

Weather
Full U. S. Weather Bureau report inside
Forecast: Not so cold today and tonight.
Temperature
Highest Yesterday 31
Lowest this Morning 17

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MANILA TAKEN BY NIPPON INVADERS

News Behind The News

By Paul Mallon

Washington, Jan. 2.—The year 1942 will not be as bad for business as those now crowding the mourners' bench suggest. Sales will be great. Nearly everyone will be employed. There will be more money in the hands of the people and greater stocks of goods on merchant shelves or in warehouses than ever before.

It is true no new cars or tires will be available, but 3,750,000 new passenger autos were sold this year. Not many people will lack efficient transportation. All metal goods products will be tight (sewing machines, iceboxes, etc.), but the average American will not have to tighten his belt yet as the Germans did, only ease his foot from the accelerator of living.

The careful calculations of the commerce department suggest retail and service sales through the year will average as high as 1936, which was not bad.

LABOR shortage is in prospect for the latter part of the year. The old defense program contemplated 3,000,000 additional workers; the new one will require twice as many. Taxes will be terrific. You can expect heavier nuisance taxes, probably a slight increase in income taxes, possibly a payroll tax. The middle classes and successful people (doctors, lawyers, teachers) will be hit hard. For them there will be no prosperity. Their pre-war incomes will be cut tremendously by taxes and higher prices. But a fairly formidable price restriction bill will be passed by congress to stave off the giddiest heights of inflation for 1942 at least. The national income as a whole will rise from \$92,000,000,000 this year to about \$110,000,000,000 in the new.

Small manufacturers will suffer.

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Ellsworth Heads Alumni of Oregon

Eugene, Jan. 2.—(AP)—Mail balloting resulted in election of Harris Ellsworth, publisher of the Roseburg News-Review, as president of the University of Oregon alumni association, tellers reported today.

Radio Highlights

(Time is Pacific Standard)
Tonight, the war, subject to change—4 MBS; 4:15 NBC-red; 5 MBS; 5:55 CBS; 6:15 MBS; 7 MBS; 7:30 NBC-blue; 7:45 CBS-east; 9 NBC CBS; 9:55 NBS CBS.

Saturday, the war—7:15 MBS; 8 CBS MBS; 10:45 NBC; 11 CBS; 1 NBC-red; 1:30 CBS; 3 MBS; 3:25 NBC; 3:30 CBS; 3:45 CBS NBC-blue.

Football—MBS 11:45 a. m. East vs. West at New Orleans. NBC-red—11 a. m. Oklahoma City U. choir; 1:15 races at Tropical Park. CBS—2 Cleveland orchestra. NBC-blue—9:30 Four-H club program.

SIDE GLANCES

BY TRIBUNE REPORTERS

Alex and Nancy Hamilton behaving like a gentleman and a lady, respectively, at a very exciting occurrence.

Armyman Ray Garcia relaxing after the hustle and bustle of moving himself and family into a new residence.

Dean Showers encountering a customer who wanted to know if there wasn't a discount for quantity buying of defense savings stamps, such as three ten-cent ones for a quarter.

And MT Carrier Philip Gates finding it hard to satisfy customers as he waits for a new supply of dime defense savings stamps to reach town.

SHORTENED LINES ADD STRENGTH TO DEFENDERS' BLOWS

Cavite Evacuated Before Japanese Entry—Japs Hint Australia Move.

By the Associated Press
Japan's invasion armies captured Manila today and the U. S. naval base at Cavite has been evacuated, while a Tokyo broadcast asserted that Gen. Douglas MacArthur's defense forces had fallen back to Corregidor island and to Batan peninsula for a "last stand."

A war department communiqué, however, indicated that American and Filipino troops were still fiercely battling the invaders north and south of Manila.

Maneuver Praised
The communiqué declared that Gen. MacArthur's brilliant tactical maneuver in shortening his lines, permitting the Japanese to take the Philippine capital, would enable him to strike harder, co-ordinated blows at the enemy than if he had elected to defend the city.

Domei, the Japanese news agency, said Gen. MacArthur himself had moved to the heavily-armed Corregidor fortress, whose 12-inch guns and bristling anti-aircraft batteries make it a powerful defense bastion.

The navy said Cavite naval base, 10 miles southwest of Manila on Manila bay, was evacuated before the Japanese entered the capital.

Meanwhile, an official Tokyo broadcast reported cryptically that Japanese reconnaissance planes had returned safely from a flight "in the direction of Australia."

Imply New Drive
No details were given, but underneath lay the clear implication that the flight may have been a scouting mission preluding a Japanese attempt to invade Australia, many of whose troops have left the colony to defend Singapore.

A Japanese military spokesman declared that the fall of Manila would mean collapse sooner or later of the entire Philippine defense system and asserted there was little chance that Manila would become an East Asia Dunkerque.

"All ships in the Manila bight which could have been used to remove troops have been successfully bombed by the Japanese air force," the spokesman said, indicating that any hope of escape by sea had thus been cut off.

A German broadcast reported that Japanese warships bombarded Manila's fortifications and harbor facilities and shelled the big Cavite naval base across the bay.

