

Churchill Shifts His Base Of Operations From Quebec And Visits Falls Of Niagara

CONFERENCE LATER

FDR And Prime Minister Will Meet In Canada For Talks

PARLEYS CONTINUING

Military Men Still Discussing Plans In Absence Of Leader

QUEBEC, Aug. 12.—(AP)—Britain's prime minister temporarily shifted his base of operations away from Quebec today, while British, Canadian, and an advance guard of American military men continued a review here of the master war strategy of the Allies.

Prime Minister Churchill and President Roosevelt will meet in Quebec later on for concentrated war discussions and a meeting of the British-American chiefs of staff.

Leaves Late At Night

Churchill left here late last night and showed up this morning at Niagara Falls, where he viewed the scenic splendors of the giant cataract on the Canadian-American boundary. Then he boarded a special six-car train and left for an undisclosed destination.

The prime minister was accompanied by his daughter, Mary, and a large party.

Prime Minister W. L. Mackenzie King of Canada, with whom Churchill had been in consultation here for two days, remained in Quebec, along with the ranking military, naval and air advisers the two statesmen had brought along with them.

The only word during the day from Canadian officials was that military talks still were going on during Churchill's absence.

The time when he will come to Quebec for war councils behind the walls of the city's famed old Citadel cannot be disclosed.

Their deliberations are expected to pick up where they left off in Washington last May and produce a secret pattern for combat operations around the globe, plus an agreement on political, relief, and administrative policies to be pursued as additional territory is wrested from Axis hands.

The opinion prevails here that the sixth war parley of the two United Nations' statesmen will follow the lines of those in the past to the extent that it will be primarily an Anglo-American affair, with the Canadians making it triangular whenever matters come up that particularly affect them.

Mackenzie King and his highest military advisers went to Washington last May, although they were less active in the talks there than the British and Americans. That may be the case again, even though the conferences this time take place on Canadian soil.

AAA President Sees More Gas For State With Next Few Days

CHARLOTTE, Aug. 12.—(AP)—Coleman W. Roberts, president of the Carolina Motor Club, said today he was confident the gasoline rations of A-car holders in the Carolinas would be doubled within a week or two.

He made his prediction in an interview with the Charlotte News. At the same time he declared the club would demand a Congressional investigation of gasoline marketing, pricing, and rationing in the two states.

FDR Promises Filipinos Independence After War

Russians Say Presence At FDR-Churchill Talk Not 'Asked Or Fitting'

LONDON, Friday, Aug. 12.—(AP)—The Soviet government today answered criticism of the absence of Russian delegates to the forthcoming Roosevelt-Churchill conference at Quebec by saying that such Russian participation "is neither suggested nor fitting."

HUGE POST-WAR PROBLEMS SEEN

City Officials Told That Federal Government To Face Big Job

RALEIGH, Aug. 12.—Calling for intelligent and systematic planning for peace time, State Treasurer Charles M. Johnson today told the North Carolina League of Municipalities that the post-war problem to be faced by the American people will be "of such proportions that the federal government alone will not be able to handle it."

Johnson, who is also director of local government in North Carolina, said that "local and state governments must prepare now to share in handling this post-war problem when it comes."

"America, after the war, will be faced with a social and economic problem of finding jobs for the men and women who are released from the armed forces. Private industry is preparing now to convert to peace time production, but it will not be able to take care of all the unemployed," he said.

Stating that he was not advocating a rash and precipitant spending program, productive of wastefulness and extravagance, he advocated, however, the restoration of existing properties to pre-war conditions, new construction, additions and improvements, and the expansion of public works.

He declared that he hoped the country would "be spared the ailments and wastefulness of another WPA."

Harold F. Alderfer, planning consultant of the American Municipal Association of Chicago, urged municipalities to plan now a program of progress after the war. He urged the planning of a financial program, depending entirely upon municipal revenue, to take care of any expansion.

Continuing his program of discussing municipal problems, the league conducted roundtable conferences which considered various questions. Conferences were presided over by John Ward, Charlotte city councilman; Dr. Harold Myer, executive secretary of the State Recreation Commission; Mayor George Coan, Jr., of Winston-Salem; W. B. Campbell, Wilmington city attorney; George N. Earnhart, Tarboro city clerk; R. W. Madry, mayor of Chapel Hill; H. Rutter, city manager of Gastonia; M. Swartz, superintendent of utilities of Greenville.

