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2 More U.S. Ships Torpedoed in Atlantic

Nelson Starts To Reorganize War Industries

Abolishes OPM—Creates 6 Divisions—Auto Branch Established

Washington, Jan. 21 (AP)—Donald M. Nelson announced today he would abolish the office of production management and bring all 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.

Reorganization Head

He said an important branch of the new set-up would be a requirements committee, headed by William L. Batt, Philadelphia industrialist, and composed of representatives of the army and 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 an interim plan subject to possible future revision.

"Any revolutionary changes would only bring delay," he commented.

Kanzler Named

As a first move in the conversion program, Nelson appointed Ernest Kanzler, 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."

Last night Nelson commanded the automobile industry to halt production February 1 and turn its full power to war production.

Kanzler, as chief of the OPM automotive branch, will move with "as much of a staff as he needs" to Detroit where he will set up a headquarters and direct the conversion at the scene of operations.

Nelson said that Kanzler would have ample authority "if he needs it" to compel automobile plants to pool their machinery or to take any other cooperative action which might be necessary to assure success of the conversion effort.

The reorganization will strip Sidney Hillman of his title of associate OPM director but will leave him as director of the WPB labor division—one of the six major boards.

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Celebes Seized By the Japs

Batavia, N. E. I., Jan. 21 (AP)—The Dutch high command reported today that "according to reliable reports" Japanese forces have occupied all of Minahassa, the northernmost part of the island of Celebes, but "paid dearly for this conquest."

The invaders used parachute troops in their attack on the narrow peninsula, it was announced through Aneia, Netherlands news agency.

The general attack on Minahassa was said to have been preceded by a series of air raids directed chiefly at the airdromes. The parachutists began to arrive at the same moment as the first landing of Japanese troops from the sea, and within two hours landings were being made in force in five or six places.

Japanese planes, a communiqué said, staged three bombing attacks yesterday—on Belawan, seaport for the town of Medan on the east coast of Sumatra; against a lightship in Malacca strait, near Medan, and on an airdrome in Dutch Borneo.

Three persons were reported killed and seven wounded in the raid on Medan. While an unspecified number of planes were damaged in the assault on the airdrome, the bombing and machine-gunning attack on the lightship, carried out by three planes, was said to have caused no damage.



Prisoner of Japs?—Nathan Daniel Teters (above), head of civilian workers on Wake Island was reported in an official Tokyo broadcast to be a prisoner of the Japanese. Teters, a son of Mrs. Mary Teters of Woodbridge, Calif., attended Washington State college prior to joining the staff of the Morrison-Knudsen company at Boise, Ida. — Associated Press Photo.

Japanese Raid New Guinea

Melbourne, Australia, Jan. 21 (AP)—Japanese bombers raided the key ports of eastern New Guinea and the Bismarck archipelago for hours today in strength which the Australian air command said suggested that "major attacks in this area can be expected."

Principal targets of the raiders were Kavieng, at the north cape tip of New Ireland where the Bismarck archipelago juts closest to the Japanese-mandated Caroline islands; and the east coast New Guinea cities of Madang, Salamaua, Bulolo and Lae.

The bombers were supported by strong fighter groups. Forty fighters escorted by 20 fighters attacked Kavieng in the first of the raids, early this morning, an Australian communiqué said.

A short time later three raiders bombed Madang. Strong Japanese aerial forces were sighted at a number of other places along the northern coast of New Guinea and over the Bismarck archipelago.

More than 50 Japanese bombers and fighters were observed flying in the direction of Salamaua, south of Madang, and shortly after noon a small group of raiders attacked Salamaua airdrome.

Reopen in Portland

Washington, Jan. 21 (AP)—The office of government reports said yesterday that it planned to reopen, probably in February, its Portland office, closed this fiscal year because of lack of funds.

Fewer Insane Since Nation Went to War

Since America went to war, the populations of the state hospital and the state penitentiary have decreased, the board of control was advised today. Dr. J. C. Evans, state hospital superintendent, told the board that he had 2,630 patients, whereas he had expected the population to be more than 2,900.

"The population drop was caused by a dearth of commitments," he said, "and not by our curing any more patients than usual. Since the nation mobilized most people are angry and are keeping busy working so that it keeps them from becoming subject to severe mental strains."

"But when people are thrown out of work when the war ends, and they thus begin to pity themselves, then our population will increase." Dr. Evans said that insane hospitals in England also reported fewer

Russians Pursue Fleeing Nazis From Mozhaik

Key Point of Hitler's Line Taken with Many Prisoners and Supplies

(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.

London military quarters estimated that 200,000 Germans had been forced to withdraw toward the narrowing Vyazma gap as a result of Mozhaik's capture.

Vyazma is about half way between Moscow and Smolensk.

Donets River Break

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

The high command asserted, however, that nazi counter-attacks had thrown the Russians back.

