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TWENTY-NINTH YEAR

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Japs Attack Bali, Land On Timor

Red Offensive Unchecked, Red Star Claims; British Cabinet Is 'Streamlined'

Sir Stafford Cripps, Former Ambassador to Moscow, Emerges as Outstanding Figure of Churchill's New Cabinet.

(By The Associated Press.) Russia declared today that her great winter offensive was rolling on unchecked, crushing German counter attacks with bloody losses, and the Soviet army newspaper Red Star confidently predicted the defeat of Adolf Hitler's heralded spring campaign and the collapse of his armies this year.

Economic resources will mean the final decision. The help we are receiving from our allies is growing continuously," Red Star declared. Red Star said Hitler already had lost 6,000,000 men in Russia, and that he could not replenish his numbers.

Prime Minister Winston Churchill countered the storm of criticism over British military reverses in North Africa and the far Pacific by "streamlining" his war cabinet in a shakeup in which the dynamic Sir Stafford Cripps, former ambassador to Russia, emerged as the outstanding new figure.

The cabinet was reduced from nine to seven members.

Oliver Lyttelton, known to Britons as "one of Winston's bright young men," became minister of state in charge of production. He had been in the war cabinet as minister of state for the Middle East.

Three vet. rans of the inner circle criticized for reverses capped by the loss of Singapore stepped out.

The BBC in an early morning broadcast put on the air a message from Sir Stafford directed to German speakers in which he said Soviet industry had been placed on a 100 per cent war basis and "every English worker is determined to do his part" to crush Adolf Hitler.

Shipped of war cabinet rank in the shakeup were:

Lord Beaverbrook, former production minister who is to come to the United States shortly for pooling of United Nations resources.

Sir Kingsley Wood, chancellor of the exchequer.

Arthur Greenwood, labor minister without portfolio.

A bulletin from Hitler's field headquarters acknowledged that the Russians were still on the offensive, and reiterated the unsubstantiated claim that Red army forces on the Moscow front had been encircled.

On the north African front, bad weather brought a lull in the grim desert battle.

Aruba Again Is Shelled

U-Boat Makes Second Raid on Dutch Oil Island; U. S. Fliers Attack Sub.

St. Nicholas, Aruba, D.W.I., Feb. 20.—(AP)—Revenge was the principal thought of this oil-important little island today after its inhabitants—United States as well as Dutch soldiers among them—had experienced the second U-boat bombardment in four days.

Coinciding with a new outbreak of torpedo attacks on oil tankers in these vital waters off the coast of Venezuela an enemy submarine sent shells hurtling into the area of the great oil refinery here at dawn yesterday.

U. S. bombers already were aloft on patrol and unloaded explosives so quickly that one pilot was confident the U-boat had been damaged. Aruba's two great refineries were untouched.

Off the island, however, and within 700 miles of the Panama canal, a tanker flying the flag of Panama was torpedoed and two snags at anchor in the Gulf of Paria, off Port of Spain, Trinidad, were damaged Wednesday night by explosions at presumably caused by U-boat attacks. The two vessels remained afloat.

First Lady Out Of OCD Sales Tax Is Favored

Washington, Feb. 20.—(AP)—Mrs. Eleanor Roosevelt today resigned her post as assistant director of the office of civilian defense.

James M. Landis, director, accepted the resignation in a letter voicing gratitude for her "vision and energy," but saying he could not ask her to continue "to give so greatly of your time and your gallantry."

Mrs. Roosevelt recently made known her intention to resign as soon as her division was functioning efficiently.

Both Mrs. Roosevelt's letter and that of Landis made reference to the recent outburst of criticism at OCD, which resented Wednesday in the resignation of Mrs. Roosevelt's protegee, blond dancer Marya Choney. Miss Choney resigned her \$3,500 position in the children's unit.

Brazilian Vessel Sunk

Axis 'Pocket Size' Submarine Sends Freighter to Bottom; All Crewmen Saved.