LIBERTY TO BE QUICK

President Says Islands To Be Free Shortly After Jap's Defeat

WASHINGTON, Aug. 12.—(AP)—President Roosevelt tonight promised the Filipino people full independence from the United States "the moment the power of our Japanese enemies is destroyed" and said that such freedom would come quickly.

In a recorded radio address broadcast to the Philippines on the occasion of the 45th anniversary of American occupation of the islands, the President said flatly: "I give the Filipino people my word that the Republic of the Philippines will be established the moment the power of our Japanese enemies is destroyed. The Congress of the United States has acted to set up the independence of the Philippines. The time will come quickly when that goes into full effect."

"You will soon be redeemed from the Japanese yoke and you will be assisted in the full repair of the ravages caused by the war," the chief executive's remarks were interpreted in Philippine circles here as countering Japanese Premier Tojo's reported pledge to the Japanese-seized islands that they will be made an independent nation by the end of this war.

Joaquin M. Elizalde, Philippine resident commissioner in Washington, gave this meaning to the address. He also said it meant that the islands would not have to wait until July 4, 1946 for full freedom as provided by the Tydings-McDuffie independence act, but that political independence would be "automatic" when the Japs are driven out.

"This would require amendatory legislation by the American Congress, but Elizalde saw no difficulty there. Present law provides for full freedom after a transition period to prepare the island economically to become a republic."

Elizalde said Tojo's independence promise was being followed up by a commission in the Philippines working on a new constitution.

WEED SALES SHOW RISE IN VOLUME

Better Grades Of Tobaccos Trickle In To Border Belt Marts

Heavier sales and the introduction of better grade tobaccos characterized activity on nearby tobacco markets Thursday, according to reports of sales supervisors.

"Chadbourne tobacco sales begin to look like old times," observed Bernard W. Peal, who listed 116,008 pounds sold there, at an average of \$42.02 per hundred. "Thursday was the largest poundage day so far, and prices on all grades were stronger," he said.

Five hundred thousand pounds of the weed were sold on the Whiteville warehouse floors, with better grades showing from one to two dollars increase in price. Lower quality lots and primings hovered around \$40 and \$41.

Official government figures released on Fairmont activities showed 600,892 pounds sold, the average being \$41.99 per hundred. The money paid out amounted to \$25,330.65. The low basket of tobacco went for \$15; the top basket for \$51.

Soviet Army Now 5 Miles From Kharkov

Russians Drive Through Suburbs Of Vital City In Steady Push

CHUGUEV IS CAPTURED

Important Offensive May Completely Seal Fate Of German Force

LONDON, Aug. 12.—(AP)—Russian forces drove through the suburbs to within five miles of Kharkov from the northeast tonight, a Russian special communique said, apparently making the fall of that Ukrainian manufacturing center certain on the eighth day of the Soviet offensive.

Southeast of Kharkov the Russians captured the strategic German stronghold of Chuguev, 22 miles away. It was the capture of Chuguev by the Russians which precipitated the fall of Kharkov in last winter's Soviet offensive. The Germans then recaptured Kharkov and the surrounding area a month later.

20 Areas Are Taken

German reports had mentioned a large Russian shock force gathering strength in the Chuguev area last week. Capture of the center indicated that an important offensive, which may completely seal the fate of the Germans defending Kharkov, was on the march.

In the Kharkov push more than 20 towns and villages fell to the onrushing Soviets, said the communique, broadcast by Moscow radio and recorded by the Soviet monitor.

With Kharkov almost completely encircled, another Russian force was swinging west, nearing the high-water mark of their offensive last February. By taking Kotelva, 65 miles west of Kharkov, they were threatening the rail junctions of Sumy and Poltava. But they were still 37 miles southeast of Lebedin, the farthest point reached last winter.

To the north, the Russians

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WASHINGTON, Aug. 12.—(AP)—Army and Navy authorities are taking part in current tax studies and are counselling against any increases so steep as to destroy the incentive for fullest possible war production, Secretary of the Treasury Morgenthau disclosed today.

Backed by the War Production Board, the armed services want to make sure that existing incentive systems—under which workers are swelling their incomes by putting forth greater efforts—are not nullified by taxation.

Thus a new factor entered the drafting of a program intended to raise an additional \$12,000,000,000 during the year beginning January 1. The Treasury already has indicated it is studying means to prevent inequitable tax burdens on persons whose incomes have not conformed to the upward trend.

