

DOUBLE INCOME TAX--MORGENTHAU

"The Harder the Sacrifice, the More Glorious the Triumph."
—Franklin D. Roosevelt, in address to nation February 23, 1942.

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U. S. DESTROYER SUNK BY U-BOAT OFF N. J.

Only 11 Sailors Saved, More Than 100 Lost

NINE BILLION WAR LEVY TO 'HIT EVERY U. S. HOME'

Treasury Secretary Asks Boost in Corporation Imposts, Higher Cigarette, Pop, Gasoline Collections

WASHINGTON, March 3.—A \$9,610,000,000 war-tax program "to be felt in every American home" was laid before Congress and the nation today by Secretary Morgenthau.

"The new taxes will be severe, and their impact will be felt in every American home," the Treasury chief told the House ways and means committee. "War is never cheap, but it is a million times cheaper to win than to lose."

The additional taxes which he proposed would, by themselves, be greater than ever collected by the federal government in a single year prior to 1941.

As a down payment on victory, Morgenthau asked doubling of most people's individual income tax, with rates so stiff that a single man with a \$2,000 salary would pay \$230 tax and if he made \$1,000,000 would only be allowed to keep about

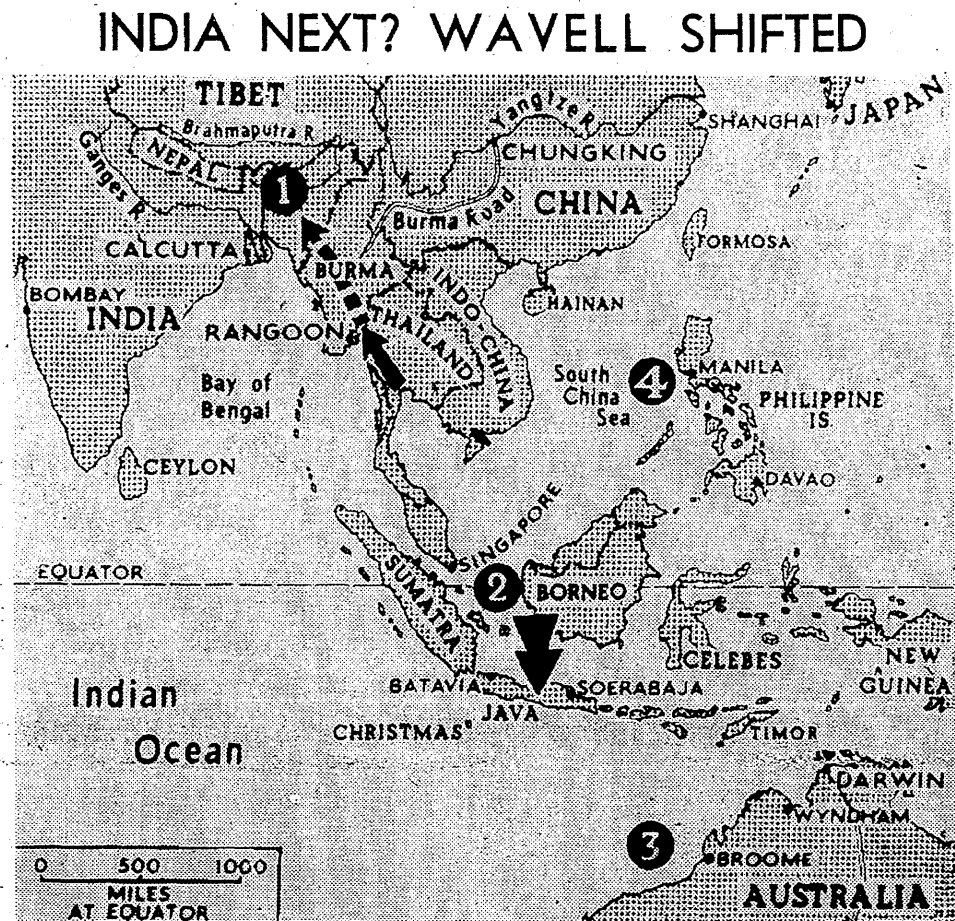
(Continued on Page 2, Column 3.)

