Mighty Battle Is Predicted If German Fleet Puts To Sea

By DREW MIDDLETON

Third Ship Is Sunk

Two Members Of Crew Killed:

Another Vessel Sunk Off Coast

ing with death of two Norwegian brothers.

killed in the explosion.

As the 24 other crewmen, includ-

nans, got clear in a motor boat

aced 80 feet away and the Ger-

nan captain called out in English

asking the name of the ship, its

mage and destination. This in-

The crew reported the subma-

the surface from about 7:40 a. m.

Naval planes from Pensacola,

Fla., searching for the submarine

hem to Pensacola. Three were

Navy officers here declined to

n the gulf, where two ships were

ation of the survivors who escap-

ed in lifeboats and rafts.

formation was not given.

Gulf Of Mexico

LONDON, May 13.—(P)—Hitler's 35,000-ton battleship Proposal Recommended In Tirpitz may lead the German battle squadron out of Trondheim at any time and the ensuing battle with British and Allied heavy warships will be the "largest naval engagement of the war in Europe," an informed quarter said today. The almost continuous battle of x-

Arctic, where the Germans are | some future convoy. lose the northern supply of polar ice narrows age to the Soviet ports. nd a small coaster and dam-Norway's

British convovs with

"When he does the Allied squad-Russia, has been intensi- rons will be waiting. The Germans lengthening days will be extremely lucky if they get German aircraft more time a single large ship back to port,' ssance, and the south- an informed source declared.

The British already claim to have sunk two German destroyers Germans claimed today that and damaged four others which atpers sank an 8.000-ton freight- tacked northern convoys, while losing a cruiser and a small perfour large transports in the centage of merchant tonnage.

The danger point of the Arctic harbor at route is off North Cape, Norway, members abandoned the present Hitler is failing air and by sea.

Informed quarters said the Ger- taxpayers to the collection winorces, submarines and mans are more concerned now downs-starting with the single and that Ad- than any other. They have order- man who earns about \$10 a week. Raeder will be forced ed their crack U-boat commanders The committee coupled with the battleship that is from the North Atlantic to attack reduced exemptions retention of the whole, the Tirpitz, this road and the number of de-earned income credit, which pocket battleship Admiral with the northern soute to Russia the Treasury department had pro-

Committee Sets Single Exemptions At \$500 And Married At \$1,200

ACTION IS SURPRISE

Attempt To Raise Billions For War Effort

By DONALD A. YOUNG WASHINGTON, May 13.-

(P)—Unexpectedly, the House Ways and Means committee decided today to slash individual income tax exemptions to \$500 for single and \$1,200 for married persons in an effort to raise billions of dollars to finance the war effort.

By a vote of about 2 to 1, the where the Germans attack both by levels of \$750 and \$1,500. The action would bring millions of new cheer and the cruiser Hipper, stroyers, submarines and bombers posed to abolish. The lowered ex-

Higher Surtax Rates

Chairman Doughton (D-NC) said the committee would proceed tomorrow to consider higher normal and surtax rates. Until the rates are determined there can be no estimate of what revenue the low-ered personal credits would pro-duce. The Treasury has asked for \$3,400,000,000 more taxes from in-

Today's action brought closer to decision the question of whether a sales tax would be taken to the NEW ORLEANS, May 13 .- (P) - The Navy disclosed House for a vote.

Two proponents of that levy said the German submarines which made their first that the dipping into the low inappearance in the Gulf of Mexico last week sank another come brackets probably would small freighter, the third one lost, early last Friday mornmake strong arguments against a sales tax, which admittedly would fall hardest on the same workers. "But, if we are going to raise \$8,700,000,000, as the Treasury has suggested, we still will have have a sales tax," one of them

Rejected, 21 to 4

By a vote reported to have been ed the Treasury's proposal for elimination of the present oil depletion allowance in an attempt to their business. raise \$80,000,000. That provision permits oil well and mine owners average daily mileage is at least to charge off as a natural resource six miles. Those who do not drive A ST. LAWRENCE RIVER depletion allowance certain fixed this far are given cards, and pense" or capitalize intangible drilling or development costs.

After the committee members climaxed ten days of work on the The first definite report of personal exemption question, the casualties in the Monday night at-opinion prevailed that a fina!

