

You Pay

Income taxes will be due soon. If you are in doubt about your federal tax, turn to The Statesman editorial page.

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Weather

Forecast, temperature, rainfall and river reports withheld by request of western defense command, US army.

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Heavy Artillery Battle Rages On Luzon

German Friction Spreads

Admiral Hurls Accusations Of Failure

LONDON, Jan. 12.—(AP)—A foreign source whose information in the past has almost always proved correct, reported Monday that the friction already noted in Hitler's army command had spread to the navy in a sharp dispute between Grand Admiral Erich Raeder and the submarine commander Vice Admiral Karl Doenitz.

Doenitz, said this informant, had badly charged his superior, Raeder, with responsibility for "the miscarriage of submarine warfare."

The grand admiral was represented as having been specifically accused by his subaltern of:

Permitting the circulation of false information indicating a rate of sinkings of British and allied ships much higher than the true one;

Telling the Nazis that new submarines were being built much faster than they were in fact;

Allowing the Gestapo and the Nazi SS corps unjustly to arrest and otherwise impugn submarine men whose nervous condition at the end of a tour of duty sometimes led them into utterances which the Nazis distorted into sedition.

Doenitz, said this source, had served upon Raeder a flat demand that the Gestapo and SS be run out of submarine bases and ports and off the necks of naval men.

At about the time that this was emerging, the London Star attributed to the Moscow radio a report that Field Marshal General Wilhelm Keitel, chief of the Nazi high command and thus the highest war figure in all Germany, had suddenly become ill.

Illness was the explanation so (Turn to Page 2, Col. 6)

Draft Chief Tells Plans For Army

WASHINGTON, Jan. 12.—(AP)—Brig. Gen. Lewis B. Hershey, selective service director, declared Monday "it'll be a long time" before married men with one or more children will be called for army duty.

The United States, General Hershey said, would have an army of 7,000,000 or 8,000,000 men before such registrants were needed.

The draft director told the 10th annual United States conference of mayors that he had "no sympathy" with "those who are going around saying that now the country is at war the draft boards shouldn't defer anyone."

"Let's be sane and systematic," Hershey said.

Bishop Named On OPM Board

SAN FRANCISCO, Jan. 12.—(AP)—Four westerners have been named to new posts with the office of price administration and the office of production management, according to word received by the local OPM office here Monday from Washington.

C. M. Bishop, Portland, Ore., was appointed a member of the woolen and worsted industry advisory committee of the OPM. He has been associated with the Pendleton woolen mills.

James E. Harper, Lakeview, Ore., has been appointed chief of the lumber and building materials section of the OPA.

John H. Paswaters, Los Angeles, and O. H. Olson, Pasco, Wash., were named to the OPA consumer representation section.

Milk Sought For Army

Capt. James Barto, in charge of procuring supplies for army units, has asked the cooperation of the state department of agriculture in obtaining a supply of milk for service forces stationed in Salem, and also in Eugene and North Bend.

US War Labor Board Organized By Roosevelt

Dean Morse Is Named Member; Group Formed To Prevent Any Defense Work Interruption

WASHINGTON, Jan. 12.—(AP)—President Roosevelt created by executive order Monday night a national war labor board with William H. Davis, chairman of the national defense mediation board, as its head.

The new board has 12 members, four each representing the public, industry and employees.

It was set up to adjust labor disputes and avoid strikes and lockouts so that there might be no interruption of a vast flow of war machines and equipment from America's industrial plants.

The executive order said that "the national interest demands that there shall be no interruption of any work which contributes to the effective prosecution of the war."

This procedure for settling disputes threatening to interrupt war work was provided:

1. The parties at issue shall resort first to "direct negotiations or to the procedures provided in a collective bargaining agreement."

2. Failing to achieve settlement through such a negotiation, the labor department's conciliation commissioners must be notified, if they have not intervened already.

3. Should conciliation fail, the secretary of labor must certify the dispute to the war labor board. However, the board, in its discretion, after consultation with the secretary, may jurisdiction over the dispute on its own motion.

Thereafter, the board may use mediation, voluntary arbitration or arbitration under rules established by it, to effect a settlement.