Aberdeen Yard To Build U. S. Ships

ABERDEEN, March 3.—Officials of the Grays Harbor Shipbuilding Company revealed today the receipt of contracts to build \$1,000,000 worth of wooden vessels for the Maritime Commission and said other contracts were expected soon.

WASHINGTON, March 3.—(AP)—Senator McNary, Republican, Oregon, said today he had been notified by the Maritime Commission that Edward Kaiser, Portland, Ore., had been authorized to construct ten shipways at Portland and given a contract for construction of about 72 vessels. No details were given.

Three pacts signed with Brazil to aid war effort. Pg. 8.



INDIA NEXT? WAVELL SHIFTED

Assignment of Gen. Sir Archibald Wavell to India is attributed to Japanese penetration of Burma (1) and the necessity of strengthening India's defenses. The Allies battled a huge new Japanese invasion armada, advancing on Java (2). Japanese flyers attacked Broome and Wyndham on the West Australian coast (3). In the Philippines (4) Gen. Douglas MacArthur reported today that the Japanese are landing new troops in the islands, shelling cities and that Zamboanga on Mindanao is in flames.—Map prepared by the Associated Press and transmitted by wirephoto.

BURMA SITUATION SERIOUS

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OIL REFINERY BLAST HURTS 25 IN TEXAS

PORT ARTHUR, Tex., March 3.—(AP)—Twenty-five persons were injured, one seriously, in an explosion in a pump house at the Atlantic Refinery, 3 miles east of here, which shook the city at 10:05 a. m. today.

A fire after the blast was extinguished quickly. Packing blowing out on a hot oil pump was blamed.

ALLIES TAKE OFFENSIVE ON JAVA, BUT HOPE IS DIM

Indies Battle Has Brighter Turn, but New Armada Is Reported Moving Down Under Air and Sea Attack

LONDON, March 3.—The Nazi-controlled Paris radio tonight broadcast a report that the Dutch base of Soerabaja has fallen to the Japanese. Radio Paris quoted Japanese sources as the basis for its report.

Radio Paris frequently has broadcast exaggerated reports of Axis successes.

American, British and Dutch troops were reported taking the offensive in Java today to drive Japan's invasion hordes into the sea, and the Dutch High Command announced that Japanese assault forces had been checked in all three battle sectors.

While the situation thus somewhat improved, the Dutch acknowledged that the N. E. I. government had been removed from the capital city of Batavia to inland Bandung, and gloom pervaded Dutch quarters in London over the long-range outlook.

Japs Advance, Says Tokyo

The Tokyo radio, in an English-language propaganda broadcast, asserted that Japanese troops who landed on the North Central Java coast were "advancing continuously" and had occupied an im-

(Continued on Page 12, Column 6.)

ARMY ORDER REVEALS EVENTUAL OUSTER OF ALL COAST JAPANESE

All Japanese, including American-born, eventually will be ordered by the government to vacate the Pacific Coast, Lieut. Gen. J. L. De Witt, commanding general of the Western Defense Command and Fourth Army, revealed yesterday in announcing that the Western parts of Washington, Oregon and California, and the south half of Arizona, now form Military Area No. 1 of the nation.

General De Witt, in effect, advised the voluntary removal of Japanese immediately, although his proclamation was not an evacuation order.

"Immediate compulsory mass evacuation of all Japanese and other aliens from the Pacific Coast is impracticable," General De Witt said. "Eventually, however, orders will be issued, requiring all Japanese, including those who are American-born, to vacate all of Military Area No. 1."

"Those Japanese and other aliens who move into the interior out of this area now will gain considerable advantage, and in all probability will not again be disturbed."

In the proclamation establishing the area, General De Witt pointed out that "any and all persons may be excluded" under the executive order directing military commanders to prescribe "military areas."

The proclamation designated all portions of the four states not included in Area No. 1 as Military Area No. 2, and pointed out that persons can be excluded from certain positions of the second area under the same terms as the first.

General De Witt appointed Tom C. Clark of Los Angeles as chief of a civilian staff to handle the evacuations. Clark's staff will include representatives of all federal agencies involved.

General De Witt said the staff's property section will deal with the problem of providing a property custodian.

Stringent restrictions on persons (Continued on Page 8, Column 2.)