One freighter was struck by two One member suggested that torpedoes and the entire crew of committee and Treasury statisticians would now be asked to sub-

Mistrial Is Ordered

mistrial was ordered by Superior portation than his automobile can Court Judge W. H. S. Burgwyn to- not meet his needs. day in the case of Alexander P. McAllister, 23 year old Lumberton youth charged with manslaughter in connection with the death of

(Continued on Page Two; Col. 4) was riding.

NORTH CAROLINA AND SOUTH CAROLINA — Little change in temperature with scattered showers and thunderstorms Thursday.

nding 7:30 p. m. yesterday):
(By U. S. Weather Bureau)
Temperature: 1:30 a. m. 72; 7:30 a. m. 67; 1:30 p. m 70; 7:30 p. m. 70; maximum 74; minimum 56; mean 70; normal 70.

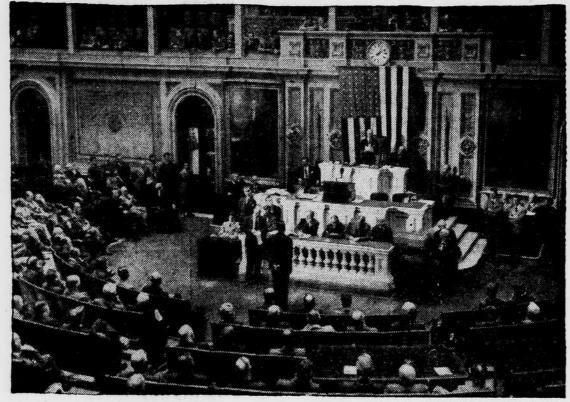
• Tides For Today: (From Tide Tables, published Coast and Geodetic Survey):

Low 4:04a 4:12p. Sunrise 5:11a; sunset 7:05p; moonrise

ways had worked for peace.

Nazis Expected Income Tax RUSSIANS FALL BACK TO NEW POSITIONS To Risk Tirpi otions ON KERCH PENINSULA BUT DENY NAZI Against Convoys State Slashed CLAIMS THAT BATTLE HAS BEEN ENDED

President Of Peru Addresses Representatives



Members of the House of Representatives listen attentively as Manuel Prado, president of Peru, makes a short address in their chamber. Prado (standing top center) is in Washington on official business, the first Latin-American president to visit the United States while still in office. Speaker of the House, Sam Rayburn, is seen at the right.—(Central Press.)

Southeast Has Shortage Of B Cards For Gasoline

FOR WORLD PEACE

Is No Immediate Hope

Of Achieving It

spoke, he said, while "people are

But, he said, "we well know how

cess in formulating detailed pro-

posals for a just and honorable

the outcome of future events."

tues.

Lords.

er destructive weapons."

These Entitle Drivers To Buy D. C. HOWARD GETS From 33 To 57 Gallons Of Fuel

ATLANTA, May 13. - (AP) - A shortage of B cards which would allow motorists to purchase from 33 to 57 gal- Manager Of Cape Fear lons of gasoline under the emergency rationing plan was reported today at many southeastern registration places.

Oscar Strauss, Jr., regional OPA administrator, said the cards and application forms for the B allotments were running low because the demand for this type of allowance was exceeding all expectations.

B cards are allowed motorists *who drive to and from work or who use their cars to carry on POPE PIUS PLEADS

They are issued to those whose issued to motorists applying for But Pontiff Admits There Strauss said this type would be B allotments when the supply of the latter cards was exhausted at any registration place.

Later, he explained, the motorist who is entitled to a B card may apply to his local rationing board. The boards, which originally were set up to handle tire and Pius XII appealed to the world's automobile rationing, also will rule on applications for supplemental

rations Strauss said many boards already were swamped with supplemental applications and pointed out that many motorists, especial- he acknowledged that "there is no ly traveling salesmen, believed immediate hope of peace." they must have them before mak-

He declared, however, that ac- ents and with equal affection for tually a motorist could apply for all sections of all peoples." But in town where he might happen to be the Pope attacked the anti-Chris- morning. when the supply allowed on his tian methods of the leaders of In Manslaughter Case when the supply allowed on his tian methods of the leaders of original card ran low. An applicant for a supplement is required on replacing right by force."

