L.T. - SUNOCO. WEDNESDAY, JANUARY 7, 1942.

GOOD EVENING EVERYBODY:

An again **XXX raging** in the Philippines. The Japanese have been delivering a virtual non-stop bombardment of Corregidor from the air, and on land they are pushing a savage mass attack to drive General MacArthur and his small army into the sea.

At this moment probably, a stern battle

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Yesterday there was a breathing spell in the land fighting, but the enemy made up for it today. As a correspondent reports, Japan is turning on the heat. trying to take Corregidor by storm and wipe out MacArthur's defense positions in Batan. As the army funds the American and Philippine troops are continuing a steady and violent resistance. The front lines are being continuously bombed and machine-gunned

LEAD _ 2 by enemy aircraft. The Japanese are increasing pressure at all points. Several Japanese planes were hit by our anti-aircraft fire, But under that continuous rain of Japanese bombs and machine-gun straffing, our troops are still holding out. The interpretation of the tactics is that the Japanese are trying to soften up MacArthur's troops in preparation for an all-out assault by infantry, preceded by parachute soldiers. Tonight's communique from the War Department have been mercilessly bombing defenseless towns and villages all over Luzon. MacArthur names four towns which the Japanese razed to the ground, undefended towns, none of them had any military installations Civilians in many xxxxxx towns were machine-gunned in the streets LEAD - 3 flyinglow. by low-flying enemy planes, The Japanese, adds Men, MacArthur, apparently pick on Sundays and religious deliberately holidays for their attacks, knowing that on such days a large number of civilians would be going to church

or on the streets. Churches were made special objects

of attacks.

MALAYA

The news from Singapore, not so good. The British Imperial forces there are fighting against But, A correspondent odds of five to one. According to the of ficial, reports that they are putting up a successful and heroic struggle. But, the dispatch adds that they are exacting the highest possible price for every yard gained by the Japanese. In other words, that the Japanese are gaining. And it's a rear guard action. According to observers in London, the British in Malaya are handicapped by their failure to carry out the scorched earth policy. The Japanese have advanced four hundred and twenty miles in twenty-eight days, and military experts in London consider that phenomenal, considering the nature of the ground over which they had to fight in Malaya. What made it possible was the long coastline, which enabled the

Japanese to make one flank landing after another.

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London offers one explanation for the failure to destroy the rubber trees. It would have been impossible to scorch those rich plantations short of felling the trees one by one. They do not burn easily.

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PARLIAMENT

There's a row pending in the British Parliament over the campaign in Malaya. London newspapers are carrying angry editorials and members of the House of Commons are getting ready to ask a lot of sharp and penetrating questions. The biggest one of all is: Why didn't the High Command at Singapore follow the Scorched Earth policy, destroying everything in the path of the invading Japanese? Why wasn't the radio station at Penang put out of commission before the Japanese took the island? Also the big smelting works? Why did the British leave large stocks of tin, gasoline and rubber for the enemy? Also quite a number of small ships? One London newspaper used these words: "Penang is a shameful name in this war, and and asked the question: Was it necessary that we should provide our enemies with shipping and food?

Ironically enough there are letters to the editor of several London newspapers protesting against the Scorched Earth Policy, particularly the destruction of rubber trees, also tin mines. Most of those letters

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are written by stockholders in rubber plantations and tin mines.

BATTLESHIPS

Here is the answer of our Navy Department to the claims made in Tokyo that a violent naval battle, six hundred miles west of Davao, had ended in the sinking of one United States battleship and severe damage to another. Says the Navy spokesman, <u>I QUOTE</u>: "We have no information to support those Japanese propaganda claims."

It was pointed out in Washington that claims like these are frequently made for the purpose of extracting information, in the hope of inducing our Navy in contradicting such reports to give away the disposition of the fleet. So the Navy Department is not biting at the bait.

