

The Indianapolis Times

FORECAST: Cloudy with rain tonight and tomorrow; warmer tonight, colder tomorrow; lowest tonight about 45.

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FINAL
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Reserve Board Asks End to F. D. R.'s Devaluation Power

RESCUE 496 IN SOUTH PACIFIC RAIDS

BATTLE LOOMS OVER NATION'S MONEY POLICY

Bank Group Would Check
'Inflationary Tendencies'
With New Spending.

WASHINGTON, Jan. 1 (U. P.)—The Federal Reserve Board asked Congress today for drastically increased monetary powers at the expense of the Treasury Department and urged that President Roosevelt's power to devalue the dollar be allowed to expire June 30.

Broad changes in fiscal policies and monetary machinery are necessary, the Board said, because the defense program requires "the coordinated effort of the entire nation" and it may become necessary to take steps to "prevent inflationary tendencies attributable to defects in the machinery of credit control."

It was warned that means should be found to prevent further growth in excess reserves and in deposits arising from future gold acquisitions, pointing out that \$14,000,000 in gold has flowed into the United States from abroad since 1934.

More Tax Revenues Urged

It proposed that the budget be balanced when the country "approaches full utilization of its economic capacity"; that more and more of defense expenses be met by tax revenues rather than by borrowing; that the general debt limit be raised, and that the Treasury be allowed to issue any type of taxable security.

The recommendations were made in a special report to Congress—the first in the history of the Reserve Board. It was bound to stir up a major controversy over the New Deal's fiscal policies for which the administration only a year ago convened a concerted fight in Congress.

The report also marked the first major break between President Roosevelt and Board Chairman Marriner S. Eccles, who early in the New Deal was one of the President's closest advisers on fiscal policies.

Morgenthau Opposition Due

Secretary of the Treasury Henry Morgenthau Jr. and Lauchlin Currie, one of the President's assistants who formerly was an economic adviser for the Reserve Board, were expected to oppose most of the board's suggestions and carry their fight to Congress. Both of them conferred yesterday with Mr. Eccles.

The report, signed by the Board of Governors, the presidents of the Federal Reserve banks and the members of the Federal Advisory Council representing the 12 Reserve districts, emphasized that the nation is in no danger of immediate inflation, but foresees that possibility unless peace-time banking policies are changed to cope with the industrial needs of a war-time world.

Idle Money Is Concern

It is considered the predominating problem to be the tremendous accumulation of excess reserves, or "idle money," by which banks which, it is contended, would be further increased by Government defense increases.

"Due to extraordinary world conditions, it is said, the Board's authority is inadequate to cope with the present and potential excess reserves problem, even though in recent years Congress has increased its powers."

It is recommended that Congress provide means for "absorbing a large part of existing excess reserves, which amount to \$7,000,000,000, as well as such additions to these reserves as may occur."

Specifically it is recommended:

1. Immediate repeal of the Thomas Amendment which authorizes the Treasury to issue \$3,000,000 in greenbacks. The Board pointed out that the authority never has been used, but that it was a power.

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1940 New Year's Baby—and Proud of It



A 1940 New Year's baby and proud of it! Lawrence Jean Hunt, son of Mr. and Mrs. Leroy H. Hunt is receiving friends today at his home, 1414 Kennington St.

Having the honor of being the first boy to be born last year, Lawrence did his best to live up to the occasion in the past 12 months by learning to walk, say "goodby," "Mama" and "Papa."

7 Born Today,
Or Was It 6?

SEVEN BABIES were born in Indianapolis hospitals in the early hours of the new year or perhaps it was six.

The first baby born in the new year, if it was the new year, was the son of Mr. and Mrs. Richard Imel, 2811½ E. 10th St. Methodist Hospital products give the birth of a baby at 12 midnight."

Those who should know are still in doubt if Master Imel was the first baby of the new year or the last of the old or both. Or will he have a birthday or maybe two birthdays?

The City Hospital was faced with no such complicated problems. There were no babies born in Indianapolis' largest hospital on New Year's morning.

Since then Mr. Casey had time to visit his former wife from whom he was divorced 16 years ago in efforts to console her.

Late yesterday afternoon he was struck and killed almost instantly by an automobile in the 1200 block of W. Michigan St., while he presumably was on his way to pay a New Year's Eve visit to his former wife.

Mr. Casey, who was 42, was the last person killed in Indianapolis.

