



# Henderson Daily Dispatch



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## Nelson Abolishes OPM And Creates Six-Branch WPB

### Chairman of New War Production Board Brings All Functions of Old Office of Production Management Under His Authority.

Washington, Jan. 21.—(AP)—Donald M. Nelson announced today he would abolish the office of production management and bring all of its functions and activities under his authority as chairman of the new war production board.

Nelson told a press conference he was setting up six major divisions under the board, eliminating the old contract distribution division entirely and incorporating the priorities and allocations system under a new division of industry operations charged with full responsibility for the conversion of all possible American industry to war production.

He said an important branch of the new setup would be a reorganization committee, headed by William E. Ball, Philadelphia industrialist, and composed of representatives of the Army, Navy, lend-lease administration and all other agencies concerned with production of raw materials.

The reorganization, effective as

soon as the orders can be drawn," was described by the war production chief as a plan subject to possible future revision.

"Any revolutionary changes would only bring delay," he commented. As a first move in the conversion program, Nelson appointed Ernest Kander, long time associate of Henry Ford and formerly in charge of Ford production, to head up the automobile conversion program with "all the authority I've got to get that job done."

Illustrating the authority delegated to Kander, Nelson asserted: "If there are tools in Ford's factories that are needed in General Motors they will be moved over."

Later in the afternoon the automobile industry began production February 1 and then its full power to war production.

Kander will move with "as much of a staff as he needs" to Detroit.

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# Warships Shell Japs

## Reds Celebrate Mozhaik Victory

### Nazi Troops Driven Past Fallen City

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### Soviet Forces Pursue Germans Retreating From Forward Anchor of Winter Front; Hitler Admits Ukraine Repulse.

(By The Associated Press.)—Russia celebrated her greatest victory of the war today as the Red armies drove six miles beyond fallen Mozhaik, 57 miles west of Moscow, in pursuit of Adolf Hitler's battered invaders along the Napoleonic road of retreat to Smolensk.

Simultaneously, a bulletin from Hitler's field headquarters acknowledged that Soviet troops had broken through German lines on upper Donets river—previously the fierce battle for the big Donets river steel city of Khar'kov, Russia's "Pittsburg" in the Ukraine.

The high command asserted, however, that Nazi counter attacks had driven the Russians back.

No hint of the retreat on the central (Moscow) front was given the German nation.

The fall of Mozhaik, climaxed by bloody street fighting in the glare of burning buildings, was announced in four words by the Russian command: "Our units captured Mozhaik."

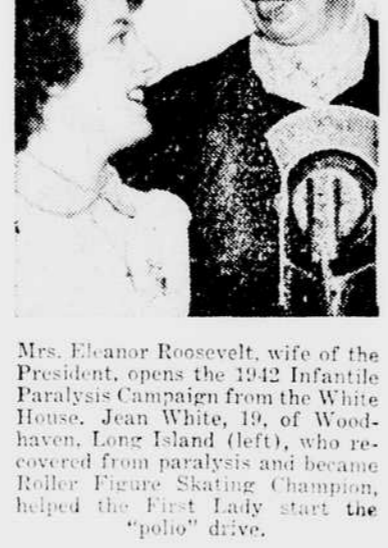
The city, forward anchor of Hitler's winter defense front, was occupied by triumphant Red army forces at 8:30 a. m. (12:30 a. m. EST) Monday. It had been captured by the Germans just three months ago in the heyday of their now broken offensive against Moscow.

The drive which Hitler proclaimed would be "the last great decisive battle" of 1941.

Even before the capture of Mozhaik, wounded and frost-bitten German troops were reported to have been moving to the rear at a rate of five to six trainloads daily.

## Hemispheric Plan Of War Production Given Conference

### Abolition of All Trade Barriers, Establishment of Common Currency and U. S. Conveys Included in Trade Program.



Mrs. Eleanor Roosevelt, wife of the President, opens the 1942 Infantile Paralysis Campaign from the White House. Jean White, 19, of Woodhaven, Long Island (left), who recovered from paralysis and became Roller Figure Skating Champion, helped the First Lady start the "polio" drive.

