however.

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New Impetus Given 'Draft Hoey' For Governor In 1944

Daily Dispatch Bureau, In the Sir Walter Hotel, By BOB THOMPSON

Raleigh, Jan. 13.—This is an election year and Raleigh is supposed to be the center of North Carolina politics. Ordinarily you couldn't go into a Raleigh restaurant four months before a Democratic primary without finding at least one group talking about the impending campaign. But insofar as this observer has been able to find out, there is more talk going on right now about the 1944 elections than there is about what is going to happen in 1942. One reason for this is that within the past few weeks, and for reasons which are so far obscure, a new impetus has been given the campaign to "draft Hoey" to run again for gov-

ernor next time.

The lads who live by and for politics, like most everybody else, don't know what to expect during the next several years. The only thing they are sure of is that the less friction there is within the Democratic party, the best it will be for them, and they believe that through Hoey is their best bet for harmony.

Gregg Cherry of Gastonia is running for the next Democratic nomination for governor and admits it. Odie Mull of Shelby acts like he is running whether he admits it or not. Jud Weldon Wickett of Newton is enjoying consideration of running. Ralph McDonald of Winston-Salem hasn't decided what he will do about

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Prepare for Raid



A telephone operator at Mitchell Field, Long Island, is carrying on her work while wearing a gas mask during a test at the air base. Note the kerosene lamp atop the switchboard. It is for use during blackout periods. (Central Press)

FDR Hits Amendment

President Calls Conference of House Leaders to Oppose Senate Price Measure.

Washington, Jan. 13.—(AP)—President Roosevelt was reported today to have told a group of House members that farm amendments in the Senate price control bill would lead to a spiral of increased prices for both labor and the farmer.

Members of the banking committee had said earlier that they left the White House conference, that the President had left them with a "free hand."

Well informed congressional sources said that Mr. Roosevelt had told the five congressmen that the O'Mahoney amendment written into the bill on the Senate floor last week, tying party prices directly to the level of industrial wages was the most objectionable action that body had taken.

The Chief Executive was reported as indicating that if that amendment were adopted the bill on agricultural commodities which might be amended to be raised much higher than otherwise. That would result in higher wages which, in turn, would raise the farm ceiling still higher.

Opponents of the O'Mahoney amendment said that it would prohibit the imposition of ceilings below 120 per cent of parity and might lead to a 25 per cent increase in farm prices.

The President called the meeting of the House members, it was reported, to enlist their support in a campaign to defeat in a joint Senate-House conference committee that amendment as well as one by Senator Bankhead, Democrat, Alabama, which would give Secretary of Agriculture Wickard veto power over any farm price ceiling that farm might set.

APPROVE STEINHARDT

Washington, Jan. 13.—(AP)—The Senate confirmed yesterday President Roosevelt's nomination of Lawrence A. Steinhardt, of New York, former ambassador to Russia, to be ambassador to Turkey.

AXIS SHIP SUNK

London, Jan. 13.—(AP)—The admiralty announced tonight a 5,222-ton Italian supply ship had been torpedoed, another axis supply ship of medium size had been set afire by gunfire, and an Italian mine sweeper sunk by British submarines in the Mediterranean.

WEATHER

FOR NORTH CAROLINA
Fair and slightly colder to night.

Nazi Army Of 200,000 Encircled

Hitler Reported to Have Moved Headquarters from Smolensk; British in Africa Capture Salum, Axis Holdout Base.

London, Jan. 13.—(AP)—Waves of crack Russian troops, paced by tanks and motorized infantry vanguards, were reported storming Orel today as the Red army pressed against the sagging Nazi lines on three main Soviet fronts.

Russian sources said Orel, 200 miles south of Moscow and one of the key outposts of the Soviet Capital's defenses, already was by-passed and flanked.

The Soviet command was said to have called on a new shock army backed up by ski troops and cavalry to take Orel and thus secure a base for the still broader offensive aimed at rolling back the German lines toward Bryansk, about 80 miles northwest.

Strong Soviet attacks were said to have been launched in the north just below Izen, apparently aimed at trapping larger German forces outside Leningrad.

(By The Associated Press.) Russia's armies were unofficially reported today to have recaptured the key rail city of Orel, 200 miles south of Moscow, where a force of 200,000 Germans was believed virtually encircled by the southern claw of a giant Soviet pincer aimed at the Smolensk.

The British Exchange Telegraph agency quoted Berlin sources as saying Adolf Hitler already had moved his field headquarters from Smolensk, 210 miles west of Moscow, to a city in western Russia.

A London broadcast said the British Broadcasting Co. "understands unofficially" that Soviet troops had retaken Orel while other Red army forces driving northwest from Kaluga, 110 miles southwest of Moscow, were reported more than halfway on their 90-mile trek to Vyazma on the Moscow-Smolensk road.

In the north, Hitler's high command admitted that the battered German armies had been thrown back to the Valtar hills, the upper starting point of last October's German drive against Moscow.

The Nazi high command also reported quickening action on the Ukraine front where Red armies are

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Argentinos Stand Alone

Nineteen of Hemisphere Republics Ready to Approve Anti-Axis Declaration.

Rio de Janeiro, Jan. 13.—(AP)—Argentina's reluctance to enter into any military alliances promised today to be the major obstacle to unanimous adoption of an anti-axis pact by the 21 American republics.

A highly placed official here for the Pan-American conference opening Thursday declared that 19 of the republics were ready to approve a declaration severing all relations with the axis powers and a 20th—Chile—is expected to fall in line when her delegation arrives today.

The official made it clear that Argentina's attitude alone was in doubt and diplomatic circles eagerly awaited the outcome of a meeting between U. S. Undersecretary of State Sumner Welles and the Argentine foreign minister.

Welles who arrived yesterday at the head of the Washington delegation, voiced confidence in the success of the conference and said he had no doubt it would result in decisions rendering "the hemisphere impregnable from attack." The Argen-

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