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GRID REPUTATIONS
AT STAKE IN BOWLS

Rose Game Pits Stanford
And Nebraska.

(Lineups, Page Six)
By UNITED PRESS

Ten of the nation's leading football teams stake their reputations today in bowl games, highlighted by the Rose Bowl tussle between Stanford and Nebraska at Pasadena.

A total attendance of 350,000 was expected at the five games, with additional millions getting their accounts over the radio.

Secondary attraction on the Pacific Coast was to be the annual tilt between the Eastern and Western All-Stars at San Francisco. The kickoff was scheduled at 4 p. m. and was to be broadcast by Mutual.

In the Pineapple Bowl at Honolulu, Hawaii, University meets Penn State.

The bowl teams, starting times, probable weather conditions and broadcast systems are as follows:

ROSE BOWL, Pasadena, 4:15 p. m., fair (NBC-Blue).

SUGAR BOWL, New Orleans—Tennessee vs. Boston College, 1:15 p. m., cloudy (NBC-Blue).

COTTON BOWL, Dallas—Texas A&M vs. Fordham, 1:15 p. m., cloudy (Mutual).

ORANGE BOWL, Miami—Mississippi State vs. George Washington (Colgate), 1:15 p. m., cloudy (Mutual).

SUN BOWL, El Paso—Tempe, Ariz., Teachers vs. Western Re-

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Katherine, J. P. m., cloudy

Ernie, the Tenderfoot, Treads Cautiously in London

Ernie Pyle backtracks today to describe his first night in London.

By ERNIE PYLE

ONDON (By-Wireless).—We traveled all the way from Lisbon to London in one long day. The journey took only 18 hours, starting three hours before dawn and ending three hours after dark. But I have taken four days in telling about it, because on that first day my eyes were as big as a child's, and probably no day to come will bring so many or such vivid impressions. So I will take one more column to finish that first evening in London.

We passed the Houses of Parliament, and saw Big Ben high up there in his tower. But he was all silent, like a giant in the time, either for us or for German flies. He was all dark.

We drove onto Victoria Embankment and a little later Waterloo Bridge and a bridge. I was astonished to see them still standing there. Since then I have found that all the bridges are standing, every one of them open to traffic.

We passed the great Needle, which was nice in the last of the moon.

Then we turned off into a

us to Fleet Street, the greatest newspaper street in the world. There George got out to go to his destination.

The driver couldn't locate the number. He yelled at the shadows of some men unloading something from a truck. He yelled at vaguely seen passers-by. Nobody knew where the number was.

FINALLY, the driver—and this was the only unpleasant thing I had encountered so far in England—told me to get out and hunt. He seemed that it was not his responsibility to get me there.

But I said, "Good Lord, man, I've only been in London 10 minutes and I was never here before in my life. How in heaven's name am I going to find anything in this blackout?"

So he groused a little and yelled at some more passers-by and finally did locate the address. I paid him off and carried my bags and sugar sack up to the door. A tiny blue light shone over it. The entire front was packed high with sandbags.

I didn't know whether I dared enter or not, for fear of letting out light. The tenderfoot treads cautiously in London these nights. He doesn't want to make a fool of himself.

But finally I gingerly pulled open the glass door, reached in and touched a heavy curtain and pulled that aside. There behind was a tall office-building jobby, lighted up. I went in the right place.

On an upper floor I found the men of the United Press at work. Their windows were blacked out. Tin hats and gas masks lay thrown (Continued on Page Three)

BAR APPOINTS FIVE TO STUDY PRO TEM SETUP

'Full and Complete' Probe
Of City Court Procedure
To Begin at Once.

A five-man judiciary committee of the Indianapolis Bar Association was named today to make a "full and complete" investigation of the handling and disposition of criminal cases in the Municipal Courts.

The Bar Association's action, announced by Fred C. Gause, newly elected president, followed recent criticism of judge pro tem activities and other court practices recently. Mr. Gause said the probe would begin at once.

Clarence F. Merrill, former association president, was named committee chairman. Members are Harvey B. Hartsock, Charles W. Holder, Paul R. Summers and Elbert R. Gilliom.

Fair Inquiry Pledged

In making the announcement, Mr. Gause issued a statement pledging a "fair and impartial" investigation. Since the association was largely responsible for creating the court, he said, "it would seem the clear duty of that association to take cognizance of the criticisms that have been made and that are a matter of general knowledge."

