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## Japan Strikes At Australia Germans Drive British From Agedabia In Africa

### In Russia, Red Armies Pound Nazis

General Rommel's Forces Launch Full Fledged Counter Offensive in North Africa. Scoring Setback to British Drive.

(By The Associated Press.) Russia's victorious Red armies, repeating the triumphs of their forebears scored against Napoleon in 1812, drove the Germans 23 miles west of Muzhansk in a seven-mile-a-day advance today, while on the north African front, British troops underwent a startling reverse.

British Middle East headquarters acknowledged that axis mechanized forces, striking 90 miles northeastward from El Agedabia, had re-captured Agedabia, and it was apparent that General Erwin Rommel had begun a full fledged counter-offensive.

A Cairo bulletin said axis troops, screened by a swirling red sand storm, lunged forward from the Mersa Brega sector, 25 miles northeast of El Agedabia, on the second day of what was described as a "reconnaissance in force" yesterday.

By evening, our light forces had withdrawn east of Agedabia, which the enemy occupied, British headquarters said.

Astounded by the setback, at the peak of the British drive toward Tripolitania, London military quarters suggested heavy aerial reinforcements must have reached the Germans and Italians.

These quarters said the mention of "light forces" withdrawing from Agedabia indicated the main British force had not yet attempted to stop General Rommel's counter drive.

The German high command reported briefly that German and Italian troops are following up the defeated enemy, and claimed the destruction or capture of ten British tanks, 46 guns and more than 100 vehicles.

On the Soviet front, the retreat of Hitler's battered armies along the Napoleonic road from Muzhansk to Sverdlovsk was further endangered by Russian pinners squeezing down on the "escape corridor" at Vyazma.

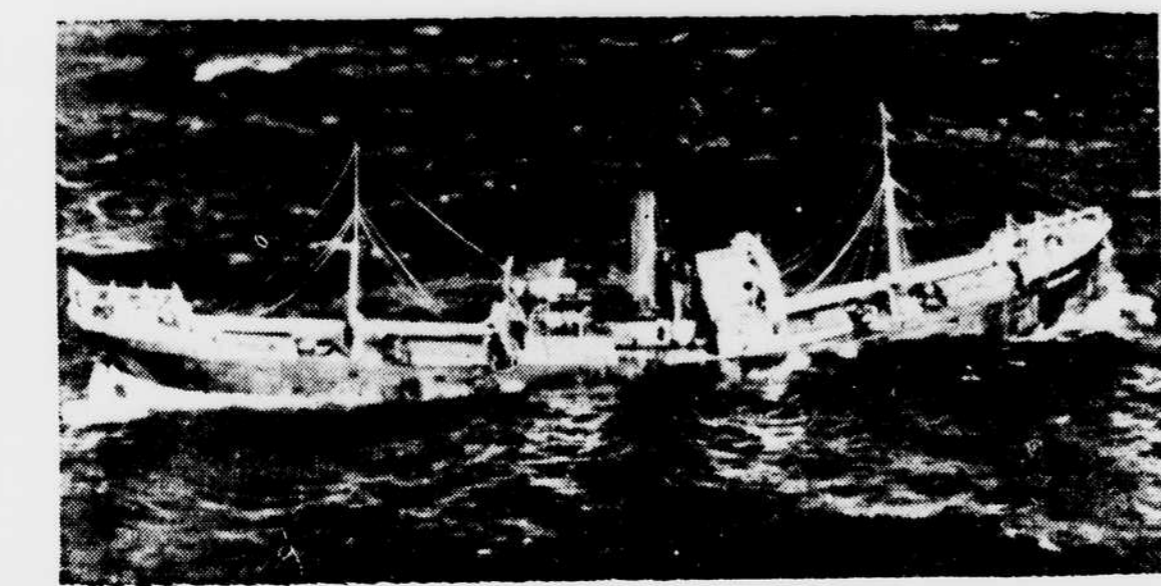
Front line dispatches said Russian troops striking across deep snowdrifts at the German rear guard were only 40 miles from Vyazma and that other Red army forces were hunting down from the northeast to cut off the main Nazi column.

A Red army bulletin announced the capture of Bardin, twenty miles west of Muzhansk, and of Uvarovo, five miles farther west.