In addition to Davis, these other public members were named: Vice-Chairman George W. Taylor, professor of economics at the University of Pennsylvania, and impartial chairman for various industries; Frank P. Graham, president of the University of North Carolina; and Wayne L. Morse, dean of the University of Oregon's law school.

Employee representatives are: Thomas Kennedy, secretary-treasurer of the CIO United Mine Workers of America; George Meany, secretary-treasurer, American Federation of Labor; R. J. Thomas, president of the CIO United Automobile Workers of America; Matthew Woll, vice-president of AFL.

Four alternate members for workers, who will serve in the absence of regular employee representatives, were appointed as follows:

Martin P. Durkin, secretary-treasurer, United Association of Plumbers and Steamfitters of the United States and Canada; C. S. Golden, regional director (Turn to Page 2, Col. 7)

US Auto Tax Stamp Ready

WASHINGTON, Jan. 12.—(AP)—The internal revenue bureau decided Monday to put the federal auto tax stamps on sale at post-offices and revenue collector's offices this week, but officials explained that there would be some points in the country which would be unable to get the stamps immediately.

The original plan was to put the stamps on sale beginning the week of January 26, but the bureau decided to move the time to this week.

This, said internal revenue commissioner Guy T. Helvering, was for the convenience of motorists and to avoid congestion at the sales points. The initial \$2.00 tax is payable not later than February 1. The stickers for the first tax are good until July 1, when new ones will be sold at the rate of \$5 a year for motor vehicles.

Tire Thief Gets Limit

PHILADELPHIA, Jan. 12.—(AP)—The first Philadelphia charged with stealing automobile tires since adoption of tire rationing was sentenced Monday to 2½ to five years.

"I am giving you the limit," Judge Harry S. McDewitt told Harry J. Cullen, 22. "You can tell your tire-stealing friends it is not going to be healthy for them."

Sprague Told Lights Plan

Highway System Set For Quick Blackout; Defense Group Meets

All lights and signals of the state highway system can be extinguished almost immediately should a blackout be required, officials of the highway department reported Monday to Gov. Charles A. Sprague, while divisions of the state and county defense organizations continued rapid preparations for possible trouble in a period they described as "calm."

From State Defense Coordinator "Jerrold Owen's" office came a bulletin with pointers as to how to paint windows for blackout purposes, while members of the Marion County Civilian Defense Council's executive board met Monday night to authorize expenditures in perfection of the arrangements designed to make safe as possible homes of the mid-valley area. A report on last week's organization of fire ration inspectors was presented at the county group's executive session.

Highway lights have been grouped into four classifications, including signals, signs, highway illumination and bridge lights, the report to the governor said.

Signal lights, with the exception of those on drawbridges, have been masked in accordance with blackout regulations. The bridge lights have been turned off permanently and will be operated only when the bridge is being opened for navigation. All sign lights also have been extinguished for the duration of the war.

(Turn to Page 2, Col. 8)

Cigarette Tax Opponents to File Mandamus

Opponents of the Oregon cigarette tax law, which the state tax commission put into operation last Thursday, expect to file a mandamus proceeding in the supreme court here late today seeking to compel the certification to the voters of a referendum measure annulling the act, former Gov. Oswald West announced Monday afternoon.

Last-minute additions to the pleadings, being prepared in Portland, made it impossible to present the mandamus action Monday, West said. It was indicated that another action, seeking to enjoin the tax commission from collecting the tax, might be filed later in the Marion county circuit court.

The mandamus would attack the recent decision of Secretary of State Earl Snell, backed with an opinion from the attorney general not to certify the referendum petitions. The attorney general held that the sponsors' statement of contributions and expenditures did not comply with statutory requirements.

By WINSTON H. TAYLOR

Salem was gradually getting back to normal Monday, still talking about the amazing weather of the last week, while picking branches and telephone wires off lawns. Because of the long days put in by workmen to repair damage caused by the ice storm, fewer utility customers remained without service.

Damage to the Portland General Electric company system in this district was estimated at \$60,000 to \$80,000 higher than Friday's estimate, by W. M. Hamilton, district manager. About 90 per cent of the damage has been temporarily repaired, he said.