(By The Associated Press.)—A gigantic war production plan for the western hemisphere—which includes abolition of all trade barriers, establishment of a common currency for all Latin American nations and use of United States naval and air units to carry hemispheric shipping—was discussed today by a high Cabinet department official.

The program, drawn up by the United States, was expected to be agreed upon by the American conference of Latin American nations now in session at Rio de Janeiro. The Commerce official, who declined use of his name, predicted it would be applied to all nations subscribing to the plan.

If Argentina, Chile, or any other nation does not enter the hemispheric collaboration plan, he said, they will be ignored and the plan will be pursued by the remaining American republics.

Argentina and Chile were reportedly held back on one of the major aims of the conference—total severance of diplomatic and economic relations with the axis powers.

The plan, however, the report was made on, is being outlined at Rio by Undersecretary of State Sumner Welles, Assistant Secretary of Commerce Wayne C. Taylor, and Warren Lee Phelps, president of the export-import bank.

## Hong Kong Boss



Emperor Hirohito named Lt. Gen. Rensuke Isogai, former Chief of Staff of Kippou's Kwantung army, first Japanese Governor-General of the former British Crown colony, Hong Kong. The announcement was made during a ceremony in the Imperial Palace which was attended by Premier Tojo.

## Allied Ships Enter Battle Of Singapore

### United Nations Further Heartened by President Roosevelt's Disclosure That 'Yanks Are Coming' to Far East Front.

(By The Associated Press.)—Allied warships were reported shelling Japan's invasion armies swarming down the Malay jungle coast 60 miles north of Singapore today, and the United Nations were further heartened by President Roosevelt's disclosure that "Yanks are coming" with AIF volunteers already in action or en route to far flung battle zones.

In the Philippines, a War Department bulletin said, General MacArthur's valiant American-Filipino defense forces had driven back Japanese invaders with heavy losses "in particular a savage fighting" on the Bataan peninsula.

Far north of the main battle scene, in upper Luzon island, the War Department said a guerrilla band of General MacArthur's forces staged a surprise raid on a Japanese air field, killing 110 enemy troops and putting 300 others to flight.

An official Tokyo broadcast asserted that allied warships had entered the critical battle of Singapore even as Japan's navy minister, Vice Admiral Shimada, boasted that the Japanese navy "virtually commands the Pacific from Malaya and the Indian to the west coast of the United States."

On the same exultant note, Premier General Tojo asserted that Japan planned "increasingly vigorous operations" in the Pacific and would continue fighting until the United States and Britain were "brought to their knees."

Japanese front line dispatches said battle flags of the Rising Sun were advancing southward along the Malayan west coast "in spite of gunfire from enemy ships" in the Strait of Malacca, which lies between the Malay peninsula and the Dutch East Indies island of Sumatra.

British military quarters conceded the Japanese troops—apparently arriving in small units which hugged the shore—continued to land along the Malay coast during the past 24 hours, striking ahead of the main Japanese invasion army to harass

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## 13 Japanese Planes Downed Over Singapore

### RAF Bombers Reported Officially to Have Launched 'Heavy and Successful Attacks' Against Japanese Air-dromes.

(By The Associated Press.)—Singapore's defenders, shot down 13 Japanese raiders over the Singapore island citadel today, and RAF bombers were officially reported to have launched "heavy and successful attacks" against Japanese-held airdromes in Malaya during the night.

An official Tokyo broadcast claimed that Japanese spearheads had thrust within six miles of Johore Strait, mid-wide water barrier to Singapore, and asserted that large Japanese forces were moving up for a direct assault on the island stronghold.

British headquarters, however, declared that the main battle sector was still many miles away, with heavy fighting raging in northwest Johore state, in the Batu and Bukit Payong areas, where British artillery inflicted bloody losses on the invaders in close range firing.

