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A Very Brave Little Girl



C. P. Phonephoto

Little Janet, daughter of Mr. and Mrs. M. Johnson of London, who survived the torpedo sinking of the Canadian ship *Lady Hawkins*, is shown peacefully asleep on board the rescue ship *Chama*, upon arrival at San Juan, Puerto Rico. Two hundred and fifty lives were lost. Little Janet and seventy others were saved.

Russians Continue To Drive Nazis Back

Reds Report 55-Mile Advance South of Kharkov; In Africa, British Forces Retreat Further Before Nazi Counter Offensive.

(By The Associated Press.) Unbroken Russian advances against the Germans on their major front and a continuing British retreat from the Germans and Italians on the secondary front tightened the score today in the European-African war.

The African successes of the axis, however, were far short of offsetting the Germans' misfortunes in Russia.

In sea warfare, the German high command reported the sinking of a destroyer off the Canadian coast, a corvette west of Gibraltar and an "armed ship" off Crete and another off Murmansk—all apparently credited to U-boat action—and bomb hits on three merchantmen off the southeast coast of England.

The British imperial retreat in north Africa found the erstwhile attackers fighting a defensive engagement about 100 miles northeast of Benghazi.

The British Middle East command said that the axis forces were pressing on east of Marce "in considerable strength." The announcement implied that Barca, 60 miles northeast of Benghazi, was lost, as reported by the axis.

The Italian high command reported that German planes had carried out new, severe raids on a British airbase on Malta, British base in mid-Mediterranean, destroying numerous transport planes.

Russian forces carrying on an unending warfare against the Germans and their allies in the snow and cold of deep winter, were reported to have scored fresh gains from Leningrad to the Crimea.

The most striking reports told of a 50-mile advance in the Lozovaya sector, 80 miles south of Kharkov, along a 60-mile front in the Ukraine.

The Russian report said many German units had been routed before Leningrad, including the 7th parachute division recently brought from Crete and the 223rd infantry division, whose captured members said they had been transferred from Bordeaux, occupied France.

Convicts Go On Strike At Wayne Camp

Goldsboro, Feb. 2.—(AP)—A group of Negroes at the Wayne county prison camp near here refused to go to work this morning, and tear gas was used to bring them out of their cells.

After gathering in the prison yard, however, the convicts still refused to go to work. Warden Ralph McLean of Central Prison in Raleigh, who pushed here, said the men complained about the food they had received.

Penal Director Oscar Pitts was in the western part of the state and was not immediately reached for comment.

McLean, reached at the camp by telephone, said he had just begun an investigation, and that the Negroes

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JAPANESE PREDICT FALL OF SINGAPORE BEFORE FEBRUARY 11

Berlin. —(From Official German Broadcasts) Feb. 2.—(AP)—The Japanese public is counting on the fall of Singapore before February 11, which is Japan's chief patriotic holiday, a German correspondent telegraphed from Tokyo today.

The Japanese celebrate February 11 as Kingetsu, the anniversary of the legendary foundation of their empire in 660 B. C.

Morgenthau Optimistic

Treasury Secretary Says Nation's Finances in Better Shape Than in Last Year

Washington, Feb. 2.—(AP)—A \$1,112,926,200 appropriation bill to finance the Treasury and postoffice departments for 1942 went to Congress today with assurance of Treasury Secretary Morgenthau that the nation's fiscal affairs were in better shape than in the first World War and were free from danger signals.

His testimony and that of other officials was made public by the committee in sending to the House the bill covering the Treasury and Postoffice department expenses for the fiscal year beginning July 1.

Of the total amount, \$899,966,950 was designed for the treasury department, and \$992,969,925 for the Postoffice department. It represented an increase of \$2,084,637 over the comparable expenses for the previous fiscal year, but a reduction of \$4,922,036 from the amount estimated as necessary by President Roosevelt.

Loan To China Is Requested

Washington, Feb. 2.—(AP)—President Roosevelt asked Congress today to authorize a loan of \$500,000,000 to China to provide "economic and financial assistance."

Speaker Rayburn, who made public a letter from the President, introduced a resolution authorizing the loan and said Chairman Bloom, Democrat, New York, of the foreign affairs committee would report the bill tomorrow for passage this week.

The loan would be in addition to an already granted China under the lend lease act and other legislation. It would be made under terms to be worked out by the Treasury department.

London, Feb. 2.—(AP)—The foreign office announced today that Britain would loan China up to 500,000,000 pounds (\$200,000,000) for war purposes.