Following Mr. Hewlett's address to the jury, Solicitor David Sinclair will give the only argument patches to have "blotted out" the LUMBERTON, May 13.-(P)-A to state why other means of trans-

Regional officials said the machinery to handle the registration, which will end tomorrow, function-

(Continued on Page Two; Col. 3)

WEATHER

(Meteorological data for the 24 hour

Humidity: 1:30 a. m. 66; 7:30 a. m. 95; 1:30 p. m.

Cape Fear river stage at Fayette-ville on Wednesday at 8 a. m., 9.35

For Thett Of Auto

A sentence of seven years in gin at the epiration of the first, on two charges of larceny of an automobile was imposed on D. C. Howard, manager of the Cape Fear operating across the strait from Caxi company's service station, at sion of Superior court.

on the roads, the sentences to run concentrated and engaged in batstolen tires.

VATICAN CITY (From Vatican in which William Bell, young Wil- had erected "an etremely strong the way to a jump into the Cau-Broadcasts), May 13.- (A) -- Pope mington negro, is on trial for his and largely echeloned defense sys- casian oil fields. The Nazis also life on a charge of assaulting a tem" across the peninsula's reck, leaders today to conclude a peace white woman here March 19, con-strongly manned by "numerically 'on principles of justice and mod- sumed the major part of the Wed- superior enemy troops. eration even if it does not seem nesday session of court which end- But a German-Rumanian attack ed with the first summation to the which began May 8 was said to to correspond to aspirations," but jury by Elbert Brown, one of the have overrun this defense-in-depth attorneys for the defense. Brown's with Axis troops threading a vast argument to the jury lasted an mine-field to continue toward the He addressed his peace appeal hour and twenty-five minutes, end-city of Kerch 40 miles eastward

'with impartiality to all belliger- ing at 5:45 o'clock.

Following Mr. Hewlett's address clair will give the only argument shelling were said in news dis-The Pontiff, speaking on the 25th for the state in the case. The patches to have "blotted out" the anniversary of his consecration as state waived the opening argument a bishop and on the eve of the as John Schiller, assisting Solici-Feast of the Ascension, was ad- tor Sinclair in the prosecution, was

dressing the world by radio. He called from the court room. When Solicitor Sinclair rested the living in painful anxiety, awaiting case the state shortly before noon imminent military operations" and Wednesday after the prosecuting anticipating "the mance of great- witness had declared that she was positive that Bell was the negro who threw her to the floor of her in the state of things today there kitchen, choked her, and assaulted would be little probability of suc- her, Attorneys Hewlett and Brown, appointed by the court to repre-

Reds Say Fierce Fighting Still Going On In The Crimea As They Combat Numerically Superior Nazi Forces SOVIETS ADVANCE BEFORE KHARKOV

Possibility Of Opening Of Third Offensive By Invaders South Of Leningrad Seen In Moscow Circles

MOSCOW, Thursday, May 14.—(P)—The Russians acknowledged early today that they had fallen back to new positions on the Kerch peninsula in the Crimea in the face of attack by superior numbers of Nazis, but they denied German claims that the battle had been concluded.

In the vicinity of Kharkov, approximately 300 miles north of the Crimean battlefront, the Russians under Marshal Semeon Timoshenko were engaged in a mounting offensive against the Germans, and there the Red army forces were "successfully advancing," according to the midnight Soviet communique. A possibility that a third im-

portant sector of the front may be Germans Say Soviet Line Is Shattered

40,000 Prisoners Taken And Enemy Pursued, Nazis Claim

BERLIN (From German Broadcasts), May 13-(P-German and Rumanian troops have broken a 12-mile fortified Soviet line across the neck of the Kerch peninsula in SEVEN-YEAR TERM the Crimea, capturing 40,000 prisoners and annihilating encirclthe Crimea, capturing 40,000 ed groups of Red soldiers, the

Germans announced tonight. "Pursuit of the remmants of the beaten enemy is being continued that they captured many tanks Taxi Company Convicted incessantly," the communique said and guns and took a large number Four small Russian transport ships in the Kerch straits behind the Reds' peninsular positions on the attackers. state prison, three years on one were sunk by German airmen, and count and four on another to benine others aggregating 11,000 tons troops took the offensive and are

had been damaged. Thus the Russian supply service the opening of the Wednesday ses-

Howard also was sentenced to that "never before in history have 12,000 tons." serve two terms of two years each so many planes of all types been concurrently with the first sen- tle over a comparatively small troops had been captured, and the tence, on two charges of receiving area as there are now over the Kerch peninsula.'