Douglas, official Japanese news agency, said the British and Australian defense fighters, battling along a 30-mile coastal strip, were being driven back with heavy losses and that Singapore itself was under imminent aerial assault.

The British admitted a rising casualty toll in Singapore, with 63 persons killed and 134 wounded in an attack yesterday by 30 Japanese bombers.

## On Military Mission



Lt. Gov.-Gen. Hubertus J. Van Mook, Lieutenant-Governor-General of the Netherlands East Indies, is shown on his arrival in New York City on a military mission, after conferring with Crown Princess Juliana in Canada.

Acting President Castillo announces that his government could not modify its attitude toward the proposal.

Private Rites For Actress

Los Angeles, Jan. 21.—(AP)—The body of Carol Lombard is being brought home today for private funeral services and burial near the bodies of Will Rogers, Marie Dressler, Jean Harlow and other motion picture stars.

Clark Gable chartered a private coach to return the bodies of Miss Lombard, his wife, Mrs. Elizabeth K. Peters, his mother, and Otto Winkler, his press agent, all victims of a transport crash which killed 22 persons near Las Vegas, Nev., last Friday night.

Private funeral services will be held for Mrs. Lombard and Mrs. Peters, probably tomorrow.

## 'Interests' Under Fire

### Vinson to Introduce Measure Requiring Accountings by Big Organizations.

Washington, Jan. 21.—(AP)—For reaching legislation to compel "special interest" groups to submit accountings of their funds and to limit profits on defense work was prepared today to meet the House naval committee's blunt criticism of practices it declared were current.

Chairman Vinson, Democrat, Georgia, said he would introduce immediately a bill to require "big chambers of commerce, labor unions and all special interest groups to report to a federal agency their assets, liabilities, contributions and expenditures."

Well informed congressional circles said that such a program had been discussed by President Roosevelt with conferees on labor legislation two months ago.

At the same time, Vinson said he was working on a second bill designed to prevent the "excessive"

(Continued on Page Three)

## Pelley Must Serve Term

Ashville, Jan. 21.—(AP)—William Dudley Pelley, self-styled leader of the Silver Shirts, was sentenced in Superior court yesterday by Judge F. Don Phillips to serve two-to-three years in the case charging fraudulent advertising for the sale of stock, on which he was convicted in 1935. Judge Phillips also ordered the sentence of one-to-two years, pronounced in February, 1933, by Judge Wilson Warlick, and suspended on certain conditions placed in effect, the two sent here to run concurrently.

Judge Phillips then ordered Pelley in custody and directed that he be held in jail until tomorrow morning.

The action in passing the sentence of two-to-three years came at the end of a hearing lasting a day and a half, upon motion of the solicitor that judgment be pronounced in the second case in which Pelley was convicted in 1935, involving fraudulent advertising in connection with the sale of stock, and in which prayer for judgment was continued by Judge Warlick.

## ITALIANS REPORT RAID ON VALETTA

Rome—(Official Broadcast Recorded by AP)—Jan. 21.—The Italian high command reported today that German and Italian planes had sunk a ship in the harbor of Valletta in a continuation of raids on Malta.

The sunken ship was described as a medium sized merchant vessel. One other merchantman was reported set afire.

## Argentina Blocks Meet

### Acting President Castillo Announces Nation Will Not Modify Attitude.

Rio de Janeiro, Jan. 21.—(AP)—Prospects that the Pan-American conference might approve unanimously an immediate rupture of relations with the axis powers faded today following an announcement by Argentina's acting president, Ramon S. Castillo, that his government could not modify its attitude toward the proposal.

Castillo's assertion, made last night in Buenos Aires, was generally accepted here as meaning that Argentina had definitely decided against joining the other American nations—at least for the present—in forming a solid anti-axis front.