Washington, Jan. 23.—(AP)—Chairman Chandler, Democrat, Kentucky, said today a military affairs subcommittee had ordered hearings next week on President Roosevelt's nomination of William S. Knudsen, former OPM chief, as a lieutenant general in the army.

Chandler said Senator Austin of Vermont, the assistant Republican leader, had asked that the hearing be held.

### AFTER SUBMARINE TORPEDOED CILTVAIRA



Official U. S. Navy Photo.—C. P. Phonephoto  
This is an airview of the Latvian steamer Ciltvaira at sea, torpedoed by an enemy submarine off the Atlantic coast, with a loss of two lives. Twenty-one members of the Ciltvaira's crew have been put ashore at the Charleston, S. C., Coast Guard base, while 31 officers and men who remained aboard in an effort to salvage the stricken vessel were picked up by the B. Zyllion ship, the Bory and taken to New York city. This picture has been approved for publication by the Navy department.

## War Appropriation Submitted

### Tojo Offers China Peace

Japan's Premier Declares Peace Possible If China Rectifies Mistaken Ideas.

Tokyo, Jan. 23.—(Official broadcast recorded by AP)—Addressing parliament this afternoon, Premier General Tojo reiterated Japanese willingness to accept any Chungking overtures for peaceful reconciliation if that regime changes its attitude.

He declared that although Japan has been fighting Chungking for five years she still regards China as a sister nation and has not changed her mind about resolving Chungking with open arms if she only rectifies her mistaken ideas.

"Japan is chastising a spoiled child who was named by Anglo-American," the premier stated.

He asserted that past faults in China would vanish with the disappearance of Anglo-American influence.

"Now is the time for China's leaders to awake and I take this occasion to urge them to do so," he said.

Washington, Jan. 23.—(AP)—An amendment-patched wartime price control measure which some sponsors said "may prove more unpopular than new taxes" was ready for final congressional action today.

Wearry Senate-House conferees agreed on its terms last night after nearly two weeks of legislative hank-pulling which ended in adjustments of wide differences between the two chambers of Congress and the White House.

### CHINESE AMBASSADOR DOUBTS PEACE TALK

London, Jan. 23.—(AP)—Dr. V. K. Wellington Koo, Chinese ambassador to London, told a press conference today he doubted "very much" the rumors that China might conclude a separate peace with Japan.

He said that the "situation in Malaya and the South Seas in general gives us cause for anxiety," but that he knew the government and the people were "confident of the ultimate outcome of the struggle."

Even if a statement about a separate peace had been made, he declared "it would not in any way reflect either the feeling, the sentiment or the determination of the Chinese government."

### Price Bill Completed

Amendment - Patched Control Measure Ready for Final Congressional Action.

Washington, Jan. 23.—(AP)—An amendment-patched wartime price control measure which some sponsors said "may prove more unpopular than new taxes" was ready for final congressional action today.

Wearry Senate-House conferees agreed on its terms last night after nearly two weeks of legislative hank-pulling which ended in adjustments of wide differences between the two chambers of Congress and the White House.

Representative Staggall, Democrat, Alabama, who teamed with two Democratic colleagues to break the conference deadlock, predicted that the House would accept the bill as amended in conference because "there were compromises on both sides."

### Argentina Proposes Compromise

Counter Proposal for Rupture of Relations With Axis Nations Submitted to Conference Leaders; Early Action Expected.

Rio de Janeiro, Jan. 23.—(AP)—A high conference source said today that representatives of the American republics would decide on the severance of relations with the axis this afternoon—with or without Argentina.

The Argentine foreign minister, Dr. Enrique Ruiz Guzman, conferred for half an hour with the heads of Brazilian and United States delegations a short time earlier, and it was reported on good authority that he had submitted his country's counter proposal to the plan for rupture of relations.

The counter proposal, those sources said, had been drafted by Ramon S. Castillo, acting president of Argentina. The Argentines yesterday balked at the present wording of the conference's anti-axis resolution.

Ruiz Guzman first talked with Oswaldo Aranha, Brazil's foreign minister. They were joined by United States Undersecretary of State Sumner Welles. The conference leaders were expected to meet immediately to consider the Argentine proposal.