The Germans also officially

Addison Hewlett, Jr., will close claimed the destruction or capture the argument to the jury for the of 197 Russian tanks, 598 guns, a supplement at the board in any an earlier section of his address town where he might happen to be the Pope attacked the anti-Chris-morning.

Waves of German dive-bombers chine-gun nests before Axis shock troops were hurled forward.

MAY IMMOBILIZE SHIPS LONDON, Thursday, May 14 .-- (A) Informed sources said today that the Vichy Chief of Government Pierre Laval in a note to the United States regarding the status of Martinique had agreed to immobilize three French warships there, the aircraft carrier Bearn, and the

opened by the Germans soon, perhaps as part of a general offensive, was seen in a brief Moscow radio report that the huge total of 239 German transport planes and 37 fighters were destroyed in the past few days in the region about Staraya Russa, south of Leningrad and northwest of Moscow, long a bitterly-contested area The presence of so many Ger-

man transport planes indicated a further Nazi attempt to bolster the reportedly trapped 16th German army south of Lake Ilmen. (The Nazis recently claimed they had cut a ground corridor through to that army.)

The Crimean front, meanwhile, continued to rock with battle. 'Fierce fighting still is going on," said today's communique. The

"During May 13 our troops, opposing numerically superior forces of Germans, retired to new posi

"The German communique claim that the battle of Kerch resulted in a German success and describing the break-through. of prisoners is nothing but a lie. "Our troops are retiring in good

order and inflicting heavy losses "In the Kharkov direction of the

successfully advancing. "On other sectors of the front nothing of significance took place.

"On May 12, 43 German planes were destroyed. Our losses were 17. Soviet ships in the Barents German broadcast reports said sea sank an enemy transport of (The German high command

yesterday claimed that 40,000 Red battle was decided at the approaches to Kerch which with the Hearing of testimony in the case The Germans said the Russians narrow isthmus of the name bars claimed the "annihilation of enemy forces which have been overrun and encircled there ')

Congressmen Granted Another Appointment To Military Academy

WASHINGTON, May 13.- (A) The House voted today to give each senator and representative another appointment to the military academy at West Point, but turned down another provision of the bill authorizing the Secretary of War to fill vacancies remaining for any reason at the beginning of the academic year.

The bill, which goes to the Senate, would increase the present authorized strength of 1,960 by 536.

Interned Japanese Riot At Vancouver

VANCOUVER, B. C., May 13 .- (AP) Japanese under detention at the cruisers Emile Bertin and Jeanne immigration building here staged a riotous demonstration today, smashng windows on the upper floor on which they are held and turning a firehose on people in the street be-

Chunks of plaster torn from the walls of their quarters and an iron grating were thrown into the street. the Japanese meanwhile shouting The House stuck to its \$50 monthly Miss.), who said such action might several hundred yards away. Japanese women stood nearby and waved

> All was quiet early tonight. Immigration authorities declined commeasure then was passed with ment. The affair was in the hands

A BRITISH PORT, Thursday,

air forces overseas have arrived

House Votes Service Men "While one side bases its hopes on results achieved," he observed. 'the other side bases its hopes on \$50 Month, But Cut Seen In his remarks attacking the foes of Christianity the Pope said: "Today in some countries those WASHINGTON, May 13.- (A) - ramendment by Rep. Rankin (D.in authority bent on replacing right

69; 7:30 a. in. 56; 7:30 a. in. 55; 7:30 a. in century pretended to have found in the Army-Navy pay raise bill A roll call vote of 331 to 28 today in Peter and Paul and a countless today but indications were that the ratified yesterday's action. The line of innocent victims who are final figure would be \$42.

now effulgent with a halo of virone dissenting vote, the measure against it. "The crime trumped up against now goes to conference to bring A private now receives \$21 Christians is always the same—
it into conformity with the rates monthly for the first four months, their unfaltering loyalty to the approved by the Senate. The Sen\$30 for the next eight and \$40 King of Kings and the Lord of ate bill calls for \$42 and leaders monthly after a year's service, forcements for Canada's land and said the plan was to adhere to that while an apprentice seaman gets

With House approval, given with only Rep. Disney (D.-Okla.) voting of military authorities.

\$30. The bill, under present con-

The Pontiff opened his remarks on peace by recalling that he always had worked for peace.