No major damage was done to

FR Takes Stand In Farm Row

Calls Conclave Of Leaders To Forstall Bloc

WASHINGTON, Jan. 12.—(AP)—President Roosevelt, balked thus far by an adamant senate farm bloc in his efforts to obtain one-man control over price-fixing, undertook personally Monday to forestall house acceptance of some agricultural provisions of the senate-approved price regulation bill.

Reported to be standing firm in his opposition to dual control over ceilings on farm commodities, the president arranged to confer Tuesday morning with a five-member bi-partisan house committee which will meet with a similar senate group later in an attempt to compromise differences in the price measures passed by the two chambers.

The president was said to have reiterated to his legislative lieutenants at the weekly White House conference Monday morning his desire that a single administrator be given full authority over all prices. There was no (Turn to Page 2, Col. 2)

Irish Bases Plan Balked

De Valera Stands Firm On Keeping Neutral; Denies Secret Talks

LONDON, Jan. 12.—(AP)—The United States was said Monday night to be taking the lead in an increasingly determined effort but none the less official to obtain from neutral Eire the use of vital bases for guarding the Atlantic convoy lanes.

A British informant who said the brunt of future negotiations would fall largely upon the United States suggested that the Irish and their New York-born prime minister might heed America's arguments more readily than those of England.

Prime Minister Eamon de Valera stood firm, however, in his insistence that Eire would invite attack if she permitted any part of her territory to be used by a belligerent power.

Speaking in Dublin Monday he denied that there had been any secret bargaining between Eire and any other nation and declared:

(Turn to Page 2, Col. 8)

Aged Lincoln Woman Dies

LINCOLN—Mrs. Celia Walling, 91, oldest resident of Lincoln, died at her home here Sunday after brief illness.

She was a lifelong member of the Presbyterian church at Zena, charter member of the Zena Missionary society and of the Lincoln Goodwill club.

Surviving her are two sons, Tracy and Alvin Walling of Lincoln, two brothers, Ben F. Harris of Seattle and James Harris of Airline, 13 grandchildren and nine great grandchildren.

Funeral services will be held at W. T. Rigdon company chapel in Salem Thursday at 10 a.m. Interment will be in Zena cemetery.

City Returning To Normal After Storm

Salem Electric Cooperative lines by the storm, Manager Harry Read said Monday. Four customers of the concern's 100 were cut off when other power wires fell across feeders. The co-op system was entirely without service for one four-hour period when a breakdown along the Bonneville transmission lines cut off the flow of energy at the source.

Temporary circuits were installed by Western Union and Postal Telegraph companies, giving them service to Portland and to Albany, with expectation to clear during the night farther south.

City street cleaning crews continued to clean up broken trees, work expected to take two to

Knox Reports American Fleet Will Attack At Proper Time

Dutch, Allies Batter Planes, Ships of Japs

Yank, Anzac Pilots Aid in Attempting to Smash Isle Footholds

BATAVIA, NEI, Jan. 12.—(AP)—Flying Dutchmen and their allies (apparently American and Australian pilots) were declared officially Monday night to have struck two Japanese cruisers and two transports, and shot down four planes in trying to smash Japanese footholds on Borneo and Celebes south of the Philippines.

The situation was obscure in the bitter ground fighting at Tarakan, island oil center off northeastern Borneo, and at Manahassa, the northeastern part of Celebes where the Japanese sea-borne troops and paratroopers landed early Sunday.

"Operations in the Minahassa area are being continued," the communiqué said. "No further particulars can yet be given at the present about the attack on Tarakan nor about the strong resistance which our troops continue to offer."

Tokyo claimed the surrender of Tarakan and the capture of Menado, main city on Minahassa. An informed Dutch source in London asserted that the loss of all Borneo and Celebes was probable "unless heavy allied sea and air reinforcements arrive quickly."

The garrison at Tarakan was said to be "only a demolition party which has been ordered to destroy oil facilities."

The importance to the allies of retaining Balikpapan, another oil center and Dutch naval base 300 (Turn to Page 2, Col. 7)

Nazi Troops Massing on Continent

LONDON, Jan. 13.—(AP)—The Daily Express said Monday that the RAF has observed "significant movements by German forces into western Europe and Norway since Adolf Hitler took over personal command of the German army."

