

Japs May Flee Bomb Blasted Isles For Last Stand In Manchuria

By GERALD R. THORP

Times Foreign Correspondent

MANILA, July 18.—The mountains and plains of Manchuria may well be the scene of Japan's last bitter stand against the allies, after the home islands have fallen.

Some military observers long have conceded that Japan foresees this possibility as soon as it felt the impact of the American offensive in the Pacific. Developments of recent months have

strengthened the prospects for a last desperate battle in Manchuria.

A large percentage of Japanese war production now is believed to be coming from Manchurian factories and steel mills, which as yet hardly have been scarred by the war.

A few B-29 raids were made on industrial targets there last fall by China-based planes. Since then, however, Manchurian pro-

duction apparently has been unhampered.

Japan, in 1942 and 1943, began relocating many of its most important war plants in the big satellite state and since then has steadily increased its industrial investments there. Many of the enemy's new synthetic rubber and oil plants are in Manchuria as well as powerful hydro-electric plants.

The country is a rich storehouse of mineral deposits including iron, coal, magnesite and oil shale—all easily accessible to industrial centers. The Shoua steel works at Anshan is, reportedly, the largest iron and steel plant in the Orient.

Manpower for Japan's agricultural and industrial interests in the country is provided in ample quantities by serf labor from North China and probably a large

number of occidental war prisoners.

It is estimated that the enemy has a large portion of its troops in Manchuria. It is believed that these could be more than doubled in a comparatively brief time if the Japanese chose to withdraw across the Sea of Japan when the fall of the home islands appears inevitable.

Such a retreat would be logical enough in view of the fact that it actually would shorten the enemy's supply lines.

Whether Manchuria's stepped-up production could meet along the demands of the Japanese army is debatable. But Japan, itself, should learn the answer soon.

Continued destruction in Japan proper will leave Manchuria the chief source of supply.

Japan is well aware that its industrial fortress of Manchuria may become the target for saturation bombing. A type of attack that is not now available.

This would squeeze the lifeblood out of the production lines as effectively as is now being done in the home islands.

If Manchuria's inviting facilities are reasonably intact when the seizure of the home islands nears completion, it is almost in-

evitable that the Japanese will make their last stand there.

And even if Manchuria by that time should be hollowed by constant bombing, the Japanese might still choose to make it their last great battleground of the war.

For, in the vast expanse of Manchuria a numerically great Japanese army could be maneuvered more effectively than in the confines of the home islands.

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Chicago Vandal, a Nationalist Promoter, Recruits Sluggers for Terrorist Bands

(Continued From Page One)

New York organization called "Money."

Several monetary outfits, which are associated with Smith and other nationalist leaders, are working for monetary changes, including abolition of the Federal Reserve system. They contend that it is an instrument by which "international bankers" control the nation's economy.

Another exhibit is the letter of Earl Southard to Don B. Husted of Mantua, O. Southard, who speaks of his constant communication and co-operation with Reynolds. It is the head of the Citizens of U. S. A. committee, a Nationalist organization in Chicago.

Husted is a promoter of the "monetary reform" movement.

Well Regarded in Germany

Reynolds was well enough regarded in Germany to get an article under his by-line in Adolf Hitler's personal newspaper, *Volkischer Beobachter*. It appeared February, 1939, six months before Hitler started the war. In part, it said:

"What business is it of ours, of the American people, what form of government Germany, Italy, Japan or any other country on earth has?"

"I claim that we should create jobs for 10,000,000 men in the United States before we attempt to tell Hitler or Mussolini how they should govern, especially because we all know there is absolutely no unemployment in Germany or Italy."

Mote and Gerald Smith

"I am happy to state without the least hesitation that I am absolutely against the United States waging war for the purpose of protecting Jews anywhere in the world."

This was a year after Reynolds had made a trip to Europe and, on his return, said: "Hitler and Mussolini have a date with destiny; it is foolish to oppose them, so why not play ball with them?"

Reproduced here also is a letter from Scott, the New York money man, to J. Victor Malone, a representative of Reynolds. It was sent to Malone while he was in Cleveland soliciting contributions to the *Industrials*.