Slashing By Sea And Air On Japan's Flank, Fleet Opens Offensive

Fleet Opens Offensive

Goering Maps New Nazi Campaign

Air Units In Sicily Inspected

German Reichsmarshal's Visit May Indicate Reinforcements of Air Force in Preparation for Mediterranean Drive.

(By The Associated Press.) New signs of an axis Mediterranean campaign much more serious than the present counter offensive in eastern Libya appeared today.

Coinciding with the British retreat from Benghazi and Italian reports of intensified German air assaults on Malta, Berlin let it be known by radio that Reichsmarshal Hermann Goering has been in Italy since last Tuesday, conferring with Premier Mussolini and inspecting German air force units in Sicily.

Besides being Adolf Hitler's chief lieutenant, the copululent Goering is chief of the German air force.

Malta, who came distance from Sicily is measured in minutes, already has undergone about 1,500 separate and individual raids and hundreds of actual attacks in this war. The latest, according to the Italian high command, was a heavy assault on an airfield there in which a fire was caused and numerous planes were destroyed.

Goering's visit to Sicily may indicate a considerable reinforcement of German air units in the Mediterranean area. Several months ago when Adolf Hitler's Russian drive was at its height, it was announced that the German planes had been withdrawn.

What turn the axis offensive might take is conjectured by some from successful counter-attacks of the land forces through eastern Libya, toward Alexandria and Suez, to a possible attempt at airborne capture of the Alexandria base and the nearby canal.

Published hearings on the Treasury department, 1942 appropriations bill, submitted to Congress today, showed 1,245 stills were seized in that southern state in 1941, an increase of 132 over the previous year—ranking North Carolina third among the states in still seizures.

Only Alabama, with 1,941 seizures, and Alabama, with 1,347, were ahead.

Although Alabama beat out North Carolina for second place in still seizures, North Carolina ranked second to Virginia in the thousands of gallons of such destroyed.

Government agents reported 324 gallons destroyed at 343 sites in North Carolina, against 1,211 in Virginia and 477,045 in Alabama, a high figure considering only 374 stills were seized in the Old Dominion.

Still seizure and search in this section, however, were not the only things in the hearing.

The hearings disclosed also that the Treasury wants two additional guards for the North Carolina customs district with headquarters at Wilmington.

They also revealed North Carolinians purchased \$6,200,000 in defense savings bonds from May to November, 1941, and \$300,000 in postal saving stamps from May through December.

WEATHER FOR NORTH CAROLINA

Continued cold tonight with slightly lower temperatures over east and north central sections.

A New Flag for President Roosevelt



A woman worker who did the fine embroidery on the Presidential flag is shown with Lieut. Thomas T. Richter of the Quartermaster Depot in Philadelphia, Pa. The designs for the Presidential flag are the same that have been used by Presidents Roosevelt, Coolidge, Hoover, Harding and Wilson. The flag department at this quartermaster depot turns out flags, standards, and guidons for the army.

Rios Hailed By Chileans

New President Is Exponent of Full Cooperation With United States Policies.

Santiago, Chile, Feb. 2.—(AP)—Chile held today as her new president 36-year old Juan Antonio Rios, exponent of full cooperation with the United States, victor in a Sunday election over former President General Carlos Ibanez del Campo, whom pro-axis forces had backed.

With only 9,900 votes to be counted, Rios held a lead of nearly 50,000, having polled 237,241 votes to 202,33 for Ibanez.

Ibanez, convicted by Spanish courts early this morning.

The new government was expected by Chileans to sever relations with the axis, leaving Argentina the only remaining ally.

1,245 Stills Taken In State Last Year

Washington, Feb. 2.—(AP)—If winery-making stills seized in other states last year by government agents were made of copper, Uncle Sam's supply of the vital metal was materially increased.

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Congress Speeds War Legislation

EGYPTIAN CABINET RESIGNS EN MASSE

Cairo, Feb. 2.—(AP)—The Egyptian cabinet of Prime Minister Usseim Sirry Pasha resigned today as the aftermath of student demonstrations against it.

Welders On Picket Line

Shipyards Walkout Spreads, But Work Is Continued on War-Vital Ship Building.

Tacoma, Feb. 2.—(AP)—Independent labor union called to picket the shipyard today, spreading the walkout to other shipyards in the area.

More than 100 welders, some employed at the shipyard plant in the Seattle-Tacoma area, staged a "sit-down" strike today, a new outburst of an old protest.