Submarine Shells N. Y. A. Camp on Isle Near Puerto Rico

SAN JUAN, Puerto Rico, March 3.—An enemy ship shelled Mona Island off Puerto Rico's westernmost extremity last night, Gov. Geoffrey Guy Tugwell's office announced today.

A National Youth Administration camp is on the 20-mile-square island, 50 miles west of Mayaguez. It was the first shelling of United States territory on the Atlantic side since the war began.

Presumably a submarine shelled the island, almost halfway between Puerto Rico and the Dominican Republic.

Remberto Cassaba, assistant head of the N. Y. A. camp, reported the attack, but said no damage or casualties resulted.

The shells landed far up on the rocky cliffs of the island. Cassaba's radiogram addressed to San Francisco, directed to N. Y. A., said the boys of the youth camp "behaved very well" during the attack.

"We want protection at once," the telegram added. Forestry officials confirmed the attack. Naval authorities scouted the theory that the shells might have come from firing practice in the vicinity.

San Juan residents were inclined to view the raid as purely a nuisance attack since the island is primarily a tourist and fishing resort and has only the slightest military importance.

SHIP'S DEPTH CHARGES ARE EXPLODED BY 2ND TORPEDO

Warship Went Down Off Cape May Before Dawn Last Saturday; 145 Men May Have Been Aboard

WASHINGTON, March 3.—The Navy announced today that the destroyer Jacob Jones was sunk by an enemy submarine off Cape May, N. J., before dawn February 28 and that only 11 men of the destroyer's crew survived.

The number of those lost, including the commanding officer, Lieut. Comdr. H. D. Black of Oradell, N. J., was not given but was far more than 100, since the normal wartime complement of the old destroyer was around 145 officers and men.

Two torpedoes hit the Jacob Jones. The first one blew up the bow and apparently killed all personnel on the bridge as well as men sleeping in the forward living quarters of the ship. The second torpedo blew up the stern and all the depth charges.

The 11 survivors consisted of nine enlisted men from the engine room and two apprentice seamen. Of the 11, only one man was outside the amidships section when the stern was blown up. That one was in the after engine room.

In its communique the Navy said that neither the enemy submarine nor the torpedo was sighted prior to the first hit.

After the first hit blew up the destroyer's bow, the submarine circled ahead of her and fired the torpedo which caused the terrible explosion of the depth charges in the stern.

The Jacob Jones was the ninth naval ship officially announced lost so far in the war, including the Reuben James, which was torpedoed last fall prior to the formal United States declaration of war.

The others of the previous eight were three combat ships, mine layer and a target ship lost at Pearl Harbor; the tanker Neches, torpedoed in unidentified waters.

(Continued on Page 12, Column 8.)

Wife of Captain Of Jacob Jones Is U. W. Girl

ORADELL, N. J., March 3.—(UP)—"My chin is still up."

That was the response of Mrs. Frances Black, wife of Lieut. Comdr. Hugh David Black, when advised today that her husband was believed lost in the sinking of his destroyer, the Jacob Jones.

Mrs. Black and her three children are "somewhere in Massachusetts." She received the news by telephone from her father-in-law, Howard D. Black, who called her from the Black home here. He refused to disclose the exact whereabouts of his daughter-in-law, the former Frances Frykholm of Seattle, a graduate of the University of Washington.

(In Seattle, Mrs. John Frykholm said her daughter was in Winchester, Mass.)

Nazi Plane Crashes in Eire. DUBLIN, Eire, March 3.—(AP)—A German aircraft crashed today near Schull in County Cork, killing all its crew.

LABOR GOES ALL OUT FOR VICTORY

.. HEAR ..

DAVE BECK TONIGHT

KJR 9:15 P. M.

(Paid Advertisement)

How Income Tax May Be Taken From Paychecks

Morgenthau Asks Authority to Collect 10 Per Cent of Wage Monthly

WASHINGTON, March 3.—(AP)—You'll be finding part of your federal income tax deducted from your pay check by your employer pretty soon, if Congress approves a suggestion made today by Secretary Morgenthau.