Explaining to his press-radio conference the presence of Undersecretaries Patterson and Forrestal of the War and Navy Departments at the first of a series of exploratory tax conferences earlier this week, Morgenthau said they have a two-fold interest in taxes.

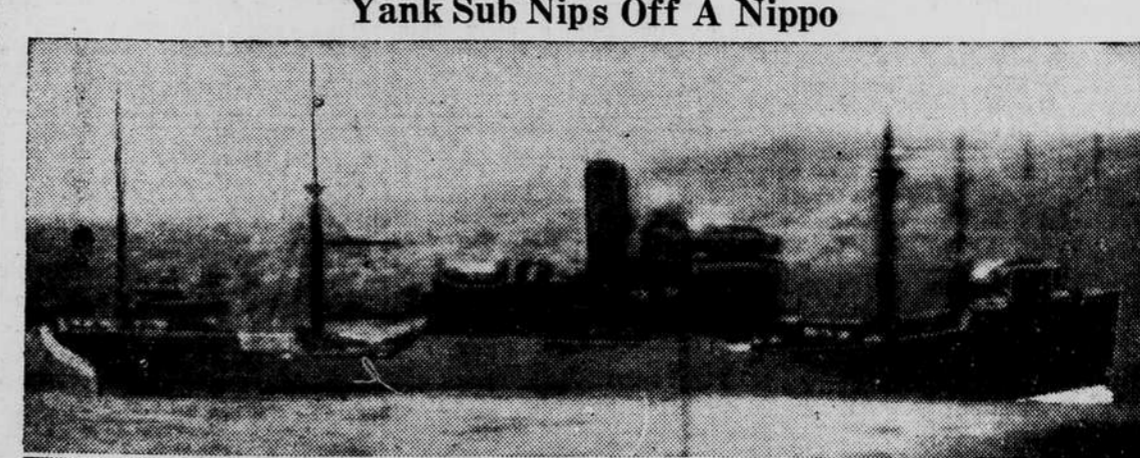
WEATHER

NORTH CAROLINA: Continued warm today.

(Eastern Standard Time)
(By U. S. Weather Bureau)
Meteorological data for the 24 hours ending 7:30 p. m., yesterday

1:30 a. m., 75; 7:30 a. m., 76; 1:30 p. m., 81; 7:30 p. m., 78. Maximum 86; minimum 74; mean 80; normal 78.
1:30 a. m., 97; 7:30 a. m., 93; 1:30 p. m., 84; 7:30 p. m., 82.
Total for the 24 hours ending 7:30 p. m., 0.68 inches.
Total since the first of the month, 3.00 inches.
Hides For Today
(From the Tide Tables published by U. S. Coast and Geodetic Survey)
Wilmington 7:17a 2:20a
4:57a 11:18a
Masonboro Inlet 5:43p 11:25p
5:02a 11:25p
Moore's Inlet 5:48p 11:25p
5:02a 11:25p
New Topsail Inlet 5:07a 11:25a
(Elmore's) 5:53p 11:25p
(All times Eastern Standard)
Sunrise 5:32 a. m.; sunset 7:01 p. m.; moonrise 5:22 p. m.; moonset 2:51 a. m.

Germans Now Fleeing From Island Of Sicily



Photographed through the periscope of a U. S. submarine, the Japanese freighter in the top photo is seen as it plugged along, hugging the shore of a South Pacific island. A curt order from the sub's skipper, "S-s-swish!" goes a torpedo, racing toward the doomed ship. Then "WHAM!"—as seen in bottom photo. Uncle Sam tallied another score against the Japanese supply fleet.

Japanese Positions In Kuriles Blasted Again By Big Bombers

NAZI OIL PLANTS BOMBED BY U. S.

Flying Fortresses Smash Through Defense To Pound Gelsenkirchen

LONDON, Aug. 12.—(AP)—American Flying Fortresses smashed through heavy German defenses in the Ruhr and Rhineland today to deliver daylight attacks on synthetic oil plants at Gelsenkirchen and Wesseling and industrial targets at Bonn after a layoff since the end of July.