The House yesterday increased ways had worked for peace.

The House yesterday increased ference plans, would increase all military machine being assembled (Continued on Page Two; col. 4)

After suffering a temporary but by-passed units of American Gento the last few bits of Burma. vance guard on the Burma road expeditionary force, were slashing "I don't know that I had a prewas reported in a Chinese communique from Chungking to have munique from Chungking to have

eye-witnesses on the beach of the China wars under the per- nan province. The major objective reported the attack by sonal direction of Generalissimo of this drive supposedly is Kun-Charls R. Clark of (222 Syatonie) Mill Valley Calify the Chiang Kai-Shek braced their lines tonight against a reinforced Jap-Chiang terminus of the true Burma Mill Valley, Calif., the anese penetration of their soil road. Said the lifeboats were sunk while isolated, exhausted Chinese while isolated, exhausted Chinese Wh the ship. Clark had obtained and British forces held stubbornly earlier from Capt.

certainly would have been greater

hantman plunged quickly to bottom after being torpedoed oroad daylight four miles off Atlantic coast, within easy

22 LIVES SAVED

WEST PALM BEACH, Fla., May

-P-The foresight of the first

te. who put makeshift rafts on

is of the crew were missing and esumed to be lost. Two of them, ward Lewis Ruiz and engineer Chinese Brace Positions am Virdon, were known to When the ship sank, the rafts

ated free and 22 members of crew clung to them. They were cked up and brought to safety bre by three fishing boatsof which put out from shore

ank Roberts of Baltimore, to struct rafts from oil drums and them free on deck.

The Norwegian vessel, inbound* rom Central America, was hit by single torpedo and sank three ites later. William Aamnonsen, 26, and his brother Ainer Aamnonsen, 27, both firemen, were

ad a life raft the submarine surported Missing PORT, Canada, May 13.— (P) — percentages of their income. Couplfine was freshly painted a light Fourteen crew members from one ed with that provision is an option on or camouflage. It stayed on

dead or missing tonight. a. m. then proceeded westward. response to a warning, picked tacks came from a rescued officer agreement on perhaps \$2,500,000, p the survivors at noon, taking of one of the torpedoed freighters. 000 or \$3,000,000,00 in new indivi-

comment when asked if one or 46 reached shore in lifeboats. more submarines were operating unk last Wednesday also in dayight, and also without any moles- picked up by another ship and those experts would be asked to

urrying to port in response to cue ship and 13 others are missing. The recapitulation placed the number of survivors at 74 from the submarine varnings to clear the gulf when it was figured there were 87 or 88 rescued, including a mother and

Navy Minister Angus MacDonald, in announcing at Ottawa today upper deck, was credited with that the submarine toll was two ing 22 lives when an American ships instead of only one as original ships in the origi inally announced, did not amplify Edward Ivey in an automobile achis previous statement that a total

IN ST. LAWRENCE said.

ing one American and 21 Norwe- Fourteen Members Of Crew 21 to 4, the committee also reject-Of Torpedo Victim Re-

grey, bore no marks of identifica- of the two ships sunk by torpedoes to permit such companies to "exfrom enemy submarines in the St. central War Time until about 8:30 Lawrence river were reported

Briefly, here is the story he told: dual taxes might be reached.

The second freighter was struck mit estimates of how much three about the same time by a single or four sets of normal and surtax torpedo, and 29 crewmen were rates would produce. Another said taken to a nearby port. One man determine rates necessary to prodied from exposure after being duce another \$3,00,000,000.

The Norwegian steamer was taken from the water by the re-

child, and that only two were miss-

of 41 had been landed safely.

McAllister, who appeared in court

A rescued officer who gave the in the uniform of a Canadian sol first eye-witness account of the dier, stayed under \$5,000 bond. The The Navy announced the sinking said that it took 20 min Jury was unable to agree. McAllister, the state charges ay and revealed that 15 mem-utes for the first freighter to go driver of the car in which Ivey

Against Reinforced Japs

LONDON, May 13.—(P)-Chiang Kai-Shek braced their lines

penetrated at least 50 miles inside China's backyard at Lunling and to have pushed on towards Pao-

erans shan, 50 miles deeper inside Yun-While chiang's seasoned troops fought this new incursion, other,

eral Joseph W. Stillwell's Chinese The Chinese high command said

(Continued on Page Two; Col. 2)