Meanwhile, linked over repeated delays, a group of small nations—Honduras, Cuba, the Dominican Republic, and Uruguay—talked today of drafting a "quiet stalling" ultimatum to force action on the anti-axis resolution which had tied up the conference.

### CHINESE GUERRILLAS RAID JAPANESE BASE

New York, Jan. 23.—(AP)—The British radio relayed today a report that Chinese guerrillas had raided the Yellow Sea and stormed Japanese naval headquarters on Yoko island, off the coast of Korea. CBS broadcast the BBC broadcast.

The report seems to have come from Central News, an agency in the Chinese government because the BBC announced such.

The Chung Central News agency reports that more than 300 Japanese were killed.

Washington, Jan. 23.—(AP)—The house heard a solemn appeal today for speedy action on a \$12,525,872, 474 appropriation for 33,000 new planes to help achieve control of the air over the Russian front, the Mediterranean and the Pacific for the U. S. and its allies.

Opening debate on the unprecedented appropriation—the most in military fund in the history of Congress—Chairman Cannon, Democrat, Missouri, of the House appropriations committee, told axis col-leagues:

### Allocations Chief



William L. Batt  
William L. Batt is chairman of the all powerful Requirements Committee under the War Production Board headed by Donald M. Nelson. He will determine allocation of critical materials to the Army, Navy, Land-Force, Maritime Commission and the Board of Economic Warfare.

### Slow Speed Ahead!

Governor Broughton Instructs Highway Commission to Mark Dangerous Stretches.

Raleigh, Jan. 23.—(AP)—Governor Broughton instructed the highway commission today to slow down traffic on dangerous and vital roads, and gave a blunt warning to the highway patrol to enforce the new regulations.

Making a personal appearance before the commission, the governor said:

"You gentlemen see that 150 roads are marked as to slow down traffic over dangerous stretches, and I undertake to see that your markings are enforced."

He told the commission that if highway patrolmen couldn't enforce the new regulations, "there may be some who would like to succeed them."

Long-range instructions aimed at reducing the State's annual highway bill of \$200 million after he had approved the commission that he was approving \$200 million from the highway fund to improve them.

Most of the money will be used on the secondary system, composed largely of county roads.

Washington, Jan. 23.—(AP)—Thirteen axis agents were reported arrested today in a roundup by Turkish officials in an espionage ring with headquarters in Iraq, Iran, Syria and other Arab countries.

Five of those taken were identified as Syrians. All 13 were said to have been connected with espionage agencies.

### Troops Land On Islands Down Under

New Guinea, Solomon Islands, and Probably New Britain are Invaded; MacArthur's Forces Repulse Heavy Attacks.

(By The Associated Press.) Japan's march of conquest struck directly toward Australia today as sea-borne Japanese troops landed in New Guinea, the Solomon islands and probably New Britain in a sweep jeopardizing not only the land "down under" but also United States routes to the Pacific war zone.

At its nearest point, New Guinea is only 100 miles across Torres Strait from Cape York, northernmost point of Australia.

Blazing forth like a star shell against the somber background of the Pacific struggle, a War department bulletin reported that General Douglas MacArthur's heroic defenders in the Philippines again had beaten off all Japanese attacks with bloody losses.

The communique said Japanese assault troops, strongly reinforced, had launched "extremely heavy" attacks in the past 24 hours only to be met by a withering fire from General MacArthur's American-Filipino forces on Batan peninsula, across the bay from Manila.

General MacArthur reported the invaders were making almost continuous attacks without regard to losses.

In general, the news was dark from all fronts in the far Pacific conflict, relieved only by Dutch bombing successes, and word from Washington that the United States was beginning to pour a stream of reinforcements into what has been, until now, a lopsided struggle.

Critical hours again were at hand in the battles of Malaya and Burma.

Dutch heavy bombers and fighters lashed out at the milkyid's invasion forces swarming into the south sea islands, scoring twelve direct hits on eight Japanese warships and transports in the Strait of Macassar, between Dutch Borneo and Celebes island.

Military strategists emphasized the triple menace of Japan's newest thrust.

The war had been brought to territory within easy striking distance of Australia.

Japan had forged a new link in her chain of bases stretching south and east by 2,300 miles from Tokyo to the Solomon islands.