"Most of the reinforcements are being massed in the western parts of occupied France. Hitler may have sent his troops to these two countries to be prepared for a possible invasion from Britain," the paper said.

An authoritative source, however, commented that there had been "no evidence" of such a massing in the west and that the movement in German forces in occupied areas observed by the RAF "was no more than it has ever been."

Blast Hits Tangier

LONDON, Jan. 12.—(AP)—A violent explosion in Tangier was reported by the agency Reuters Monday to have wrecked a house used by axis agents to observe shipping in the straits of Gibraltar, and to have killed one person and wounded two others.

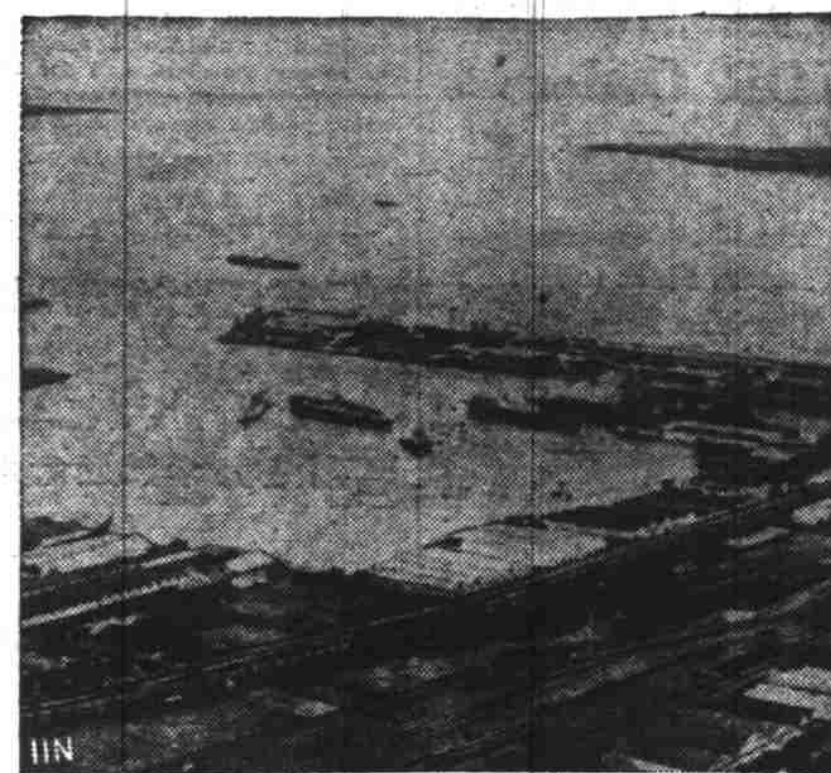
City Returning To Normal After Storm

Three weeks. Engineer J. H. Davis reemphasized the city and park board policy that crews would clean parkways only if residents did not take out for themselves wood suitable for burning. The trash is being burned in a large pile near Mill creek, from which a number of limbs were "fished."

Eleven extra linemen and 22 laborers have been employed by PGE to restore service as promptly as possible, with three fully equipped crews brought in from other districts, according to Hamilton. Only five have suffered injuries, all minor, while working in the dark.

The 57,000-volt lines from Portland, 11,000-volt circuits in the city and most of the 2300-

Allied GHQ on Java Island



View of the Surabaya, Java, harbor; naval base at right

Headquarters of General Sir Archibald Wavell, supreme commander of all allied forces in the Pacific area, may be on the island of Java, on which the Netherlands East Indies capital of Batavia is located, according to reports. Java has a naval base second only to Singapore in facilities. It is at Surabaya, shown above. US Admiral Hart is reported to have landed here by submarine.

Important Malaya City Abandoned By British

Nippon Forces Enter Kuala Lumpur While Defenders of Singapore Form New Line; RAF Beats Off Series of Bomber Raids

SINGAPORE, Jan. 12.—(AP)—The British have abandoned Kuala Lumpur, bitterly contested rubber center and capital of the federated Malay states, and established a new line below the city some 150 miles north of Singapore, it was announced Monday.