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

While Hitler's winter scorched earth policy along the 70-mile-wide "escape corridor" from Mozhaik, threatened by Russian flanking thrusts on both sides, the Berlin radio broadcast this version of the struggle:

German Version

"The German line on the eastern front, reaching from the sea of Azov to encircled Leningrad, is intact in spite of many and heavy Soviet attacks."

"These attacks resulted in heavy losses being suffered by the Soviets but without achieving the occupation of any important points."

"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.'"

Key of Nazi Lines

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.

In London, Soviet quarters declared that the fall of Mozhaik would signal a "titanic continuation of the battle" and that the Russian army now had hundreds of thousands of completely fresh reserves ready to hurl into a giant offensive along the entire 1,200 mile front.

Enormous Losses

Tass, the official Soviet news agency, said the Germans suffered enormous losses in an attempt to obey Hitler's order to hold Mozhaik at all costs.

Tass said red army troops, storming into the city after smashing earth-and-timber forts 50 to 100 feet high.

The old nickel was three-fourths nickel and one-fourth copper; the new nickel will be one-half silver and one-half copper.

The famous 5-cent piece has been taking up an average of 435 tons of nickel a year. This is one-fourth of the amount consumed by the entire civilian economy.

Russian Envoy to Japan Going Home

Tokyo, Jan. 21 (Official Broadcast Recorded by AP)—Constantin Smetanin, Russian ambassador to Tokyo, will leave for Moscow Saturday, Domei news agency reported today.



Tanker Crew Cheer After Craft Limp to Port—Members of the crew of the SS Malay with their captain, had a cheer after they brought the craft into Newport News, Va., after it had been shelled and torpedoed off the Carolina coast. The seamen are grouped about a hole in the deck made by the blast from the torpedo. — Associated Press Photo.

Argentina Asks For Compromise

Rio de Janeiro, Jan. 21 (AP)—Argentina was reported today to have agreed to a compromise on the resolution for a joint severance of all relations with the axis nations by 21 American republics. The compromise, it was understood, was drafted by Foreign Minister Oswaldo Aranha of Brazil.

War Plan for Hemisphere

Washington, Jan. 21 (AP)—A gigantic war production plan for the western hemisphere—which includes abolition of all trade barriers, establishment of a common currency for all anti-axis nations and use of United States naval and air units to convoy hemisphere shipping—was disclosed today by a high commerce department official.

The program, drawn up by the United States, was expected to be agreed upon at the American conference of foreign ministers, 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 hemisphere collaboration plan, he said, they will be ignored and the plan will be pursued by the remaining American republics.

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

The plan—known as the joint war production plan—is being outlined at Rio by Undersecretary of State Sumner Welles, Assistant Secretary of Commerce Wayne C. Taylor and Warren Lee Pierson, president of the Export-Import Bank.

Silver Replaces Nickel in Coin

Washington, Jan. 21 (AP)—War and priorities have finally caught up with the nickel—the magic touchstone that operates the telephone, the subway turnstile, the juke-box, the vending machine and other prime essentials of American civilization.

The old nickel was three-fourths nickel and one-fourth copper; the new nickel will be one-half silver and one-half copper.

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Desert Storm Slows Clean-up

Cairo, Egypt, Jan. 21 (AP)—The worst sand and rain storms seen in Libya in 10 years are hampering the movements of British land and air forces attempting to strike at Gen. Erwin Rommel's axis forces along the Gulf of Sirte, British headquarters said today.

As a result, much of the region has been rendered impassable, a communiqué 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.

The announcement said, however, that collection of equipment in the Halfaya (Hellfire) Pass sector along the Libyan-Egyptian frontier wrestled from the axis last week was continuing and that the final count of prisoners captured there was 5,026.

The prisoners were said to include 57 German officers and 2,069 men. One hundred and 78 officers were listed among the Italian captives.

Captured equipment, the British said, included 16 German and 44 Italian field pieces "in first class condition" and large quantities of other arms, munitions and supplies of all kinds.

German Soldier Shot in Paris

Vienna, Jan. 21 (AP)—The shooting of a German soldier outside an amusement center in Paris was disclosed today when German authorities advertised in newspapers for a witness.

The authorities said through the newspapers that a number of suspects had been rounded up. They asked a girl who was believed to have witnessed the shooting to present herself to identify the assassin from among the suspects.

The shooting occurred outside Luna park near the Mallot gate.

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Jap Ship Torpedoed By Mosquito Boat

Washington, Jan. 21 (AP)—For a daring exploit brilliantly accomplished, the navy wrote a new name on the role of its war heroes today and added one more ship to Japanese losses for the Philippines invasion.

The name belonged to 30-year-old Lieutenant John D. Bulkeley of Long Island City, New York, who rocketed a swift motor torpedo boat into enemy-held Binaiga bay and torpedoed a 5,000-ton Japanese vessel, despite a storm of enemy fire.

Thus did the navy's new "P.T." boat make its spectacular debut in the Pacific war theatre and the action undoubtedly heralded many similar attacks in the future.