The Seattle Federation of Labor Unions, which is the largest of the area unions, said it would support the picket line.

The shipyard operators and AFL contract which binds the workers to the union, said it would support the picket line.

Representative Burgess, Republican, Indiana, said the government had advised him that Leonard

Washington, Feb. 2.—(AP)—Private Joseph L. Leonard, 29, of Williamsport, Pa., had announced today to President Roosevelt today for a citation after being drafted by the War Department by the soldier who detected the approach of Japanese planes before their attack on Pearl Harbor.

His report to a superior was disregarded.

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Low money means less paid building. Less material means the same thing. The two must mean a reduction in the number of employees.

Passage of Appropriations Exceeding \$39,000,000,000 Expected by End of Week; No Holiday in Sight for Solons.

Washington, Feb. 2.—(AP)—Congress neared the end of its first month's work on President Roosevelt's \$39,000,000,000 war budget today with every indication that enacted appropriations and authorizations would reach \$33,000,000,000 before the week was out.

The bill would total—averaging more than \$1,200,000,000 daily—would represent congressional approval within 30 days of an amount equal to nearly three-fourths of the figure fixed by the President in his outline of war expenditures.

Yet, despite its record of activity, which includes completing important war powers and prior control legislation as well as appropriations, Congress appeared to be in for a long and arduous session.

There was no sign for any vacation or holiday season, Senator Bill Jenner, Arkansas, the Democratic whip, said today. He said he would be on the job all day, as would be other members of the Senate.

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Men Shun 'Dog Watch'

Secretary Knox Says Few Men Will Work on Early Morning Shifts in Factories.

Washington, Feb. 2.—(AP)—Secretary of the Navy Knox has told Congress that the Navy is having difficulty in getting 24-hour production from its temporarily expanded armament program because manufacturers can induce only about 10 per cent of their employees to work in the early morning "dog watch" shift.

Discussing the Navy's general position, Knox said that the military situation with respect to both coastal and inland waters was "critical."

In testimony made public today on the \$26,495,264,474 naval supply bill, Knox declared that the greatest bottleneck faced in the production program was in turning out aircraft engines. The Navy could boost its production to 16,000 planes yearly with funds provided in the measure.

Jap Island Naval Bases Heavily Hit

Probability of Full Fledged American Offensive Raised by Attack Made Yesterday; Eleven U. S. Planes Shot Down.

(By The Associated Press.) A slashing sea and air attack by the United States on the mid-Pacific flank of Japan's broad non-skip-jump offensive raised today the probability of full fledged American offensive in the enemy's vulnerable island mandates timed to ease the siege of Singapore and check the pressure on the Dutch East Indies and Australia.

Warships and planes of the Pacific fleet, according to a Washington announcement, have turned a storm of torpedoes, bombs and shells onto six Japanese air and naval bases in the Marshall and Gilbert islands in a surprise foray that destroyed or damaged many auxiliary vessels of the enemy fleet along with numerous planes and ground installations.

The announcement came yesterday, on the second day of the siege of Singapore and about the time that the Japanese, perhaps in their first feeler thrust into the mouth-like Johore straits, sent three small boats against the British base fortress. They were promptly caught in a gale of shellfire and one of them was sunk.

Singapore's guns also blasted Japanese forces moving into Johore Bahru, across the strait from Singapore island.

How much the United States Pacific fleet must step up its flank attacks to ease the imminent threat to Singapore, Java and Australia was the major question in secret Pacific strategy, but all signs were that the answer was "substantial."

The official Japanese account of the Gilbert-Marshall attacks said that United States aircraft carriers, cruisers and destroyers made up the raiding force and claimed eleven planes were shot down. The Washington community already had acknowledged that many planes were lost.

The Japanese belittled the results of the attack, declaring

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Anti-Nazis Are Bolder

London, Feb. 2.—(AP)—Encouraged by Russian military successes, anti-Nazi forces inside Germany are becoming bolder in their efforts to undermine the Nazi machine, the German writer Leon Fechtwanger said in a publication issued today by the Soviet embassy.

The German are waking up to the extent of the Russian offensive and are questioning Hitler's earlier boast that the Red army was defeated, Fechtwanger said. The writer is understood to be in Britain.

The publication "Soviet War News" also carried a manifesto signed by 57 refugee German writers, artists and politicians calling upon their countrymen to renounce Hitler and return to the ideals of a social, Schiller and Beethoven. They asked German soldiers to lay down their arms and return to their officers.

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