The withdrawal was orderly despite a remorseless pounding from Japanese land and air forces. For nine hours the retreat was carried out down the main north-south highway with astonishingly few losses.

Further down the peninsula a British coastal patrol captured a small Japanese unit which landed from fishing craft in southern Johore.

The RAF was busy throughout the day heading off Japanese raiders winging toward Singapore.

European and Asiatic residents began leaving Kuala Lumpur, one of the most beautiful cities in Malaya, several weeks ago. Refugees arriving Sunday said the Japanese would find little of use to them except empty buildings, so thoroughly was the scorched earth policy carried out.

British fighter planes were in the air over Singapore in relays from early morning until late afternoon beating off the most ambitious mid-way between Lyudskovo and Mosalsk, the Soviets said.

Death Takes US Engineer

WASHINGTON, Jan. 12.—(AP)—Lieut. Col. George D. Babcock, 66, director of engineering management of the federal works agency, died Monday.

During World War I, Babcock was chief ordnance supply officer for the AEF.

Since 1934 he had been employed by the government in various engineering capacities.

Rubber Plan For US Told

WASHINGTON, Jan. 12.—(AP)—A \$400,000,000 government program for production of synthetic rubber—designed to make the United States independent of the far east for all military and many civilian rubber needs—was announced Monday.

Jesse Jones, federal loan administrator, disclosed the plan following a conference in which President Roosevelt approved it.

Under the plan, Jones said, enough synthetic rubber will be coming out of American factories in 18 months "to supply all military and limited civilian needs."

Jones told a press conference that he anticipated there would be enough rubber at that time to make new automobile tires available to the public.

Forces Trade Blows as Japs Renew Fight

Yanks Hit Back When Invaders Try All-Out Island Offensive

WASHINGTON, Jan. 12.—(AP)—The Japanese heavily shelled and bombed American-Filipino positions Monday in what may be the initial phase of an all-out attempt to crush Gen. Douglas MacArthur's army and free the bulk of their Philippine forces to support the Dutch Indies invasion.

The Americans were hitting back, the war department reporting in a communiqué that "a heavy artillery battle is in progress along the entire front."

For some days, the Japanese have been bringing fresh troops to this front north and west of Manila in apparent preparation for an offensive.

That this was beginning was indicated not only by the artillery action but also by a report from MacArthur that "ground activity is increasing."

Enemy bombing raids also were made on the American fortifications in Manila bay but word was lacking as to their success. MacArthur advised only that "air attacks are being renewed."

The Philippine commander also reported that the Japanese were attempting to suppress the use of radio receiving sets by civilians in Manila in order to keep them from hearing American and British broadcasts.

In that connection, it was disclosed that former Senator Harry B. Hawes of Missouri made a short wave broadcast to the Philippines this weekend at the request of Colonel William J. Donovan, coordinator of information.

Hawes, a champion of Philippine independence when a member of the senate, told the Filipinos to "watch the Quislings" until the invaders are driven from the islands.

"As surely as the sun shines, the Japanese will be driven out or forced to withdraw from the Philippine Islands," Hawes asserted.

Friends of the Filipinos in the United States, he said, were not concerned over the outlook for (Turn to Page 2, Col. 1)

Eight Canada Airmen Die In Crashes

CHARLOTTETOWN, PEI, Canada, Jan. 12.—(AP)—Two royal air force planes tangled in the air Monday while circling and diving over the harbor area near this base on Prince Edward island and plunged seven airmen to death.

A royal Canadian airman was killed in another crash near Summerside during a snow flurry while on a solo night flight.

All seven involved in the mid-air crash, four of them in one plane and three in the other, were killed instantly.

There was no fire but an eyewitness reported what seemed like an explosion when one plane crashed, smashing itself to splinters. The other landed comparatively intact. A wing appeared to have been shorted off one plane in the air.

Night Flying Near Canal Is Forbidden

WASHINGTON, Jan. 12.—(AP)—The naval hydrographic office Monday published a warning by army authorities that effective immediately "all aircraft flying over or near the fortified zone extending 15 miles each side of the Panama canal during hours of darkness will be fired on."

The announcement added that planes arriving at the Panama area would land at Rio Hato and avoid the fortified zone.