Norfolk, Feb. 20.—(AP)—The 100-ton Brazilian freighter Olinda was sunk by an axis submarine, described as "pocket size," off the Atlantic coast Wednesday afternoon and crew members, two of whom were taken aboard the submarine for questioning, said the submarine "crash dived" at the approach of U. S. naval planes.

The 11th naval district authorized release of details of the sinking after the entire crew of 46 was picked up from two lifeboats by a rescue ship and landed here. The men were rescued after drifting and rowing for 20 hours.

Washington.—The Brazilian embassy announced that Jonas Leao, second secretary at the embassy here, has been delegated to act as interpreter and aide in the care of 46 crew members rescued from the freighter.

Leao is already in Norfolk.

SENATORS DEMAND COAST DEFENSES

Washington, Feb. 20.—(AP)—Three influential senators demanded today that adequate provisions be made for defense of American coast lines.

Senators Walsh (Democrat, Massachusetts), Byrd (Democrat, Virginia), and Johnson (Republican, California), urged this protection despite an assertion by Secretary of War Stimson that dispersal of forces to halt enemy coastal raids might retard offensives elsewhere.

Proposed Civilian Defense Reorganization Pigeon-Holed

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

Raleigh, Feb. 20.—The proposed reorganization and revitalization of civilian defense efforts in North Carolina has, for all practical purposes, been pigeon-holed.

Instead of getting a top-flight man to take charge of defense organization, and giving him the authority necessary to get something done, the governor has decided to hire an office man for about \$3,300 a year and leave Ted Johnson in the double role of director of defense and state rationing administrator.

The governor and the American Legion are at loggerheads. He thinks Legion leaders have declined to take hold of a job which is right down the veterans' alley. They think he has played politics in the appointment of local defense chair-

Issue Expected to Cause Friction Between Congress and Treasury in New Levies.

Washington, Feb. 20.—(AP)—A retail sales tax proposal seemed likely to hob up today as a source of friction between legislative and Treasury fiscal experts, otherwise reported agreed on the general principles of a new \$7,000,000,000 revenue raising program.

Treasury opposition to such a levy was said to have been expressed strongly at a conference at Chairman George, Democrat, Georgia, of the Senate finance committee, and Dwight D. Dore, North Carolina, of the House ways and means committee, with Treasury representatives last night.

George told reporters he believed there was a growing sentiment in the country, already reflected in Congress, for the employment of a sales tax to raise a sizeable portion of the new revenues.

Fish Denies Propaganda

Washington, Feb. 20.—(AP)—Representative Hamilton Fish, Republican, New York, told reporters today that "no Nazi propaganda of any kind has ever gone out of my office, directly or indirectly, with my knowledge or consent."

Fish was awaiting his call to the stand in district court as a government witness against George Sylvester Viereck, a registered German agent charged with withholding information required by law to be filed with the State department. The resumption of the trial was delayed by other matters this morning.

SALLY RAND HOPES IT'LL BE TWO BOYS

Idaho Falls, Idaho, Feb. 20.—(AP)—Sally Rand has announced she and her cowboy husband, Turr Greenough, are expecting an addition to the family.

"I hope it's twin boys," said the tan dancer.

The cowboy and dancer were married January 6.

WAR FUNDS TOTAL TWO YEARS INCOME

Washington, Feb. 20.—(AP)—The war production board said today that authorized outlays for war, plus war funds requested of Congress, totaled an estimated \$150,100,000,000.

The sum was only slightly under the national income for 1939 and 1940 combined, estimated at \$146,709,000,000.

Nazis Launch Sub Offensive

London, Feb. 20.—(AP)—Germany has launched a minor submarine offensive in the north Atlantic from the Azores to Greenland, to cooperate with Japan by keeping United States naval units in the Atlantic and preventing reinforcement of the Pacific fleet, authoritative sources said today.