The nocturnal assault, suggesting anew the steadily wider operations of Admiral Thomas S. Hart's far eastern command, was reported by the navy department in a communiqué last night which said that Bulkeley "has been commended for executing his commission successfully."

Japan to Bring Allies to Knees Declares Tojo

Premier Reports on War Claiming Unbroken Succession of Victories

Tokyo, Jan. 21 (Official Broadcasts Recorded by United Press in San Francisco and New York)—Premier Hideki Tojo warned the 79th session of the diet today that Japan "must be prepared for difficulties of various tasks that may arise in the future so that the present war will become a successful one."

Speaking at the opening session of the diet, called to vote more war funds, Tojo said that although the United States and Britain had suffered early setbacks, "it is not difficult to imagine that they will stubbornly resist and try to turn the tide."

Brought to Knees

He said Japan, working in close cooperation with Germany and Italy, was prepared to fight until the United States and the British empire "are brought to their knees."

A full report on the conduct of the war and Japan's intentions toward interested nations was delivered to the diet by Tojo and Foreign Minister Shigenori Togo. Tojo said that American and British "bases of aggression in east Asia are crumbling one after another."

Of Japan's relations with other nations, the diet was told:

Australia: "Japan will show no mercy if they continue resisting."

Other Relations

Netherlands: "Japan harbors no enmity toward the people of The Netherlands East Indies. Now, however, that America, Britain, The Netherlands and Chungking in collusion have turned their countries into a military base, and the NEI itself has embarked on a course of flagrant hostilities, we have been compelled to commence armed hostilities against that country."

The Philippines: "Japan will gladly enable the Philippines to enjoy the honor of independence and to further cooperate with us as one of the partners toward the establishment of greater east Asia."

China: "There still exists elements in Chungking that rely upon America and Britain, but the day is not far distant when they, too, reflecting on the entire mission of greater east Asia, will cooperate in the construction of the new order."

Russia: "The relations between Japan and the Soviet Union... are regulated by the neutrality pact."

South America: "We are prepared to respect fully the position of the South American countries so long as they are not misled by American and British machinations and do not adopt a hostile or unfriendly attitude toward Japan."

Germany and Italy: "However fanatically America and Britain may endeavor to alienate Japan, Germany and Italy and their allies, there is no room for such imaginings. The iron will of the axis powers is not to be compared with that of the so-called allies."

Palestine in Miniature

proclaimed the "eighth wonder of the world," showing daily afternoon and evening at Court and Commercial streets, for the benefit of the American Red Cross war relief fund. Continuous show.

City of Atlanta And Ciltvaira Sunk by U-Boats

44 of Crew of Atlanta Lost—MacArthur Repels Assault in Luzon

Washington, Jan. 21 (AP)—The navy department announced today two more attacks on steamers off the Atlantic coast with one ship sunk, the other believed sunk, and a loss of 46 men dead and missing.

The steamers were the American ship City of Atlanta, which was sunk either by shell fire or torpedoing, and the Latvian steamer Ciltvaira. Both ships were attacked January 19.

The attack on the City of Atlanta occurred in the morning of that day off Cape Hatteras, N.C. The Ciltvaira was torpedoed "off the Atlantic coast," the navy said, and 21 members of the crew arrived at the coast guard base at Charleston, S. C., yesterday aboard an American tanker.

The heaviest loss was aboard the City of Atlanta. The navy reported 43 missing and one dead out of a crew of 46. Two survivors are in a hospital in New York.

Two men were reported to have lost their lives aboard the Ciltvaira and survivors included, in addition to the 21 members of the crew taken into Charleston, nine officers and crewmen picked up by another rescue ship and now en route to port.

(Associated Press War Editor)

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 "the Yanks are coming" with A.E.F. vanguards already in action or en route to far-flung battle zones. Singapore's defenders shot down 13 Japanese raiders off the Singapore island canted 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—without confirmation elsewhere—that Japanese spearheads had thrust within six miles of Johore strait, mile-wide water barrier to Singapore, and asserted that large Japanese forces were moving up for a direct assault on the island stronghold.

Heavy Fighting

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

In the Philippines, a war department bulletin said Gen. Douglas MacArthur's valiant American-Pilipino defense forces had driven back the Japanese invaders with heavy losses "in particularly savage fighting" on the Bataan peninsula.

The communiqué said Japanese troops had gained "some initial success" on the Bataan peninsula.

(Continued on Page 8, Column 4)

Guard Against Typhus Spread

London, Jan. 21 (AP)—Health Minister Ernest Brown today announced the government had taken special precautions against spread to the British Isles of typhus, dread disease creeping through eastern and southeastern Europe and which has reached North Africa.

The war office has consulted Russian specialists in London on means to check the spread of typhus to British and British-controlled areas.

Brown said that the ministry of health had also taken precautions against the spread of typhoid fever from eastern Europe and that local authorities would be able to effect immediate large scale inoculation whenever advisable.