GOOD EVENING EVERYBODY:

Tonight we know the meaning of yesterday's news from

Tokyo, the drastic clamping down of the censorship as revealed by

It means that the fapanese are going to

President Roosevelt. The Japanese will get all the bases they want

in French Indo-China, get them without striking a blow. The French

have given in this
won't dispute it. The information comes officially from Vichy.

A spokesman of the Petain Government offered the plant bland explanation that this Japanese occupation was only a temporary measure, a friendly act to protect French possessions against

dangers of attack by the British, the Free French and the Chinese. A structure impairment of French sovereignty.

At this point some American correspondents asked the

would be defended without foreign aid? The answer to that was that events in Syria had obliged the Petain Government to make an exception. Then the correspondents asked why the French hadn't

asked the United States rather than Japan to defende Indo-China.

The spokesman replied, using these words:- "We asked the United

States a year ago what aid she could give us in Indo-China, but

got nothing out of Washington." Waynet.

It has been rumored and widely believed that Vichy had given in to Tokyo because of pressure from Hitler. The Petain spokesman contradicted this, said that the yielding of those bases was completely independent of the Axis tri-power pact. There had been no ultimatum from Japan, no pressure from the Nazis.

Meanwhile, Marshal Petain himself was making a speech in which he said something were different. He declared that colonies other than Syria had been menaced but that France would fight with the same vigor as in Syria and save the honor of France.

From another source we hear that the Japanese fleet has been on the move south for as long as five days. That advice comes from Chungking, from Admiral Yang, Chief of the Intelligence Bureau of the Chinese War Operations Abroad. Seven large Japanese men-o-war, three airplane carriers and fifty-three destroyers, are

on their way south; and thirty transports left Hongkong on July Eighteenth.

The news we now await with bated breath is: - What will Washington have to say about this? There's a report from London that Great Britain and the United States have already anticipated this Japanese move and are prepared to retaliate. Japanese assets in the British Empire and the United States will be frozen. That isn't official, but it sounds not improbable. Foreign Secretary Anthony Eden spoke about that Far Eastern situation in the British House of Commons today. He uttered a warning to the Japanese to keep hands off Thailand, or Siam, if you prefer the old name, and he denounced the campaign of innuendo in Japanese newspapers against Britain, denied that the British had any designs upon either Thailand or Indo-China.

Some authorities in Washington believe that this action in Indo-China is a prelude to a Japanese attack on Siberia.

Japanese Ambassador Numura paid a visit to the State

Department this afternoon and had half an hour's conversation

with Acting Secretary Welles. When he left, the Acting Secretary

said there would be no statement on the Japanese Ambassador's

visit. Numura himself said that he hoped there to be more and

para friendly feelings between Japan and the United States.

But here's the grapevine report from Washington.

Our government tycoons predict, unofficially, that Japanese

dominance over all French Indo-China will mean no more

appeasement of Tokyo by the U.S.A. In spite of Japanese

aggressions in the Far East, President Roosevelt and his

government have kept a conciliatory attitude, allowed oil and

other supplies to go to Japan, done nothing concrete to hamper

the Nipponese war lords. But, say high officials the

government tonight, in this Indo-China and Thailand business,

the Nipponese will be going too far.

In London tonight it is pointed out that if all

Japanese assets in the Exp British Empire and the United States

were sterilized, they would no longer be able to get any imports

49

at all for the simple reason that they couldn't pay for them.

They couldn't get cotton from India, or wool from Australia,

and they couldn't sell silk to the United States any longer.

The Red armies of Russia have slowed down the Nazi
blitzkrieg. We've heard this before, but hitherto the claim has
come from Moscow. Tonight it comes from Berlin. The Nazis admit
that terrific battles around Smolensk and to the southwest of
Novgorad, have put the brakes on the progress of the panzer attacks.

This has a curious ring in our ears, as we recall that only two days ago the Nazis claimed they had smashed up the Soviet defenses, broken down their communication system, and that in short, there no longer was a cohesive, coordinated Russian army. Tonight we notice again the traces of the hand of Fuehrer Hitler himself in the communiques of the German high command. For instance, the Nazis tonight say that the Soviets are throwing enormous reserves into the battle. Last week the German high command declared that the Reds had already thrown in their last reserves.

Then again tonight they announce that Stalin's generals are bringing up huge reinforcements for a great battle that is raging between knextent the Luga River and Lake Ilmen, where the Germans are pushing a drive on Novgorad, That's a place that the Nazis claimed to have captured as long as ten days ago. Tonight

they announce officially that they re still fighting for it.

proposand propoganda and confusion: The second phase of the blitzkrieg on Russia is not going so well. A French military expert at Vichy, after analyzing both German and Russian reports, found that one fierce battle was raging far to the west of Smolensk.

Mannage That means that the Russians, after letting the advance guard of the panzer columns go through, have cut the Nazi communication lines.

However, it seems definite that in the north, the Germans and the Finns are pushing ahead, north of Lake Ladoga. They are on the verge of cutting the railroad line from Leningrad to Smolensk in the north, thus isolating the Red armies in the Arctic.

And down South in the Ukraine, the Reds are falling back from Jitoniar, withdrawing to a new line of defenses around Kiev.

The Military Committee of the House of Representatives will support General Marshall, Chief of Staff of Uncle Sam's Army.

It will report in favor of a resolution for a proclamation by Congress of a national emergency, In short, that the Army will be to hang on to the men now in service.

Congressman May of Kentucky, Chairman of the Military Affairs

Committee of the House. He made this announcement after his

Committee had heard secret testimony from the Chief of Staff, and

Chairman May explained in these words; I PUCTE: "The international situation is more serious than the general public understands and rapidly is getting still more so," Success. To that extent

Chairman May authorized the correspondents to quote him. He added that a majority of his Committee was now ready to report the resolution to the full House.