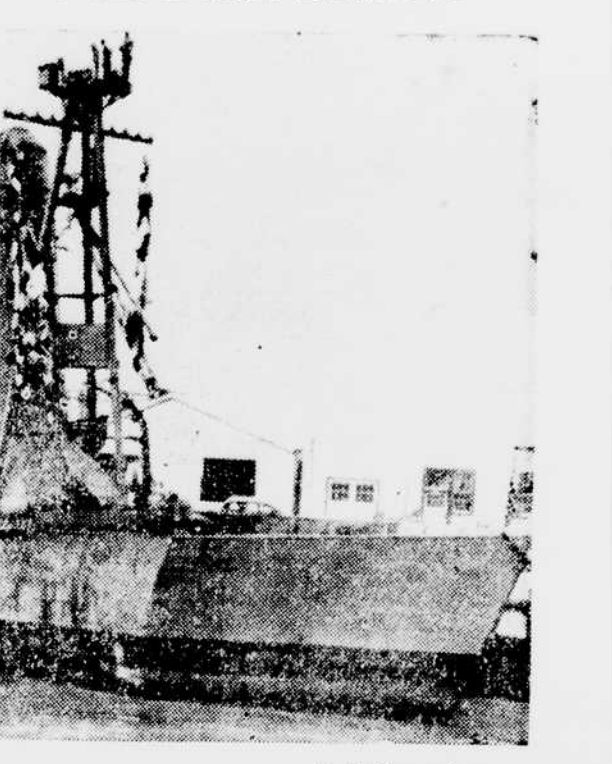
These sources declared, that, according to information from the continent, the Nazis had 34 U-boats at sea in the north Atlantic early in February. This probably means they added that actually there were three times that many operating in that area at that time.

BEEKEEPERS TO MEET AT WASHINGTON, N. C.

College Station, Raleigh, Feb. 20.—The annual meeting of the N. C. State Beekeepers' association will be held Friday, March 20, at Washington, N. C. It was announced today by Prof. F. B. Meehan, State College bee specialist and secretary-treasurer of the association. Beaufort County Farm Agent W. L. McGahy and other representatives of the extension service are cooperating in arranging the meeting.

WEATHER FOR NORTH CAROLINA. Continued cold tonight.

The Shaw Limp Home From Pearl Harbor



C. P. Phonophoto

With an emergency bow and a temporary bridge, the U. S. destroyer Shaw arrives at a West Coast port under its own power. The Navy reports work is well advanced on a new bow to refit the warship for active duty. Damaged at Pearl Harbor, the Shaw soon will be ready to crack back at the Japanese.

Japs Bomb Mandalay

Tokyo (From Japanese Broadcasts), Feb. 20.—(AP)—Domei reported today that Japanese bombers made their first air raid yesterday on Mandalay, scoring direct hits which inflicted heavy damage on military installations.

The Burma city of Kading's road is 250 miles north of Rangoon on the railroad to Lashio, terminus of the Burma Road.

"Serious damage was caused to military installations by the four direct hits being registered," Domei said.

"All Japanese aircraft returned without meeting a single enemy plane."

U. S. Planes May Be Based In China

Chungking, Feb. 20.—(AP)—Hope of a Chinese counter offensive to gain air bases for United States planes within striking distance of Japan was voiced by informed quarters today as a result of the imminent visit of Major General Joseph W. Stilwell on a mission for President Roosevelt.

While the original White House announcement of February 9 said merely that the former Panama military attaché would visit Chungking, following a talk with the President, informants at the center of the Chinese war effort believed Stilwell would enter close association with Generalissimo Chiang Kai-shek on war planning.

Word of the visit, Feb. 20.—(AP)—Chiang Kai-shek, following today the night, said he would today be accompanied by his wife, Madame Chiang Kai-shek, and other family members, including 42 passengers.

A leader of the Nationalist government in New York, said that the "warm personal relations" between the two leaders would be a "great asset" to the Chinese war effort.

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House Gets Pension Law For Repeal

Washington, Feb. 20.—(AP)—Senators who voted overwhelmingly to repeal of the congressional pension law looked expectantly toward the House today to complete the lawmakers' about face on the widely criticized legislation.

