

5,000 Axis U-Boats Planned

New Blows Against Japan Are Planned

Commanders In Far East Attend Talks

Tunisian Victory Alters Strategy In Pacific Area

WASHINGTON, May 12. (AP)—New blows against Japan, as well as the European axis partners, it was made clear today, are being planned by President Roosevelt and Prime Minister Churchill in their momentous war talks.

Any question as to this was removed by disclosure that the military men here for the talks include the commanders of British land, sea and air forces in the India theater of operations. They are Field Marshal Sir Archibald P. Wavell, commander in chief in India; Adm. Sir James Somerville, commander in chief of the eastern fleet based at Ceylon, and Air Chief Marshal Sir Richard Peirse, air force commander in India.

Also in Washington are Lt. Gen. Joseph W. Stilwell, commanding American forces in China; Maj. Gen. Claire Chennault, commanding American air forces in China.

Although purely in the realm of speculation, there was a disposition to believe that the talks would regard the conference as having two principal purposes:

1. To make plans for decisive campaigns against Japan and Germany.

2. To make a last-minute check up on plans already made for the attack on the Japanese in the Pacific.

It was suggested in these quarters that the conference would be held in the White House.

Convoy Wins 8-Day Battle With Subs

At Least Four, Possibly 10, U-Boats Sunk

LONDON, May 12.—(AP)—Allied escort ships and planes fighting a fierce, eight-day running battle against a pack of as many as 25 axis submarines attacking an Atlantic convoy recently sank four and perhaps 10 of the U-boats, the admiralty announced today.

It was the greatest success against submarines thus far reported by the admiralty.

The battle against the savage thrusts of the subs took place intermittently for eight days and nights late in April and early in May.

Convoy Damage. The "convoy suffered some damage," said the admiralty, "but serious damage was done to the merchantmen reached port in safety," the communiqué declared.

First reports state that in the course of the battle four U-boats are known to have been destroyed, four very probably were destroyed, and four others were probably destroyed.

One of the British cutters in the convoy, the S. S. Champlain, completed in 1929 and one of the ships transferred to the Royal Navy in September, 1940.

On April 30, the admiralty said, eight U-boats were concentrated against the convoy, but a series of attacks was repulsed successfully.

A gale blew up May 1, but the weather improved, more U-boats were spotted and during the night the hunt and the attack were continued.

They pressed home some 30 attacks, with the escorts fighting back steadily, sinking "too heavy for complete air cover."

The destroyer Orioli and the corvette Sunflower were damaged. The destroyer Orioli sank a third sub with depth charges. The destroyer Orioli sank a third sub with depth charges.

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Von Arnim And 11 Other Generals Are Captured

As Resistance Collapses

ALLIED HEADQUARTERS, North Africa, May 12.—(AP)—All organized axis resistance in Tunisia ceased at 8:15 p. m. tonight after the capture of the German commander in chief, Col. Gen. Jürgen von Arnim, 11 other generals, and 150,000 enemy troops.

A special communiqué declared that isolated pockets of resistance still were active, but the battle officially was considered ended.

Captured today with Von Arnim, 54-year-old tank expert who succeeded Marshal Erwin Rommel in Tunisia, was Gen. Günther von Sponck, commander of the 19th Light Division, and Maj. Gen. P. von Thun, commander of the 10th Panzer Division.

Von Arnim and most of his staff were taken by British command units in a tank clean up of the Cap Bon peninsula.

It is estimated that the total of prisoners captured since May 5 is about 150,000, said the special bulletin announcing Von Arnim's capture.

Much Booty. "Vast quantities of guns and other equipment, including tanks, have been captured including guns and aircraft in a serviceable condition."

Six months and four days after the allied landing in North Africa, the enemy's resistance is in complete triumph, clearing the way for an allied invasion of Europe.

A nine-mile-wide circle of axis resistance was reported holding out in the Zaghouan mountains, but the enemy was in a hopeless spot there and was expected to surrender or be wiped out quickly.

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In addition to Von Arnim, Von Sponck and Reich, the French reported the capture today of two other German generals, one in private uniform as well as lieutenant general of the Italian Superba division and other officers.