The Treasury head said such "collection at the source" probably would be necessary for the "convenience" of the taxpayer, and also stop him from spending his money in some inflationary way before tax time rolls around. The secretary asked Congress to give him the authority to start the plan whenever he thought necessary and in any amount up to 10 per cent of any wages in excess of those amounts and send the money to the Treasury each month. If the employee had children or other dependents, an additional \$8.50 a week would be exempt from the deduction for each dependent. Thus, a married man with two children, earning \$50 a week, would have an exemption of \$32 plus \$17, or \$49, and his employer would deduct only 10 per cent of the remaining one dollar of his salary, and the Treasury would get 10 cents a week.

Dividends and interest—In certain cases, particularly stock dividends and corporate bond interest, the corporations would deduct a flat 10 per cent (without exceptions) and send it to the Treasury. Next year, when a person made out his income-tax return, he would compute his tax in the usual way, but take a credit for the amount already collected at the source, and pay the difference.

Swedes favor drastic penalties for spies. Another nation adopts Gallup Poll method. See Poll on Page 9.

No More Dial-Phone Installations--W.P.B.

WASHINGTON, March 3.—(AP)—Further installations of dial-telephone exchanges and extension phones in private homes were forbidden by the War Production Board today unless such work is "essential for public health and safety."

Acting to save large amounts of critical materials by strictly limiting future engineering practices of telephone companies, the board also forbade replacement of existing wall-type and desk-type phones with hand sets, except when an instrument is beyond repair, and ordered party lines installed wherever such lines would conserve scarce material.

Joint Defense Board to ask immediate start on Alaska Highway. Page 5.

Strike voted in Tacoma mills. Page 4.

SUMMARY OF TODAY'S WAR NEWS

The Japanese were reported stalled at three invasion points on Java today, but a new armada of 70 or 80 ships was reported moving down on the island under constant and heavy attack from Allied planes and warships.

The government of the Indies was shifted to Bandung in the mountains and that city underwent a heavy air attack by the Japanese.

Dutch officials were pessimistic of Java's chances to hold out and there was criticism of United States and British strategy.

Shift of Gen. Sir Archibald Wavell from the Allied command to command in India was interpreted as an indication that India's situation is grave. Burma was believed virtually lost, although the Japanese have been stalled there eight days. London sources indicated India may receive an offer of dominion status soon in return for full war support.

German military spokesmen said Russian troops in prodigious force are massing all along the Eastern Front for a revitalized drive. Berlin added that German troops have repulsed tank-supported assaults on the Crimea and in the Donets Basin.

However, some observers felt the German emphasis on Russia might be designed to convince London and Washington that Russia is not in dire need of help.

Several hits were scored on merchant ships in the harbor of Palermo, Sicily, in two attacks by R. A. F. bombers, Rome admitted. One of the ships was sunk.

Axis air attacks continued on Malta with some casualties. (See Page 12 for communique.)

Pair Quarrel; 20 Frenchmen Woman Leaps; Man Follows To Die for Just One Nazi Sentry

NEW YORK, March 3.—(AP)—A young woman and a man leaped from the fourth floor of a rooming house off Times Square at noon today after a quarrel which a third person sought to halt.

The pair landed on an extension of the third floor 15 feet below. The woman, Kay Harris, 23 years old, former dancer and now a waitress, who said she came here from Youngstown, Ohio, was taken to Bellevue Hospital with a possible spinal fracture. Her companion, Richard Narcarro, 27, who came here from Dayton, Ohio, suffered an injured ankle, but refused medical attention.

Police said Leonard Baker, superintendent of the building, told them he heard the pair quarreling in Miss Harris' room and entered. The woman was lying on the floor, he said, Narcarro standing near her.

"If I told him to get out of the building," police quoted Baker as saying, "then the girl jumped out, shouted something and jumped out the window."

Narcarro ran to the window, shouted, "Darling, why did you do it?" and then jumped after her, Baker said.

Council to crack down on private use of city autos. Pg. 8.

No more cuffs on pants, says W. P. B. Page 4.

Sen. Norris Asked To Run Once More

MCCOOK, Neb., March 3.—(AP)—Petitions asking Senator George W. Norris, veteran Nebraska Independent, to seek reelection were circulated by both municipal political parties in his home town today.

Army and Navy collusion gives alien big profits, Chicago man charges. Page 9.