Senators today learned why the Japanese were so successful in landing troops on Luzon, while the Philippine Army was powerless to prevent them. The information came from Admiral Robinson, Chief of the Committee on haval affairs Bureau of Ships. He was telling the why he dollars needs eight hundred and forty-five millions more, and that right away, for shipbuilding and repairs. Senator Wiley of Wisconsin asked the Admiral why the Navy didn't concentrate on small ships instead of great big dreadnoughts. The Wisconsin Senator pointed out the recent achievements of small American patrol boats.

Admiral Robinson told him why. Those little boats, he pointed out, have no offensive power at all. One shot by a cruiser or a battleship, and they'd be blasted out of the water. A navy, he explained, must be a composite thing, carefully balanced, no emphasis NAVY - 2

on any one branch. Then he said :- "Take those landings at Luzon. The Japanese transports were protected by a fleet. Otherwise, our submarines

could have got at them."

The Committee approved the appropriation in short order

BUDGET

President Roosevelt prepared us for it yesterday when he told us we would have to spend fifty-six billion dollars, more than half the nation's income in one year. Now today his budget reveals that a program that will cost us seventy-seven billions for the next year and a half. Mostly for weapons and munitions, to beat the Axis.

Here are the figures:- For the fiscal year Nineteen Forty-three, that is, beginning July first, the total amount to be spent by Uncle Sam will be Fifty-nine billion dollars. Of this, fifty-two billions, seven-hundred-and-eighty-six millions and a few hundred thousand will go for our army, our navy, and the lend-lease program of help to our Allies. Leaving a trifle of six billions, a hundred and forty-one odd millions for the regular job of running the Government.

Of that fifty-nine billion dollar total, the President estimates the Treasury will collect twenty-seven billions of revenue in Nineteen Forty-

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twenty-seven billions of revenue in Nineteen Forty-three. Leaving a deficit of thirty-five and a half in billions. So our public debt at the end of the fiscal year Nineteen Forty-three will total a hundred and ten billions, four hundred millions.

Along with this budget, the President today sent Congress his recommendations for new taxes, for raising another seven hillions right away. And not including those extra taxes on payrolls and wages for Social Security which will come to another two billions. The time has come, he told Congress, for extraordinary tax measures to prevent inflation. A number of measures have been suggested for that, said he, such as income taxes collected at the source, payroll taxes and excise taxes. Then he added: "I urge the Congress to give all these proposals careful consideration. Any tax is better than an uncontrolled price rise, " said the President.

He also advised Congress to allow the

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Treasury to collect taxes monthly instead of quarterly. As for the two billions -- he expects you to collect by bigger Social Security taxes, that money he wants to use to increase the payments to pay old-age survivor insurance to more people, to increase disability payments and hospital payments, and to give unemployment compensation to more people.

He also went on record today as in favor of excise taxes, particularly as a measure for cutting down inflation. That is, tax luxuries, semiluxiries, and even some necessities. Also, he wants to renew the tax on excessive profits of corporations. His argument was that under war conditions, the country cannot tolerate country cannot tolerate λ undermine unity.

Also, he wants Congress to put an end to tax exempt bonds of any kind whatsoever.

And we are going to spend -- seventy-seven billions in eighteen months in our all-out fight against the Nazis and the Japs. <u>N.A.M</u>.

To carry out the President's program we're going to have to turn out one airplane every four minutes, one complete airplane; and a tank will have to roll off the line every seven minutes by Nineteen Forty-Three. As for ships, two of them will have to slide down the ways every day. That's one phase of the production schedule which Mr. Roosevelt outlined yesterday, as the National Association of Manufacturers calculates, Adding up the figures he proclaimed we will have to turn out next year one hundred and twenty-five thousand planes, ten million tons of shipping, and seventy-five thousand tanks.