The United States' supply lines to the Dutch East Indies, Singapore, Burma and China have been sharply endangered.

Even bases in New Guinea and in the 700-mile long Solomon chain to the east, Japan may now command the vital Pacific straits between Australia and New Guinea and force a direct jumping into a 2,000-mile detour south of the Australia mainland.

In Tokyo, Premier General Tojo declared that Japan was assured of victory through its "greater east Asia" and declared:

"I am not afraid of America, although I do not dismiss lightly the huge military expenditure called for in President Roosevelt's message to Congress."

Dispatches from Singapore said anti-fighting British, Australian and unopposed Indian troops who had stemmed Japan's main invasion parties for three days, now are being driven full world into a frenzied counter-offensive, with the battle raging on an 80-mile front across Johore state, less than 70 miles north of Singapore.

### ELECTRIC NETWORK UNDER DISCUSSION

Washington, Jan. 23.—(AP)—A long-range plan for a committee of power company, municipal and REA officials will meet here this afternoon to discuss plans to connect all available power facilities in eastern North Carolina into a grid network.

The project, which would cost more than \$1,000,000, would give more adequate current to the new Marble Falls and would provide supplementary power to municipalities if their own generating plants were knocked out by bluffs.

### Hearing Set On Knudsen Nomination

Washington, Jan. 23.—(AP)—Chairman Chandler, Democrat, Kentucky, said today a military affairs subcommittee had ordered hearings next week on President Roosevelt's nomination of William S. Knudsen, former OPM chief, as a lieutenant general in the army.

Chandler said Senator Austin of Vermont, the assistant Republican leader, had asked that the hearing be held.

Austin was not available immediately for comment but Chairman Reynolds, Democrat, North Carolina, of the full committee said he had turned over to the subcommittee several telegrams of protest against the Knudsen appointment.

Reynolds said most of these telegrams complained that the elevation of a civilian to the high military post would have an adverse effect on Army morale. The President named Knudsen a lieutenant general with authority to superintend Army procurement.

### Brazos' Crew Jettisoned Much Of Cargo

New York, Jan. 23.—(AP)—The 25-man crew of the American freighter Brazos, sunk January 13 after a collision with an unidentified vessel in submarine-infested Atlantic coastal waters, spent three hours trying to jettison the cargo before taking to the lifeboats.

Survivors reaching here yesterday, coincident with a Navy announcement that the 1,497-ton ship had been sunk and the entire crew had been abandoned, said they had casted tons of sugar into the sea while their boat was foundering.

The 25-year-old veteran of the New York-Charleston-Galveston trade, was under lease to the New York-Porto Rico Steamship company and was the ninth American or allied vessel to be sunk or damaged by torpedoes or accident off the Atlantic coast in the last ten days.

The crash occurred 130 miles southeast of Cape Hatteras in the vicinity where submarine torpedoes, the tanker Allan Jackson, Soviet, and the steamer City of Atlanta, sank today, both with heavy losses of life.

Last night, the fifth naval district of Norfolk, Va., announced that the bodies of ten seamen, picked up by a and presumed to have been victims of the City of Atlanta sinking, had been brought to Norfolk.

### Stock Trend Indefinite

New York, Jan. 23.—(AP)—The news budget yield a little in the way of outstanding bullish stock market material today and leading issues dealt mainly in small fractional variations.

Activity was negligible from the start. Even the recently lively rail, settled down to a crawl in slightly longer territory. Trends were indefinite near the fourth hour.

After February 15, an origin declared no more crude rubber or latex may be used in manufacturing girdles or other foundation garments, gill and tennis balls, craters, bathing suits and caps, lawn and garden hose and hundreds of other common household items.

Extending already strict government control over the rubber industry, the board made public a long list of essential products which may be manufactured; established production quotas for each class of product, and directed that use of crude rubber for a wide variety of "essential" civilian goods be reduced about 75 percent before recent annual consumption.

After February 15, the order stipulated, all products, not on the list may be manufactured only from reclaimed rubber.

It was the program which targeted girdles.

### That Bad News About No More Girdles Is True

Washington, Jan. 23.—(AP)—Sorry girls, but the war production board, continued that bad news about girdles today.

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### WEATHER FOR NORTH CAROLINA

Continued cold with slight higher temperatures tonight.