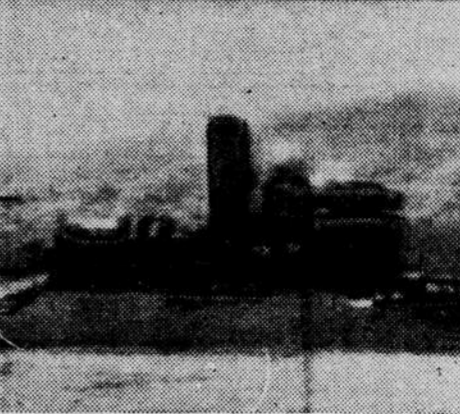
Twenty-five of the four-engine craft were lost, but it was announced that they shot down at least 20 enemy fighters and that escorting Thunderbolts and Spitfires destroyed three more. Crews reported that targets in all three cities were left flaming.

The air offensive against the continent continued into the evening when a strong force of medium bombers, escorted by fighters, streaked across the channel in the direction of Cologne about 7 p. m.

RAF fighter planes were unusually active over the straits of Dover during the evening. Formations crossed a and recrossed to northern France for nearly two hours.

German fighter planes were encountered chiefly by the Fortress formations which pounded Gelsenkirchen, the battered oil refinery town 27 miles west of Dortmund on the Duisburg-Hamm railway, but the Nazis threw up an explosive anti-aircraft umbrella over all three cities, a joint American and British communique said.

Yank Sub Nips Off A Nippo



Photographed through the periscope of a U. S. submarine, the Japanese freighter in the top photo is seen as it plugged along, hugging the shore of a South Pacific island. A curt order from the sub's skipper, "S-s-swish!" goes a torpedo, racing toward the doomed ship. Then "WHAM!"—as seen in bottom photo. Uncle Sam tallied another score against the Japanese supply fleet.

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LONDON, Aug. 12.—(AP)—Giant Liberator bombers, striking out 1,000 miles along the northern road to Tokyo, blasted Japanese defense positions in the Kurile islands for the second time, the Navy announced today, and shot down at least five of a group of 40 enemy fighter planes which tried to prevent their attack.

Two of the nine Army bombers which made the successful raid are missing, the Navy's communique reported. From the large number of fighters sent up by the Japanese it was evident that America's growing offensive strength in the North Pacific is giving the Japanese high command serious worry and causing the diversion of some enemy aerial forces to that strategic area.

This is one of the objectives of the over-all Pacific strategy which calls for hitting the enemy at several widely separated points in order to disperse his military power. Reports from the Southwest Pacific in the China area have spoken with increasing frequency about the declining effectiveness of Japanese air operations in those areas.

A contributing factor to this decline, it may be assumed, are the raids on the northern Kuriles, as well as the attacks which have been carried out against the enemy outpost at Wake Island in the Central Pacific.

The first raid of the war on the Kuriles, the northernmost of which is about 1,200 miles northeast of Tokyo, was made July 19. The Navy fixed the time of the second one at 8:11 a. m., today, East Longitude Time, which would be 6:11 p. m., yesterday, Eastern War Time.

"Numerous hits were scored in the designated target areas," the communique said. "About 40 enemy fighters intercepted, of which five were shot down and others probably destroyed or damaged." (Continued on Page Eight; Col. 2)

UNDER MUCH FIRE

Allied Airmen Are Steadily Pounding Evacuation Craft In Straits

FOE HAD GOOD CHANCE

Nazis May Avert Another Cap Bon Disaster Due To Short Route

ALLIED HEADQUARTERS IN NORTH AFRICA, Aug. 12.—(AP)—The bulk of German troops in Sicily are now in flight across the Messina strait to the Italian mainland under a merciless attack by Allied airmen braving a barrage from more than 500 anti-aircraft guns mounted on the escape beaches, front reports said tonight.

Leaving desperate rear-guards and road demolition squad behind to slow the American and British armies converging on Messina, the Germans have a good chance to avert another Tunisian disaster because of the narrowness of the strait. It is only two miles wide at one point.

The ring wing of the Nazi line was ensnared by the second American pincer movement initiated from the sea in three days, the left was slowly giving away under British pressure and the Germans' central anchor at Randazzo had been brought under light artillery fire.

Flight In Full Swing

A dispatch from Noland Norgaard, Associated Press staff correspondent who is attached to the British Eighth Army, said the German evacuation of the Messina bridgehead was in full swing, with at least 80 vessels ferrying men and equipment eastward across Messina strait night and day.

Axis anti-aircraft guns were declared massed in record strength in an effort to protect the vessels from Allied planes. The dispatch said the German high command, wishing to keep down the loss of equipment during the movement, had decreed that "the passport to Italy is a gun."

The retreat was described in a Berlin broadcast by Capt. Ludwig Sertorius, Nazi military commentator, as a "systematic new disengagement movement by German and Italian troops."