The N.A.M. points out that the aircraft part of it gives us the best idea of what it all means. To produce those hundred and twenty-five thousand planes will require one hundred and forty million N.A.M. - 2

square feet of space. In other words, an area equal to more than a thousand city blocks or an area about one third one-half the size of Manhattan Island. Putting it in terms of men, an army of more than one million, three hundred and hinety-two thus in building planes. thousand will be employed, In Nineteen Forty, there only were a hundred and ninety-three thousand as engaged. In the matter of tanks, the N.A.M. figures that at present we're producing two thousand, eight tanks a hundred every month, thirty-three thousand six hundred of tanks - right now, a year of all types, And That's the Nineteen Forty-One upting it to The President's program calls for forty-five rate. thousand this year, seventy-five thousand next year.

DAYLIGHT

Daylight saving for everybody, everywhere, one hour. And that for the duration of the war, and fuch six months after. That will be the law, at least that's how it looks today. The Interstate Commerce Committee of the House has recommended a bill making it compulsory, to take effect twenty days after the bill is passed. The suggestion thrown out by the White House

was that Congress should permit the President to proclaim daylight saving up to two hours in any region of the country. That would mean using his own discretion about time in different regions. And The Senate today unaximously passed Interstate Commerce Committee of the Senate has

recommended a bill to that effect, But the House The Committee doesn't care for it. Representatives are

in favor of the same regulation that we used in the first World War, one hour the whole country over

AMBASSADORS

New ambassadors to Russia and Turkey. President Roosevelt today asked the Senate to approve his transferof Lawrence A. Steinhardt from Moscow to Ankara.

According to the dope from Washington, this indicates that the President, after his conversations with Prime Minister Churchill, believes there is a real hope of keeping Turkey out of the Axis, particularly since he is giving Lend-Lease aid to the Turks.

As for Russia, the President has already spoken of Major General James H. Burns of Pawling, New York, as the man to represent us in Moscow. Sounds rather extraordinary, since United States Army officers to a man were ant i-Red until recently. But General Burns, who speaks Russian, proved his ability when he went to Moscow last Autumn with Harry Hopkins, to confer with the Soviet General Staff on Lend-Lease. There he saw for himself what the Red

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Armies were doing and came home convinced the Russians were doing a great job in their war against Hitler. The feeling is that at present a military man will be far more useful as Ambassador in Moscow than a professional diplomat, and particularly Major General Burns.

RUSSIA

From Russia, good news again. Tonight's communique from the Soviet high command reports that the Red army has recaptured a place called Mestchovsk. That's forty miles southwest of Kaluga, a hundred miles west from Tula, and only a hundred and thirty southeast of Smolensk.

PRISONERS

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Here's a story that sounds too good to be true, almost a tall story. It comes from British press service and if it isn't true, it ought to be.

A flying boat with twenty British airmen was was shot down in the Mediterranean. They made their - which was then way to shore, landed in Libya, then actually held by the Axis. As a matter of fact, they landed near Derna, where Uncle Sam's Marines landed some hundred and thirty-five or six-years ago.

Pretty soon they were overhauled by a patrol of Italians, twenty of them, a foot patrol. There was no fighting, since the British airmen were unarmed. But evidently an argument ensued which seems to have run something like this. Said the Italians: "You are our prisoners."

To that the leader of the British replied: "Nothing of the sort, you are ours." PRISONERS - 2

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The Italian leader thought the matter over, and then said: "Perhaps you are right, but I don't think so." motter The discussion that followed hinged on a point of geography. The British claimed the Italians were trespassing on British-occured territory. But since the Italians were armed, the British didn't press the point but accompanied their captors to the nearest post, which was at a place called Barce. There the British leader had the further gall to present his argument to the Italian major in command. But Even the major said that perhaps the British were right. At any rate, he left those British airmen without a guard or escort; and let them get away.

The British airmen headed east, and encountered another party of Italians, fifty of them this time, fully armed. The Italians, not noticing that the British had no weapons, threw up their hands and threw down

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their arms. Then they all went on east towards the British lines. Later, they ran into another party of Italians and still more.

It was all very chatty, everything done in the friendliest possible spirit. The Italians had plenty of good red vino in their water bottles, and it must have been a right jolly party when those arm in Arm. British airmen walked into their own lines with A wi two hundred and fifty prisoners, probably singing good old Italian operatic tunes.

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