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TRUCKLOAD OF HERRENVOLK PRISON CAMP-BOUND

Der fuhrer would cheer his best carpet if he could see this picture of a German truck, driven by a German and overloaded with German prisoners, en route to a prison-of-war camp somewhere in Tunisia after der debacle in which the Germans surrendered in droves to escape the Cap Bon death trap. (U. S. army signal corps radiotelephoto.)

George To Offer Substitute Pay-As-You-Go Tax Measure

WASHINGTON, May 12.—(UP)—Finance Committee Chairman Walter F. George, Democrat, Georgia, today formally reported to the senate the committee majority's endorsement of a Ruml-style 100 per cent forgiveness pay-as-you-go tax bill but served notice he would offer a counter-proposal embodying 75 per cent cancellation.

The report signaled start of debate on the tax issue, with a final vote likely some time tomorrow.

Despite George's intention to press for a 75 per cent forgiveness scheme, he and another opponent of the Ruml plan, Sen. Tom Connally, Democrat, Texas, conceded the committee-approved measure probably would pass.

Connally said he might present another possible substitute, the original house way and means committee bill providing approximately 75 per cent forgiveness of 1942 taxes, with amortization of the remainder over a three-year period.

George's proposal is a substitute for the house-approved Robertson-Forand 75 per cent cancellation bill. George's last-minute compromise proposal is roughly similar and is believed to reflect the committee's attitude.

The 1942 tax bill would be wiped out for nearly all taxpayers but if the income is higher than 1943 income, there would be a 75 per cent forgiveness of the 1942 income.

George's proposal is a substitute for the house-approved Robertson-Forand 75 per cent cancellation bill. George's last-minute compromise proposal is roughly similar and is believed to reflect the committee's attitude.

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Arkansas River Hits Record Crest

FT. SMITH, Ark., May 12.—The crest of 400 feet of a crucial water shortage tonight as record-breaking flood crests from the Arkansas river hit the city from Lake Ft. Smith.

Byrnes Restores Some Of WLB Wage Authority

WASHINGTON, May 12.—(UP)—Economic Director James F. Byrnes tonight is restoring his directive Byrnes said he had clarified "the authority of the board to make wage adjustments within the existing price structure, and within existing levels of production, for the purpose of stabilizing the labor market."

North Carolinians Backing Labor Bill

Supporting Anti-Strike Measure

By W. A. HILDEBRAND. GREENSBORO Daily News Bureau. WASHINGTON, May 12.—With Prime Minister Churchill once more a White House guest, and with army, navy and air officials here, some from the far east, to consider global grand strategy, President Roosevelt once more has a domestic labor crisis demanding attention.

In congressional circles there is a growing feeling that this sort of thing should be brought to an abrupt halt.

Yesterdays house military affairs committee superimposed Smith bill, or house sanctioned bill, on the Connally anti-strike bill, for so doing not at all to the satisfaction of the senate.

There were other phases of the labor situation which had received little attention, but were no less important.

German Sub Supply Ship Sunk By French Cruiser

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DAKAR, French West Africa, May 12.—(AP)—The 7,500-ton French cruiser, Georges Leygues, based at Dakar, has brilliantly signaled her return to action against Germany.

The German submarine supply ship to the bottom and returning to the surface was a 1,000-ton vessel.

The engagement took place near the equator in the early morning hours of April 12 and during which the French cruiser had kept her away from Dakar 18 days.

The new Berlin warship which was withheld one month until the axis became aware of the ship's loss and failure to arrive at her ultimate destination, Japan.

Fortresses Hit

WASHINGTON, May 12.—(UP)—Flying Fortresses pounded over the Solomons and (with new blows) to the Japanese base at Rabaul and another attack on Shomvu today.

Milk Rationing Deemed Likely

WASHINGTON, May 12.—(UP)—Food administration officials tonight forecast rationing of an early dairy products at an early date.

German Raid English Town In East Anglia

LONDON, Thursday, May 13.—(UP)—About a dozen German bombers raided a town in East Anglia last night and casualties were believed heavy.

It was the third straight night German bombers had attacked East Anglia.

Two German planes were shot down and another was damaged.

The German communiqué, broadcast from Berlin, said that the raid had caused a "considerable damage" to the town.

Not only were goods destined for the Far East sent down, but delivery of a return cargo, possibly rubber and oil, also was cancelled.