

Kiver, and operations here may lead to encirclement of the German forces both in the Donetz Basin and on the shores of the Sea of Azov.

The Nazis are fighting desperately to hold their ground in the hope of launching a spring offensive against the Caucasus, but, says the Stockholm correspondent of the Times, Berlin military spokesmen can not disguise their anxiety over the Red army's victorious progress towards Berdyansk, on the Sea of Azov, as its capture by the Russians would be a serious setback.

Von Kleist's troops, since their smashing defeat at Rosov, have been making a stand at Taganrog. The capture of Berdyansk would cut them off.

Kharkov, Kursk and Orel are still in the enemy's hands, but all three cities are threatened by advancing Russians, who show their inventiveness in warfare by using ice-yachts to transport troops along frozen rivers and over lakes sometimes at 60 miles hourly.

In Berlin, hopes are expressed that the Nazi armies will be able to hit back in southern Russia by the end of March, when the thaw usually sets in. But the Russian high command is pressing its advance everywhere so as to take full advantage of winter conditions.

What it has to do during the next two months to wreck Nazi plans is to recapture the whole of the Donetz region, including the great Dnieper arm, seize Smolensk and expel the enemy from the Leningrad area. It is a stupendous task.

Bands of German deserters have escaped from the eastern front into the forests of East Prussia, where Nazi military police have been sent to round them up.

The siege of Singapore is being officially on Saturday last, says the Times correspondent, when a great breach was blown in the stone causeway leading the island by railway with the mainland. Artillery started firing across the straits during the night but there was no activity by the Japanese.

Some isolated British troops over the withdrawal of the main forces from the mainland, and cut off by destruction of the causeway, swam back to the island without difficulty.

Air strength will largely decide Singapore's fate, says the Times correspondent. If the Japanese gain command of the air it will be difficult for British ground forces to maintain position, but if the Royal Air Force gains superiority the whole tide of battle may turn.

The island's anti-aircraft batteries keep the Japanese bombers at a height that prevents accurate bombing, but more fighter aircraft are urgently needed. These should smash up enemy fighters and bomber formation flying over the island.

Editorially, the Times says the positive value of the Singapore naval base has been lost.

(Continued on Page 2.)
See TIMES.

R.A.F. ACTIVE

(By Associated Press.)
CAIRO, Feb. 2.—British forces have fallen back about 100 miles from Bengasi under attacks by Axis forces "in considerable strength," the Middle East communique announced today.

The war bulletin mentioned fighting at Maraua, 85 miles east of Bengasi, and in the Slonta area, which is about 19 miles still farther northeast.

Maraua, roughly midway between Bengasi and Derna on the hump of Cirenaica, lies east of Barca, which Axis communique reported today has fallen to Field Marshal Erwin Rommel's troops.

At Maraua the British announced said, the 11th Infantry Brigade carried out a successful counter-attack "in which many casualties were inflicted on the enemy" and counter-attacks also checked the enemy in the Slonta area.

Cairo Cabinet Quits
CAIRO, Feb. 2.—(AP)—The Egyptian cabinet headed by Prime Minister Usseln Sirry Pasha, resigned today as the aftermath of student demonstrations against it.

Ontario Hires B.C. Japs
PREY OF CANADIAN WARSHIPS
Survivors' Tales Hint Three Axis Subs Sunk in Atlantic
(By Canadian Press.)
AN EAST COAST CANADIAN PORT, Feb. 2.—Possibility that three Axis submarines might have been wiped out in brushes with merchant ships and Canadian warships in the Atlantic recently was seen here today as sailors of the merchant vessels told of the encounters.

The men of one Canadian merchantman told of ramming two objects believed submarines within a few minutes, and of a subsequent hour-long attack by two Canadian corvettes. Crewmen of a British freighter said they had opened fire at night on what appeared to be a submarine and had scored direct hits.

PICKS UP SURVIVORS.
That same day, the British vessel picked up 32 survivors of a torpedoed tanker who had been in a lifeboat 18 hours. The shipwrecked men, who were brought here, reported 10 others aboard the ship were killed.

The fourth engineer of the Canadian freighter, whose name can not be revealed, told of the meeting with the supposed U-boats after his vessel had put into port for repairs. She was damaged only slightly in the bow.

The collisions came at night, the engineer said. The ship scraped over one obstruction and about five minutes later ran into another one.

START BOMBING.
A few minutes later, the corvettes started depth-bombing in that area, he said, apparently having picked up the sound of submarine engines. He counted 18 explosions.

The British vessel's adventure came about in a similar way. At dusk, her keel grated over some object. Shortly after, the silhouette of what seemed to be a sub loomed up about 50 yards away. Opening fire, the ship's gunners appeared to score two hits. The object disappeared.

R.C.A.F. Bans Enlistment of U.S. Volunteers
Flt. Lt. J. C. Hackney, officer commanding the R. C. A. F. recruiting depot in Vancouver, said today an order to stop enlisting American boys had been received from headquarters in Ottawa.

Before and since the Pacific war started more Americans tried to enlist in the air force than could be accepted. They were signed up on monthly quotas which varied from time to time according to the facilities available for assigning men to manning depots.