By a vote of 75-15, the Senate late yesterday reversed its previous approval of pensions for congressmen and then rejected, 49 to 22, an attempt to provide all needy persons of 60 and older with a monthly federal pension of \$30.

Because both Senate and House were in week-end recess, House agreement to the Senate action must wait until Monday, but Chairman Ramspeck, of the House civil service committee, said there was no doubt a majority favored repeal.

Java's East Gateway Under Storm

Allied Warships and Planes Attack Japanese Invasion Armada; Australian Ships Sunk in Air Raid on Darwin.

(By The Associated Press.) Japan's sea-borne invasion armies stormed at the eastern gateway to Java today, attacking the island of Bali and landing troops on the jointly owned Dutch-Portuguese island of Timor, farther to the east.

The Dutch high command said allied warships and submarines attacked the Japanese invasion armada around Bali last night.

The United Nations headquarters said allied planes smashed heavily at the invaders, sinking three direct hits on one of more Japanese cruisers, two direct hits on transports, and eight "near misses" on a destroyer, and direct hits with lighter bombs on a cruiser and a transport ship.

Four Japanese fighter planes were shot down in the attack, without loss to the allied defenders.

The communiqué further reported that five Japanese bombers and five fighting planes were shot down in air battles over the big Dutch naval base at Soerabaja, Java.

Bali lies across only a mile-wide channel of water from Java, the heart of the Indies and headquarters of General Sir Archibald P. Wavell's United Nations command in the far Pacific.

The new assault completed a half moon arc of Japanese bases, threatening Java from the north, extending from lower Sumatra on the west, then through Borneo and Celebes islands, to Bali on the east.

Imperial Tokyo headquarters said that Japanese troops, protected by the guns of warships, landed at dawn on the mountainous 300-mile long island of Timor. The landings were executed near Dilli and Koepang, the Portuguese and Dutch capitals.

Tokyo made no mention of resistance, but Australian and Dutch troops were known to have occupied the Portuguese section of the island last December to combat such an assault.

Rich in gold, copper, gypsum and petroleum, Timor lies at the eastern tip of the Dutch Indies archipelago, only 450 miles northwest of Darwin, Australia.

Coupled with the grave turn of events in the Indies, Tokyo headquarters asserted that

(Continued on Page Three)

FRENCH TRAWLERS SUNK BY BRITISH

London, Feb. 20.—(AP)—A Reuters report from Valby said today the French navy agency asserted that three British bombers sank two French trawlers Monday while they were fishing 30 miles off the French west coast in the Bay of Biscay.

Indians Flee Rangoon

Japanese Invasion Hordes Now Only 80 Miles From Burmese Capital City.

Rangoon, Feb. 20.—(AP)—The city, which in normal times boasts a population of almost 500,000, was half deserted today as British troops fought to stem a Japanese invasion drive on the banks of the narrow Billin river, only 80 miles to the northeast.

Last reports from the battlefield indicated the British were standing their ground in the face of heavy Japanese attacks, but Rangoon was prepared to hear at any hour that the invaders had forced a crossing of the stream.

Loss of the Billin river line probably would mean the British would have to fall back upon the Sittang river, 30 miles to the west and the last natural barrier protecting Rangoon.

With the menace to Rangoon clearly defined, it was estimated that approximately 200,000 Indian residents had departed from the city, bound mostly for India.

GENERAL EISENHOWER GETS NEW ARMY POST

Washington, Feb. 20.—(AP)—Appointment of Brigadier General Dwight Eisenhower as chief of war plans for the Army general staff left Brigadier General Harry L. Twaddle today as the only pre-Pearl Harbor holdover among heads of the high command's five divisions.

The War department announced last night that Eisenhower would succeed Major General Leonard T. Gerow, who was shifted to command of the 29th division, Eisenhower had been chief of staff of the third army at San Antonio, Texas.