Terse Statement
With all communications with Manila blanked out for the third day, except for official messages, the war department gave this terse summary of the situation at 7 a. m. Manila time:

"All available forces have now been united.
"In addition to the land positions, the harbor defenses and

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FAMILY SAVINGS GAMBLER BY WIFE

San Francisco, Jan. 2.—(AP)—Across the breakfast table William Reed, 54-year-old deep sea diver, told his wife that he was going to withdraw their \$10,000 savings from the bank today and invest it all in defense bonds.
After breakfast he went out for a shave. When he returned he found his wife, Jewell Reed, 35, lying dead across the gas stove with all jets turned on and a bullet hole through her mouth.
A note beside her asked his forgiveness and explained she had gambled away all but \$4,000 of their savings.

Transplanted Rose Bowl Chilly Place



Spectators at the Rose Bowl game, transplanted to Durham, N. C., huddled together yesterday under covers in this fashion as they saw Oregon State defeat Duke, 20 to 16, in a real gridiron thriller. (A.P. photo by wire and Airmail to Mail Tribune).

Pacific Fleet Operations Must Wait Air Protection

London, Jan. 2.—(AP)—A British spokesman declared today that British and American fleets cannot be expected to operate effectively in the south Pacific until they can obtain adequate air support.

He asserted the Japanese might even be able to neutralize the use of Singapore as a naval base by bombing from air bases in Malaya.

"However," he said, "we must keep the long view of the Pacific situation, remembering that in the long run the allies can outbalance the Japs."

"But the situation needs careful handling at the present moment."

"The fall of Manila," said this source, "will allow the Japanese to use their forces to the south." He added that Singapore would be in a "tough position" if the Japanese retained their hold in Malaya.

He labelled as "nonsense" the Japanese claim that they sank nine British destroyers in their capture of Hongkong, adding "there was only one old destroyer at Hongkong, and most of the guns had been taken from it for use on land."

PRICE CONTROL PLAN HAS COMMITTEE OK

Washington, Jan. 2.—(AP)—A broad-based wartime price control measure was approved today by a senate banking subcommittee after listening to a lengthy dispute between Price Administrator Leon Henderson and Secretary of Agriculture Wickard over who should control farm prices.

Chairman Brown (D-Mich) said that the measure was a "much stronger bill" than one passed by the house before the outbreak of war.

ICE WATER SWIM IS NEW YEAR FEATURE

Seattle, Jan. 2.—(AP)—Nine persons—the eldest was 60-year-old R. W. Smith—swam off Alki New Year's day under auspices of the Polar Bear club. Three thousand watched the chilled bathers' antics. The Polar Bear club founders, Clarence Carlson and Harold Winquist, did not attend because of the death of Winquist's father, Carl L. Winquist, builder.

ASHLAND GREENHOUSE HIT BY \$2,500 FIRE

Ashland, Jan. 2.—(AP)—The boiler room and office of the Ashland Flower Shop greenhouse were destroyed by a fire yesterday at an estimated \$2,500 damage.

Fire fighters were hampered by ice which formed in the 12-degree temperature.

RATES REVISED

Portland, Ore., Jan. 2.—(AP)—Bonneville's optional wholesale power rate was revised today so that all kilowatt hours in excess of 50 per cent load factor will cost one mill instead of two and one-half.

RAT...RS NAMED FOR AUTOS, TIRES; QUOTAS ARE FIXED

Jackson County Allowed 56 Tires for Cars, 137 for Trucks, Busses in Jan.

Salem, Jan. 2.—(AP)—Governor Charles A. Sprague, announcing today appointment of 52 local rationing committees, said the committees would handle rationing of new automobiles, as well as tires and tubes.

Secretary of State Earl Snell estimated that 108 tons of rubber could be saved in Oregon each month if motorists would drive at reduced speeds, avoid sudden stops, and have their wheels aligned properly.

Rationing committees appointed today include:

Jackson county—Ashland district: Harry McNair, Henry G. Enders and Marcial Stansbury, Ashland; Medford district: A. C. Hubbard, Leonard Carpenter, both of Medford, and Mrs. Ruth Sparrow, Central Point.

Josephine county—Sam Baker, Marvin Clark and Mrs. Louis Gerlinger, Grants Pass.

Klamath county—Percy Murray, Don Drury and Mrs. Effie Garcelon, Klamath Falls.

Tire and tube quotas for Oregon counties during January were announced by the governor with rationing to begin January 5. No tires or tubes will be allowed for private use.

The state's quota for passenger cars, motorcycles and light trucks is 1,546 tires and 1,264 tubes. For trucks and buses 3,209 tires and 2,683 tubes.

Following are tire quotas for southern Oregon counties, the first figure being the number of tires allowed for passenger cars, trucks and motorcycles, and the second figure being the number that can be bought for trucks and buses:

Jackson 56 and 137; Josephine 24 and 60; Klamath 64 and 150; Lake 9 and 34.