This letter is particularly relevant because of its reference to the appearance of Carl Mote, head of the National Farmers' guild, and Gerald L. K. Smith as speakers at the monetary congress.

Little Doubt of Aims

The presence of men like Smith and Mote among the monetary groups leaves little doubt of the nationalistic character of this group.

Even men under indictment on charges of sedition were contacted by Reynolds' representatives.

Joseph E. Nelligan, New York State chairman of Reynolds' Nationalistic party, held a conference June 22, 1945, with Col. E. N. Sanctuary and William Robert Lyman Jr. of Detroit, both defendants in the Washington sedition trial. The meeting took place at the Lafayette Restaurant, Bergen and Sixth aven., Brooklyn.

Also present was Charles G. Smith, chairman of the Eastern Monetary Congress. Nelligan is a distributor of Reynolds' publication, "The Nationalist."

Expects \$75,000 a Year

Although Reynolds' literature says all workers contribute their services to the party, his money-raiser, Malone, tells friends he expects to take \$75,000 a year out of his Nationalist activities.

At least 20 men are out soliciting funds for Reynolds' Nationalists. Besides Malone and Joe McWilliams, alleged seditionist, they include Ralph Forsland, who is working Boston and the New England states under the name of J. A. Forlines.

George Faist has the New York territory and solicitors in Chicago are one O'Toole and Harry E. Prelyman, a high-pressure promoter who was in the real estate business in Florida until his license was revoked. Malone worked for him there.

Says He Made a Deal

Malone now is confiding to friends that he has made a deal with the American Democratic national committee, a right-wing group which broke with the Democratic party during the last presidential campaign. He says he has established headquarters at the committee's offices, 306 W. Wabash ave., Chicago.

Head of the American Democratic national committee is Dr. Gleason Archer, president of Suffolk college, Boston, and the secretary is Robert E. O'Brien, president of Tabor college, Tabor, Iowa.

TOMORROW: "Mothers" and the "Women's White House."

TWO MINESWEEPERS LOST NEAR BORNEO

WASHINGTON, July 18 (U.P.)—The navy today announced loss of two minesweepers to enemy action in the Borneo area.

The navy said there were no dead or missing aboard the YMS-50 and the YMS-365. It has not yet been determined whether there were wounded, the communiqué said.

Loss of the two vessels brought to 24 the number of naval craft lost from all causes in this war.

John G. Scott to J. Victor Malone:
4/3/45
Dear Mr. Malone:
Sorry we failed to contact each other at our last political meeting. We hope you can be with us next month at our next meeting. We shall let you know the date.
I am writing you at Cleveland at the request of Mr. Carl Mote, who showed you last week. We suggest you may be able to make Buffalo, N.Y., by April 6-7-8, days & our Monetary Congress in St. Louis Hotel there. If you can be there any of these days we can find time to talk over N.Y.C. political plans. Mr. Gerald Smith speaks at our Congress, Sun. eve. Apr. 8th. Mr. Carl Mote will also speak, and several other men & etc.
Sincerely, John G. Scott

This photograph of a letter from John G. Scott to J. Victor Malone, Reynolds' money raiser, further shows the slippage of Nationalists and the Money Reform group. It also exposes the affiliation of this group with Gerald L. K. Smith and Carl Mote.

40 Valuable Portraits in Danger of Being Damaged

(Continued From Page One)

in the house balcony and an antenna nearby.

Defined in his gilt frame in an isolated spot overlooking the floor of the senate. Even a dust spot on his aristocratic nose failed to detract from his stand-offish appearance. William Henry Harrison peered forbiddingly out from under a protecting cloth thrown over another row of the Hoosier histories.

DESPITE An effort to protect the paintings by standing them upright, **and** **they** **are** **slanted** **back** **on** **large** **canvases** **in** **a** **way** **which** **may** **crack** **the** **brittle** **fibers**. Several antique frames lean perilously against each other.

Art experts who have heard of the removal of the portraits have voiced concern over the unique method of storage. The consensus was that the present treatment may damage or ruin the pictures, some of which cost as high as \$500.