"What matters," Ludwig said, "is to prevent the enemy from extending his operations to objectives on the mainland."

Striving for the knockout, Gen. Dwight D. Eisenhower's officers steadily threw in fresh units to replace battle-weary troops at the front in the tight against numerically weaker German detachments which could obtain no such respite.

Tank-supported infantrymen of the U. S. Seventh Army, aided by American warships and warplanes landed from assault boats three or four miles behind the German lines on Capa Orlando just before dawn Wednesday. They beat off three Nazi counterattacks and established a bridgehead just as they did earlier this week to outflank the San Agata-Cesaro defense line, it was disclosed today.

Enemy transport, railways, roads and bridges were attacked by Allied aerial squadrons both in Sicily and southern Italy yesterday and U. S. Flying Fortresses

position on the peacetime seas. The United States Merchant Marine already surpasses the British in size, but maritime chiefs feel that the country could still be outclassed in world competition if the 11-knot Liberty ships were the backbone of the merchant fleet. The Liberty vessels, they feel, may prove to be seagoing white elephants when the war is over and the need for a vast number of bottoms, quickly and economically produced, is over.

William Francis Gibbs, WPB's chief of ship building and noted ship designer, has argued that winning the war is the immediate (Continued on Page Eight; Col. 6)

Hard Coal Dealers To Be Cut 10 Per Cent On Yearly Supply

WASHINGTON, Aug. 1.—(AP)—Secretary of the Interior Ickes, declaring that mine strikes have caused a loss of 3,500,000 tons of hard coal, announced today that anthracite dealers henceforth will be limited to 90 percent of last year's requirements.

The nation's fuel administrator declared at a press conference, "that we are going to have trouble to supply the demand" for anthracite but added that he did not think hard coal rationing would be necessary because "a type of bituminous coal suitable for household use" will be available for those hard coal consumers who might have difficulty getting sufficient quantities of anthracite to

heat their homes.

"He said this year's anthracite coal was 65,000,000 tons but that work stoppages have made attainment of that goal a virtual impossibility. As a result the solid fuels administration and other government agencies are starting an intensive fuel conservation campaign for anthracite." He said the anthracite distribution committee was studying the problem in New York and that to carry out the conservation program regional offices will be established in New York, Boston, Philadelphia, Wilkes-Barre, Penn., and Syracuse, N. Y., situated in the principal anthracite-consuming areas of the nation.

Spokesmen for the solid fuels administration said after the conference that the 90 percent allotment plan would be made effective "as soon as the details can be worked out." They said the restriction would remain in effect until production was high enough to meet consumer needs. Ickes said that "any future stoppages will, of course, make the situation much worse."

Although there was a loss in bituminous production as a result of the strikes, the fuel officials said this loss was not as severe as in anthracite because of the (Continued on Page Eight; Col. 3)

Tentative Plans For 1944 Shipbuilding Calls For No More Tonnage Than In '43

WASHINGTON, Aug. 12.—Tentative plans for merchant ship construction in 1944 call for no more tonnage and perhaps slightly less than the 19,000,000 deadweight tons scheduled to be built this year, informed officials said today.

The new, fast Victory ship, designed by the Maritime Commission as successor to the slow-moving, mass built Liberty ships, will play a large part in the 1944 program, it was said, but a "big proportion" of Liberty vessels will continue to come off the ways.

One government source, who requested that his name be withheld, predicted that the proposed Maritime Commission program would be presented to the combining chiefs of staff within a week or two, for approval from the standpoint of over-all war strategy.

Although the Maritime Commission already has let contracts for 411 of the Victory vessels, a quiet tug-of-war has been under way for months to determine how rapidly and in what total number they should be brought into production. The apparent result, it was said, will be a compromise between the Maritime Commission, which started out with plans for a rapid conversion of yards to the new vessels, and the War Production Board, which argued for a more gradual shift on grounds that an abrupt conversion would cause a

dangerously sharp drop in launches for a time, as well as the expenditure of more materials and manpower per ship.

Whether the newly modified program means that some shipyards which now expect to make Victory ships will be disappointed, could not be ascertained. A Maritime Commission spokesman said he had "no comment" on the situation.

The dispute has been watched with keen interest for the decision is weighted with significance for this nation's influence on post-war world trade.

The commission feels that fast ships are essential to keeping the United States in a commanding (Continued on Page Eight; Col. 6)