Unlike Canadians, who generally have jobs or relatives in the vicinity, American boys were generally dependent upon the R. C. A. F. for maintenance until assigned to depots.

Expect Rationing of Electric Power
WASHINGTON, Feb. 2.—(AP)—Rationing of electric power in nearly every sector of the United States is expected in informed circles here.

JAPS' BALLOON BARRAGE USELESS IN DEFENSE OF ARMADA
EYE-WITNESS STORY OF MACASSAR
Dutch Airmen Put Japanese Losses at 32 Ships, 16 Planes; Allied

leave from his squadron, told the Aneta News Agency.

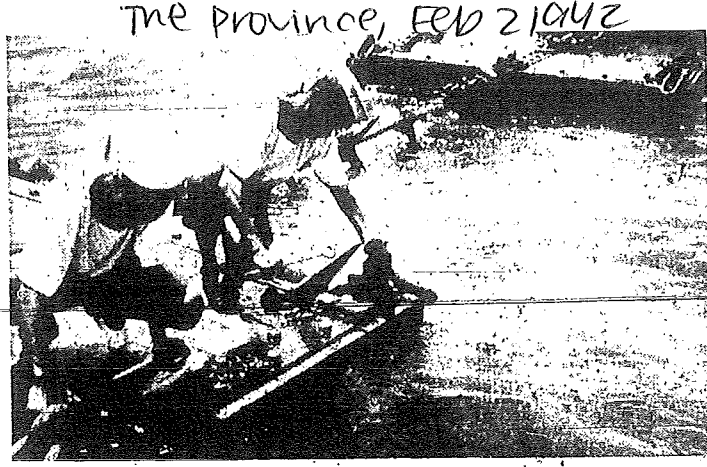
"Finally, on Friday, January 23, through a rift in the clouds we sighted the enemy—a convoy of about 23 ships as far as we could make out. The convoy was hugging the Celebes Coast and had reached a point east of Balikpapan when we discovered it.

SMASHING ATTACK.
The convoy consisted of two

fighter flights. One large warship—we think it was a battleship, but things happened so fast we could not make sure—was sunk—a heavy cruiser was set on fire and a listing destroyer, when we last saw it, and another cruiser, four transports and a destroyer were fired.

"The Japs carried an elaborate balloon barrage, which rose about 9000 feet above the decks

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two operations which may have at the tide of the war in the Far East.

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The U. S. Fleet, engaged in w from the naval base at Pearl H anese bases in the Marshall and Gil lines from Britain and Australia.

Planes, Auxiliaries Smashed by Fleet

(By Associated Press.)
WASHINGTON, Feb. 2.—A sea and air attack by the United States Pacific fleet on the mid-Pacific flank of Japan's broad offensive, announced yesterday, raised the probability of a full-fledged offensive in the enemy's vulnerable island mandates, timed to ease the siege of Singapore and check the pressure on the East Indies and Australia.

The navy department said warships and planes of the Pacific fleet had wreaked terrific damage on Japanese naval and air bases in the Marshall and Gilbert Islands, lying across the route of supply to the Western Pacific combat areas.

Many enemy auxiliary ships were sunk or damaged, many enemy planes were destroyed and the installations ashore were heavily battered. The communique gave no figures on enemy losses.

Two United States warships were slightly damaged by "near misses" of Japanese bombers and 11 aircraft were lost.

It was, so far as has been reported, the first time American bombs have fallen on Japanese territory.

BIG SHIPS AWAY.
The communique reflected fierce aerial fighting, the Japanese apparently putting up a stiffer defense with pursuit planes and anti-aircraft guns than they did with warships or coastal batteries.

The loss of 11 American aircraft also bespoke severe fighting aloft. It was believed to be the heaviest loss suffered by United States air forces in a single engagement to date but if the ratio of Japanese to American losses which has prevailed in previous air fights was maintained, the Japanese suffered a vastly heavier blow.

The communique said Admiral Chester W. Nimitz, Pacific fleet commander, "reports that... no large enemy combatant vessels were found," a phrasing which led to surmise that the attackers had hoped to surprise

(Continued on Page 2.)
See U.S. FLEET.

Los Angeles Cleans Out Alien Japanese
SAN PEDRO, Calif., Feb. 2.—(AP)—Male Japanese aliens on Terminal Island were taken into custody today by 180 federal, city and county officers and are being held at the immigration station on the island.

The Japanese population of the island, a vital naval and ship building centre in Los Angeles harbor is about 2200, of whom about 800 are aliens. Male aliens, mostly fishermen and cannery workers, are said to total 400.

Reid Charges MacMillan Over Boats
By Daily Province Staff Correspondent
OTTAWA, Feb. 2.—Tom Reid, M.P., charged in the course of an address this afternoon that "no sooner had it become known that the Japanese fishing fleet was being taken into custody and that no fishing licenses would be issued to the Japanese for the duration of the war than representations were made by certain interested parties asking for the release of the boats to the Japanese again."

"What interests?" demanded some members.

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WEAK ON GEOGRAPHY

Trainees on Walk to Frisco

FRANBROOK, B.C., Feb. 2.—(AP)—A bit weak on Canadian geography and distances, two to get a glimpse of it and San Francisco on their first long leave. They found the Pacific