In many cases, the portraits are the only ones existing of the former governors. They are the work of well-known artists.

GOVERNOR GATES, who thought the pictures were somewhere on the third floor, took time out of a conference to promise an investigation "if the pictures are being damaged."

He added that the arrangement was only temporary, while the walls and pictures could be cleaned. "They were in bad condition and need to be taken care of," he said. A. V. Burch, state auditor, who's directing the cleanup, echoed the statement.

Theoretically, Harold F. Brigham, director of the historical bureau, should be responsible for the care of the collection.

He said, however, he didn't know where the paintings were stored or why, explaining that the old law which makes him responsible may have been overridden by a recent opinion, placing museum material entirely under the conservation department's administration.

MUSEUM OFFICIALS said they never have been responsible for the pictures, but admitted they were worried about the irreparable oils.

The museum men were just as worried about some other historical material that's taking a beating while the statehouse takes a cleaning.

A stack of silken, tattered flags of Indiana regiments of past wars are stacked between file room in a basement store room. Mountings which were made for the flags are stacked on top, apparently put aside in the middle of the job of preserving the banners.

LONG SHREDS of crimson and yellow silk hanging from a broken staff is all that remains of the flag that flew over Gen. Sherman's carriage when he visited Indianapolis. It was tossed between about 200 regimental flags, stacked on a table.

Verne Patty, curator of the museum, looked sadly at the stock.

"The old veterans wouldn't like this," he said. "They used to come from miles away to see their regiment's flag. Used to stand by them with tears in their eyes and kiss the cases they were in."

"They're almost all gone now, though."

RESPONSIBILITY for the care of the flags is neither that of

LINK 'RED TINGE' TO 16 ARMY MEN

(Continued From Page One)

the historical bureau, the library or the museum.

A battle flag committee of three appointed by the governor is responsible for the preservation of the gallant banners.

The flags and a thousand and one souvenirs of Indiana's past that manage to survive the rough treatment they've received will be moved into the World War memorial basement where a submuseum is to be created.

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REPORT NAVAL PLANE SMASH

(Continued From Page One)

Japs Say New Carrier Strike Under Way.

(Continued From Page One)

than 250 carrier planes for 25 minutes.

The Domei agency reported that about 1000 persons were killed or injured in the week-end attack on Hokkaido, the northern home island.

It claimed that anti-aircraft gunners downed 32 carrier planes and damaged 17 more in the assault Saturday and Sunday.

Factories, homes and docks in the wood-and-paper cities lining a 50-mile belt of Japan's eastern shores above Tokyo were blazing furiously from the two-hour night bombardment by the allied surface raiders.

United Press War Correspondent Richard W. Johnston reported from the bridge of an American warship that the bombing fleet wrecked the huge Hitachi steel plant at Mitomo, only 35 miles from Hirohito's palace in Tokyo.

Pumping in shells at the rate of a ton a second, the great battleships blew the steel works into a mass of flaming rubble and withdrew without taking a single answering shot. "We knocked down Tokyo's front door," Johnston said.

Fleet Faces Southward

A radio report from the fleet said the Anglo-American warships, perhaps 150 strong, were racing southward under forced draft in the direction of Tokyo itself.

With the Japanese shore batteries and their sea and air forces still mysteriously silent, all of Japan's coast appeared to be at the mercy of Adm. William F. Halsey's marauding American 3d fleet and its British units.

Led by the 45,000-ton dreadnaught Iowa and the Royal Navy's 35,000-ton King George V, the powerful segment of the fleet steamed within six miles of the enemy shores last night to shell scores of targets ranging from 75 miles northeast to about 25 miles east-northeast of Tokyo.

A communiqué from Fleet Adm. Chester W. Nimitz' headquarters gave no immediate details on the **LINK 'RED TINGE' TO 16 ARMY MEN**.

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Hidachi is the center of the teeming industrial area north of Tokyo, site of an important engineering works that already had been partly wrecked by B-29 Superfortresses.

Also in the area aircraft, electrical, precision instrument and