Of the 29 other republics, some 22 noted here, Chile is the only one whose stand on a proposed joint break with the axis—scheduled for debate tomorrow—is in doubt.

Castillo's statement, expressed on services, for only yesterday there were reports that Argentina, long regarded as the chief obstacle to unanimous action at the conference, was being won to the anti-axis view.

There was no hint now, however, of compromise.

## ARMY OFFICER FOUND INNOCENT

Columbus, Ohio, Jan. 21.—(AP)—Colonel H. C. Kress Mauldenberg was found innocent today at a general court martial of charges that he wrongfully criticized distribution of combat planes outside of the United States and its insular possessions.

## STORMS HAMPER BRITISH FORCES IN NORTH AFRICA

Cairo, Jan. 21.—(AP)—The worst sand and rain storms seen in Libya in ten years are hampering the movements of British land and air forces attempting to strike at General Erwin Rommel's axis forces along the Gulf of Sirte, British headquarters said today.

As a result, much of the region had been rendered impassable, a communique said, and the axis forces have taken the opportunity to mine heavily the restricted areas, over which the British might press the advance.

This has made operations doubly difficult, the bulletin declared.

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## Irving F. Hall Recommended As Successor To Anderson

As chairman of the Department of Conservation and Development's committee on commerce and industry, Hall was, in fact, Anderson's boss. He was intimate with Anderson as a friend and associated with him in a number of successful enterprises to bring new industry into the state.

The late Governor Angus McLean brought Irving Hall to North Carolina as executive vice-president in charge of liquidating the Atlantic Joint Stock Land Bank in 1931. Upon McLean's death, Hall became president. His record in liquidating the bank, which covered all expectations, brought him the favorable attention of the business men of the state.

Hall is the founder and president of the State Capital Life Insurance Company, the growth of which during the five years of its existence

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## Stock Market Inactive

New York, Jan. 21.—(AP)—Buying and selling worked against the stock market today and the general run of leaders sought lower territory.

Investors were an outstanding characteristic in the early proceedings, but volume picked up a little as activity gathered near the fourth hour.

## Cotton Prices Are Higher

New York, Jan. 21.—(AP)—Cotton futures opened 15 to 25 cents a bale higher.

Mid-day prices were 10 to 15 cents a bale higher, March 14, October 18 and December 18 1/2.

## WEATHER FOR NORTH CAROLINA

Continued rather cold tonight.

## Income Sets New Record

### National Income for 1941 Reaches Record Breaking Total of \$92,200,000,000.

Washington, Jan. 21.—(AP)—War fattened the national income to the record breaking total of \$92,200,000,000 in 1941, or an average of \$694 per person, government economists estimated today.

This was \$16,200,000,000 more than 1940 and over \$8,500,000,000 more than the fabulous year of 1929.

In 1942, it is due to be more. How much more depends upon the extent of growing war expenditures and also upon how much price rises.

The experts figure that about one-third of the increase in national income had yet to be dissipated in the highest cost of things. Taxes, savings campaigns, price controls, price fixing and other devices are counted on to reduce the total toward soaring costs of things.

Wages and salaries accounted for the largest part of the national income, \$49,000,000, which was now per cent more than in 1940. Farm income, dividends, profits, farm burnings, corporate income, and other types of income also added.

## Navy Lauds New Hero

Lieutenant John D. Bulkeley Rockets Swift 'PT' Boat to Sink Jap Vessel.

## Power Grid Is Proposed

Raleigh, Jan. 21.—(AP)—Gov. W. W. Holden today announced plans for a \$1,000,000 project to form an electric grid-work in eastern North Carolina.

The committee probably will determine whether the project will be undertaken with federal REA funds, or by power companies.

The plan was considered at a meeting here early this month. The proposal is to connect REA cooperative, power company and municipal power lines in the eastern part of the state.

This will not only be helpful in the event that any single unit is knocked out by enemy bombing, but would supply additional current to the Marine bases in the Jacksonville and New Bern areas.

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