Republican Congressman Schaefer of Michigan, who is no

New Deal partisan, said that General Marshall's testimony had

convinced him that most serious consideration must be given to the

Army's request for extention of the period of service.

Naturally, we don't know what General Marshall told those Congressmen while the Committee was in executive session. concerning enforced around that part of the testimony given by the Chief of Staff. But part of what he told them was made public. Among other things, he said the Army at present was being hampered, stymied he called it, because Congress had forbidden the sending of troops to Trinidad, Iceland and other similar defense points. There are, at present, twelve hundred National Guardsmen at Trinidad, but they need to be reenforced. Uncle Sam hasn't enough shipping to send selective service men to such outposts as Trinidad and also to bring them back without when their year of service expires. The General went on to say that the Army chiefs have had a difficult job building up the Army we now have and providing shelter for it. Every move they have made has been examined, analyzed and criticized, and he added that it is exceedingly difficult to build up an army under such circumstances.

Then he spoke about the petitions that Congressmen have

compelled to serve more than a year. Several Congressmen, including
Senators Wheeler of Montana and Taft of Ohio, said they had received
many such petitions from men who want to be left out of the Army.

The Chief of Staff declared that this kind of activity was nothing
added Old
short of sabotage. But he said these men have been led into
doing this by agitators. He himself has received a huge lot of
mail on the subject, including two hundred and forty-one
unfavorable letters. Most of these, he declared, showed

Bund phrases and Christian Front expressions. Many of them came from places inhabited largely by people of German ancestry, and many of them contained strong language against the President and the Chief of Staff. With all this racket going on in the army, said Marshall, it is difficult to maintain morale.

And he added that if Congress tried to depend upon voluntary enlistment with bounties, to keep the army up to the required strength, it would be a colossal error.

723 ml

Nine of the biggest oil companies in American will club together in building that seventy million dollar pipeline from Texas. When it's completed, two hundred and fifty thousand barrels of crude oil will pass through thos pipes every day from the petroleum fields of Texas to the east coast. The building of that pipeline was formally approved yesterday by Secretary Ickes, as Defense Coordinator of Oil. The nine companies will establish a subsidiary to know build and maintain the line. And Secretary Ickes has promised to ask the Priorities Board to release the materials necessary to build it. It will take eight months to finish it.

The New American Newspaper Publishers today defied the Federal Communications Commission. The F.C.C. had ordered a hearing to decide whether to prohibit newspapers from owning radio stations. The Commission had summoned witnesses to appear and give testimony. Four of those witnesses who were subpoened positively will not appear. So said Elisha Hanson, general counsel of the American Newspaper Publishers Association. Hanson explained that the F.C.C. has no authority to subpoena witnesses. The witnesses who will not appear are the business manager of the NEW YORK SUN, the Publisher of the NASHVILLE, TENNESSEE BANNER, the publisher of EDITOR AND PUBLISHER, and the director of the BUREAU OF ADVERTISING OF THE AMERICAN NEWSPAPER PUBLISHERS ASSOCIATION.

This has become one of the most hotly contested issues in Washington. In this matter, radio and press are united.

More than a hundred witnesses have been summoned but as we've

Several Counsel

heard, not all of them will obey. Not only hawyer Hanson but

Lawyer ThomasD. Thacher, Counsel for the Newspaper Radio Committee,

claimed that the Commission had no legal right to hold this hearing.

56

Chairman Fly cut them short, said he did not want to hear any arguments, peremptorily forbade the discussing of the Commission's power. Counselor Hanson then reminded the Commission that the Commission's own general counsel had told the Commissioners years ago that they had no such authority. Since then the United States Court of Appeals made the same decision. On top of that, the Supreme Court of the United States had declared that Congress had not given the Commission any supervisory control of programs, of business management, or of policy.

Down in Washington there was a merry little run-in today between Senator Tom Connally of Texas and Leon Henderson, ***amini Administrator of Price Control. Henderson was a witness before the Senate Committee Investigating Defense. Connally asked Henderson whether he had fixed prices on automobiles, electric refrigerators or shoes. Henderson replied that he had not yet done it for electric refrigerators but he was going to. The Senator then asked whether his present system of price-fixing was not just a polite system of blackmail. Henderson replied it was a much deeper thing than that.

Then said the Senator from Texas, <u>I QUOTE</u>: "You ain't going to fix prices on refrigerators, you just think you are, but you're not." <u>UNQUOTE</u>.

To which Henderson replied, and again I QUOTE: "I'll lay you a little bet on that." UNQUOTE.

That set the Senator by the ears and he wanted to know whether Henderson was going to do it whether Congress gave him authority or not. To that Henderson replied that he had the authority now, that he had the same powers as those of Bernard

Baruch during the last war, powers which had never been questioned throughout the two Senate investigations.

authority but if you have you've got more power than any other man in the United States including the President. You have the power to destroy our economy or maintain it. The Senator then remarked to Henderson, I TI you did not know so much I wouldn't be afraid of you. But, he added, you are so darn smart and know so much that you've become a dangerous figure, a threat. UNQUOTE.

While this was going on, Director Knudsen of the Office of Production Management, was telling reporters that Henderson hadn't consulted him about the proposed fifty per cent cut in the production of automobiles. Knudsen said that if production is cut that much, there will be a lot of people walking the streets. He prophesied that we'll have to go about it in a compromised way, that the automobile industry reducing producing gradually and going ahead with defense work meanwhile.

Knudsen then revealed the fact that the O.P.M. and the

58/2

Opacs, that's the Office of Price Administration and Civilian Supply, were at loggerheads. Both agencies have asked the White House to straighten out that little dispute.

9/41

and now Hugh.