

Weather Report

Prince Rupert—Clear, cool, calm.

The Daily News

NORTHERN AND CENTRAL BRITISH COLUMBIA'S NEWSPAPER

Tomorrow's Tides

High 9:41 a.m. 20.7 ft.
22:30 p.m. 18.0 ft.
Low 3:04 a.m. 7.3 ft.
16:10 p.m. 5.7 ft.

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PRINCE RUPERT, B.C., SATURDAY, DECEMBER 13, 1941.

PRICE: FIVE CENTS

Japanese Are Now Being Stopped

Nazi Catastrophe In Russia

Quarter Million Man Army Before Moscow Is Utterly Defeated

Vast Quantities of Materials Being Abandoned by Germans in Their Disorderly Retreat Over Frozen Plains—Is Greatest Soviet Victory.

LONDON, Dec. 13: (CP)—German set-backs in Russia, typified by Soviet announcement of the utter defeat of a 750,000-man army before Moscow, may develop catastrophically for the invaders, London military commentators said today. Observers expressed the belief that the speed with which captured munitions were

Heading For Mediterranean?

LONDON, Dec. 13: (A)—A British source said today that the bulk of the German air force, which is reportedly being withdrawn from the Russian front, might be concentrating for a terrific assault on the British Mediterranean fleet. He said Axis attempts to defend North Africa are doomed unless the supply route across the Mediterranean is opened.

SALES TAX BEING CUT

Automobile Industry Is Being Assisted To Maintain Price Structure

OTTAWA, Dec. 13:—The form of assistance granted to the Canadian automobile industry, in order to enable it to maintain the 1941 price structure as the price ceiling on 1942 automobiles, has been a writing down of the sales tax, it is learned here.

Some mystery about this matter so far unclarified by the price control authorities of the War-time Prices and Trade Board, has led to reports in Eastern Canada that substantial assistance has had to be given to the motor car industry to permit it to operate under the price ceiling.

The circumstances under which it was decided to grant rebates of sales tax have not been disclosed, but it is understood that motor car production costs have gone up and Chrysler is understood to have installed 1942 improvements that justify a variation of price from the 1941 scale. What the position has been with the other two Canadian manufacturers, Ford and General Motors, has not been disclosed.

Rotary Club Sends Check for Queen's Bomb Victim Fund

The Prince Rupert Rotary Club has sent a check for \$102.75 to the Queen's Canadian Fund for British bomb victims. This amount includes donations received as follows:
Prince Rupert Reading Club \$9.
Women's Navy Auxiliary 50.
Centennial Rebekah Lodge 5.
Alex Finnie 10.
Rotary Club 28.75

Jack Morrison is sailing tonight on the Prince Rupert for a trip to Vancouver and Victoria.

NAZIS ARE ENCIRCLED

British Forces Are Driving Westward Through Libya Toward Derna and Bengasi.

CAIRO, Dec. 13: (P)—British forces west of Tobruk are attacking encircled Axis troops at Gazala, British headquarters declared today. A communique said New Zealand forces had cut off Gazala in a drive from Tobruk and said that other British columns well in the west were causing widespread confusion and destruction among scattered Axis units while attempting to break through toward Derna and Bengasi.

WORKING MIDWAY

No Interruption With Cable Communication Across Pacific, San Francisco Reports

SAN FRANCISCO, Dec. 13: (P)—The Postal Telegraph cable department reported today it was working Midway Island without interruption. Earlier in the week Japan claimed it had taken possession of Midway, Wake and Guam Islands but it has since been learned that such was not the case.

War News

DARING LIBYAN EXPLOIT

ALEXANDRIA—Sweeping within point blank range, a British cruiser heavily shelled Derna on the Libyan coast in a daring surprise attack yesterday and safely emerged from one of the biggest dive-bombing assaults since Crete. Axis shipping and harbor installations were heavily damaged. Meanwhile, the British forces on land are steadily moving forward against the Axis west of Tobruk. A point fifty miles west of Tobruk has now been reached.

AIR ATTACK ON MANILA

MANILA—There has been a fierce air attack on Manila and Nichols air field beyond but the American military authorities state that damage has not been serious, defenses proving effective. Japanese forces have been landed on Luzon Island, but the situation is well in hand.

MALAYA AND HONG KONG

SINGAPORE—Japanese forces landing on north Malaya are engaged in fierce fighting through the jungle with the British defenders. At Hong Kong, according to Japanese claims, the defenses have been penetrated a distance of fifteen miles.

SECOND ITALIAN CRUISER SUNK

LONDON—The Admiralty announced today that another Italian cruiser had been sunk by British destroyers in the Mediterranean, making the second to be sunk in two days.

CATASTROPHE FOR NAZIS

LONDON—British military authorities here predict that the Nazi retreat before the Russians west of Moscow will develop into a catastrophe for the Germans. Berlin itself admits reverses, although claiming that these are only of local character. The second general offensive of the Nazis against Moscow is being completely routed, Moscow asserts, declaring that no less than 85,000 Germans have been killed between November 16 and December 10 with twenty-three out of fifty-one divisions wiped out. Enemy tanks numbering 1434 have been completely destroyed with 5416 lorries, 675 guns, 335 trench mortars and 870 machine guns.

GUAM CAPTURE PROBABLE

WASHINGTON—The United States navy announced today that it was unable to communicate with the Pacific island of Guam by either radio or cable and added that capture of the island by the Japanese was probable. There is no confirmation here of reports that Honolulu was bombed six times during the first nine hours following arrival there of Secretary of the Navy Frank Knox.