Mr. Gause's statement follows:

"For some time there has been considerable criticism of the operation of the Municipal Courts of Marion County in the handling and disposition of criminal cases and quite recently the amount of such criticism has greatly increased."

The Indianapolis Bar Association was largely responsible for the creation of this court and it would seem to be the clear duty of that association to take cognizance of the criticisms that have been made and that are a matter of general knowledge."

"The public is entitled to know whether such criticisms have any just basis."

Public Entitled to Know

"If such courts have failed to function properly and in the public interest then the public is entitled to know whether such failure is because of improper administration of such courts or because of imperfections in the law governing such courts, or both."

"If such courts have been properly conducted according to law and if no just grounds for criticism exists then the officers of such courts, as well as the public, are entitled to have that established."

"Because of the part the Bar Association had in establishing these courts I feel that we owe it all concerned to have a duly constituted committee of our association make a full and complete (Continued on Page Three)

FORGET WAR IN FINAL '40 FLING

Americans Celebrate New
Year Thankfully but in
Main Orderly.

By UNITED PRESS

From east to west across the time of the country, the people celebrated an unusually boisterous new year last night and today against the backdrop of a world poised on a delicate balance of war and peace.

The City Hospital was faced with no such complicated problems. There were no babies born in Indianapolis' largest hospital on New Year's morning.

At Methodist, three hours and 20 minutes after the Imel's greeted the world with a bang, a daughter joined the family of Mr. and Mrs. Earl Johnson, 4711 E. 21st St.

Three weeks ago Thersa died in the City Hospital, was faced with no such complicated problems. There were no babies born in Indianapolis' largest hospital on New Year's morning.

Since then Mr. Casey had time to visit his former wife from whom he was divorced 16 years ago in efforts to console her.

Late yesterday afternoon he was struck and killed almost instantly by an automobile in the 1200 block of W. Michigan St., while he presumably was on his way to pay a New Year's Eve visit to his former wife.

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(Continued on Page Three)

RAIN AND COLDER, WEATHERMAN SAYS

TEMPERATURES

6 a. m. ... 42 9 a. m. ... 43
7 a. m. ... 42 10 a. m. ... 43
8 a. m. ... 42

Rain tonight and tomorrow, with somewhat colder weather tomorrow to. (Continued on Page Three)

NEW OFFICIALS ARE SWEORN IN

Real Drama



TWO NAZI CRAFT STILL ON LOOSE, SURVIVORS SAY

Tales of Heroism Revealed as Marauders Strike Suddenly to Take Heavy Toll of Shipping.

MELBOURNE, Australia, Jan. 1 (U. P.)—At least two and probably more German raiders are loose in the South Pacific where they have inflicted a heavy toll on British, Norwegian and French shipping since last August, survivors rescued from lonely Emarau Island said today.

Tales of heroism at sea and fights against overwhelming odds by vessels attacked by raiders were told by the survivors 496.

They said that attacks came suddenly at night under dire threats against calls for assistance. Some survivors said they were well treated but others charged that 132 prisoners had been kept under the hatch of one raider for three days without water.

The survivors, brought to safety aboard Australian naval vessels, were among passengers and crews of seven vessels sunk since last August and they said that the prisoners from at least three other vessels still were held aboard the raiders.

Food Supplies Run Low

The survivors first were put ashore in bad weather on an island near Emarau. The Germans gave them a boat and supplies but the boat was not needed because islanders gave the survivors a motor boat with which to establish contact with Kavieng.

Government vessels landed stores and doctors on Emarau on Christmas Day and later took the ill and injured survivors and women and children to Kavieng.

They were first landed on Dec. 21 because food supplies aboard the prison ships were running low.

Some Survivors Hurt

Some survivors were injured by fire and shell fire aboard the vessels from which they were taken. Some of the vessels attacked suffered casualties.

The first and second officers of the steamer Komata of New Zealand were killed by their attackers. Survivors from one ship said they were attacked in the island of Nauru, in the Gilbert group. Nauru was shelled by a sea raider only last week.

Survivors said that when they were put ashore their captors warned them to make no attempt to establish contact with Kavieng for at least 24 hours. The order was obeyed.

Most survivors said they had been well treated but were not well fed.

Black bread, raw bacon and sausages were staple articles of diet.

Never Saw Attacks

One of the vessels attacked by an enemy raider never even saw the attacker, a survivor said. Suddenly it was caught in the glare of searchlights at night and shells burst around the ship.

Survivors said that whenever ships attacked by raiders attempted to send distress signals the