265 Violent Deaths Listed On Holiday; 171 in Auto Mishaps

(By the Associated Press)

A total of 265 persons lost their lives over the New Year's holiday in automobile accidents, drownings, falls, shootings and by other violent means, a nationwide survey showed today.

Automobile accidents accounted for 171 of the total. An army bomber crash on Long Island took five lives.

Two Ute Indian brothers froze to death after their automobile stalled within a mile of their Utah ranch home. In North Worth, Tex., a Mexican and four of his children perished in their burning home.

The New Year's figures compared with a national total of 431 for the Christmas holiday of which 334 deaths were in traffic, 97 elsewhere.

Washington, Jan. 2.—(AP)—President Roosevelt disclosed today that the question of moving airplane and other war industries, from vulnerable seacoast points to the interior was receiving new consideration.

JACKSON CO. CUPID ENJOYS GOOD YEAR

Marriage licenses issued by the county clerk the past year numbered 330, 25 more than in 1940 when the total was 305.

June lead with 35 licenses and January was lowest with only 10, and February with 11. In March Dan Cupid's business started to pick up with 22. In April 20 were issued, May 29; July 28; August 20; September 29; October 24; November, 21 and last December, 24.

LAST KNOWN DRIVER OF STAGE LINE DIES

Roseburg, Ore., Jan. 2.—(AP)—Thomas B. Burnett, 83, last known surviving driver for the old Oregon and California Stage company, will be buried here today. He died Tuesday at Eugene. Burnett drove the last horse-drawn stage coach for his company out of Roseburg on completion of the Southern Pacific railway to this point in 1882.

Fall of Manila to Japanese Recalls Its Capture by U. S.

By the Associated Press

It was nearly 44 years ago that the American people were electrified by the news that the Spanish fleet had been destroyed in Manila bay in a dawn-to-lunch battle with Dewey's cruisers.

Passing the then lightly armed island of Corregidor, where big guns now guard the entrance, Commodore George Dewey attacked the Spanish fleet anchored in the bay on May 1, 1898, and destroyed it to the last ship.

The surrender of Manila followed on Aug. 13. Previously the Philippine capital had been occupied by the Spaniards in 1565, captured and sacked by the British in 1762 and returned by them to the Spaniards in 1763.

Sailing from Mirs bay near

Family Car Due For Early Sale Or Life of Ease

New York, Jan. 2.—(AP)—The average family car is either going to be sold or else treated like a baby in the next few months, automobile dealers and service men said today.

Repair inquiries picked up "terrifically" this morning; almost as large was the number of owners seeking to sell.

Those were the first results here of the federal ban on new car sales and the announcement that rationing would follow.

The nation's 41,000 dealers in new passenger cars and trucks were reported looking for new angles to the car business. Most planned to expand repair departments, it was reported. There were numerous unofficial predictions of unemployment for some of the sales and service employees, estimated to total around 1,300,000.

SALE OF ALL NEW CARS AND TRUCKS NOW PROHIBITED

Washington, Jan. 2.—(AP)—Price Administrator Leon Henderson said today that the government might eventually have to buy or commandeer private automobiles when available stocks of new cars—estimated at a maximum of 650,000 units—are exhausted.

Sale of new passenger cars and trucks was prohibited throughout the United States today under government orders mobilizing the entire American automobile industry for war production only.

To put the country's army on wheels and give it the guns, planes and tanks to fight with, the factories which in peacetime made four times as many automobiles as the rest of the world put together will be required to halt all manufacture of new cars and light trucks for civilian use "within a few weeks," it was announced.

The 450,000 passenger cars and the light and heavy trucks now in stock with dealers can be bought only by government, lend-lease and the most essential civilian users. Pending establishment of a rationing system to handle distribution of these automobiles, the purchase, sale and delivery of all new cars and trucks is prohibited.

The rationing set-up is expected to be in operation by Jan. 15. It will be supervised by Price Administrator Leon Henderson, whose office yesterday imposed drastic quotas reducing by about 90 per cent the number of new tires and tubes available for sale to civilians.

Luzon, the most American of the 7,000 Philippine islands, is about as big as Virginia.

PORTLAND LISTS 1000 CARS, TRUCKS

Portland, Jan. 2.—(AP)—There are about 1000 new passenger automobiles and light trucks in local warehouses and showrooms, the Oregon Journal said today.

Dealers said the order halting sales of new cars and light trucks was a shattering blow to them. They had expected a suspension of passenger car manufacturing, but did not dream deliveries would be frozen.

Several dealers held automobiles for purchasers who didn't want delivery until after Jan. 1 and in some cases the dealer already had sold the used car turned in.

LONG STRETCH

Olympia, Wash., Jan. 2.—(AP) Richard Jennings, attorney for the regional OPM office at San Francisco, described the nation's tire-rationing program today as aimed to stretch a two-months supply of rubber tires in this country over a two-year period.

War Bulletins

Cairo, Egypt, Jan. 2.—(AP)—South African troops with fixed bayonets, rushing into battle behind powerful British tanks, have occupied the Libyan port of Bardia and killed or captured all of the 5,000 axis defenders. It was announced tonight. The defenders numbered about 4,000 Italians and 1,000 Germans.

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