UNDER PROTECTIVE CUSTODY

WASHINGTON—French sailors have been removed from French vessels in American ports. This action has been taken for their own safety. French ships are still in a state of "protective custody" and are still flying the French flag.

FOUR DEAD, TRAM LINE

B. C. Electric Freight Collides With Speeder On Marpole Branch South Of Vancouver

VANCOUVER, Dec. 13: (P)—Four men were killed when a speeder collided with a British Columbia Electric Railway freight train on the Marpole line south of here yesterday. The killed were Arnes K. Aho, Ernest Hillyer, John Dyck and Steve Porkyo.

TRANSPORT WIPED OUT

4000 Japanese and Their Boats, Enroute to Malaya, Smashed By Netherlands Submarines.

BATAVIA, Dec. 13: (P)—Netherlands submarines were credited today with the destruction of about four thousand Japanese soldiers and four transports off southern Thailand and another naval force was said to have liquidated a Japanese settlement on the east coast of Borneo. The transports were smashed as Japanese reinforcements were being moved to the Thailand front.

Invasion Attempts In Malaya and Philippines Are Checked; Hong Kong Being Hard Pressed

DESTROY ITALIAN FLOTILLA

Three Axis Cruisers Believed to Have Been Disposed of by Allied Submarine Attack

LONDON, Dec. 13: (P)—A pack of British and Netherlands destroyers pounced suddenly on two Italian destroyers in the Mediterranean and left another burning, the Admiralty announced today. With an Italian cruiser sunk by a British submarine yesterday, an entire flotilla of three Italian cruisers has, apparently, been destroyed.

GAS RATION NEXT SPRING

After Then It Will Be Supplied Only On Production Of Rationing Coupons

OTTAWA, Dec. 13:—Rationing of gasoline will go into effect in Canada next April 1, it was announced yesterday. There will be no gasoline supplied after that date without rationing coupons. Restrictions will be placed on the supplies to drivers of non-essential private cars.

Commercial vehicles will be supplied on the basis of their normal requirements. Donald Gordon, chairman of the Wartime Prices and Trade Board, says that rationing of other goods in Canada may soon be expected.

JAP ENEMY TO RUSSIA

Soviet Ambassador to United States Does Not Pay Very Complimentary Respect to Nipponese.

WASHINGTON, D.C., Dec. 13: (P)—Maxim Litvinov, Russian ambassador to the United States, today characterized Japan as "our common enemy" and called the Japanese "Axis gangsters."

Litvinov told a press conference "complete understanding exists or will be arrived at" between powers opposing Axis aggression.

NEW PRICES FOR WHEAT

OTTAWA, Dec. 13:—Consideration of western wheat prices in view of the new price ceiling policy will be before Ottawa authorities this week, it is expected.

The question whether the precedent already established with respect to Ontario soft wheat followed with respect to western hard wheat may be decided soon.

The new price ceiling on Ontario soft wheat has been defined as \$1.26 a bushel, on a Montreal basis, which means an average of \$1.12 to Ontario farmers to whom however wheat growing is a minor line.

The Wheat Board is acting as administrator of prices for the Wartime Prices and Trade Board, with respect to grains.

Spectacular Dogfight Over Manila—Domei News Agency Claims Capture of Kowloon—Better News From Singapore Today.

Sea-borne Japanese troops, which gained a foothold at Lingayen on the west coast of Luzon Island in the Philippines, 100 miles north of Manila, have been wiped out, it was reported officially today as United States fighter planes pitched into waves of Japanese bombers in a spectacular dogfight over the Philippine capital.

United States strength in the Philippines arena of war is gathering strength daily. There have been no new gains and no new landings by the enemy during the past twenty-four hours.

Several Japanese planes were shot down during today's air raids. Fifth columnists, who are said to have fired red flares to attract the enemy bombers, are being rounded up.

A Domei broadcast dispatch from Saigon, French Indo-China, asserted that British troops defending Hong Kong had withdrawn from the first line of defence following Japanese capture of Kowloon on the mainland facing the British naval base.

In London authoritative quarters acknowledged that British troops might have withdrawn from Kowloon but said there was no confirmation of the Japanese claim that Kowloon had been occupied.

Chinese declared today that their troops had recaptured Szechuan, strategic point north of Hong Kong, in hard efforts to relieve pressure on the British Hong Kong garrison.

Royal Air Force reinforcements are being sent both to Malaya and Hong Kong.

At Washington the War Department reported that the Japanese had bombed Cebu in the Philippines and said "the enemy plan is now clearly revealed as an attempt to secure improvised air bases outside the area encompassed by our ground defenses."

Tonight's British communique from Singapore indicated that Japanese invasion of upper and middle British Malaya had been checked.

Bulgaria Declares War on Gt. Britain And States-Berlin

BERLIN, Dec. 13:—The Berlin radio says that Bulgaria has declared war on Great Britain and the United States. Last month Great Britain severed diplomatic relations with Bulgaria.

Blackouts Now Suspended

SEATTLE, Dec. 13:—Blackouts in Washington and Oregon are being discontinued indefinitely, civilian defence authorities announced yesterday.

Xmas Shopping Rush Expected

VANCOUVER, Dec. 13:—Vancouver merchants are preparing for a real rush of Christmas business. Shopping had been slowed down owing to the blackout at the first of the week.

Only 9 Shopping Days Until Christmas.

