PURSES TO FEEL DECISION ON GOLD

Average Citizen and Debtor to Be Vitally Affected When Court Rules.

By the Associated Press.

Pocketbooks are going to be affected somehow, no matter which way the Supreme Court of the United States decides the gold clause cases.

For Congress, the decision is going to mean that the Constitution did or did not give it certain powers; but for the American citizen, it is a question of whether the dollar value of debt is to be increased.

Essentially, the court is going to answer four major things:

1. Did Congress have the right to end payments in gold?
2. May Congress alter contracts promising gold payments?
3. Was the Government right in seizing the "gold profits"?
4. Does Treasury refusal to redeem obligations in gold constitute a repudiation?

15.25 Grains in Dollar.

In those interpretations of law will be found the answer to whether all old gold clause contracts must be carried out to the letter. Every contract involving debt which carried a "gold clause" stipulated the money should be paid in gold or in dollars which would buy 25.8 grains of gold, nine-tenths fine. The new dollar will buy only 15.25 grains, but Congress has said they must be accepted dollar for dollar in the payment of debt.

To the citizen, the court's decision will say whether "payable in gold" means $1.69 or $1 in currency. If it upholds Congress, creditors will lose rich visions of getting an additional 69 cents on every dollar they lent. Individuals, vast enterprises and the Government itself will be saved the potential outlay of millions of dollars to those who have been paid or still hold their negotiable paper.

But, if the court uphols the gold clause, debtors face the prospect of every $100 in old debt suddenly becoming a debt of $169 in the new 59-cent dollars.

Congress May Act Quickly.

There is some solace, however, for those debtors who wonder whether they are going to face the prospect of paying many more present value dollars than they contracted to pay on the basis of old gold dollars. In and out of Congress there are schemes afoot to prevent an increase in the dollar value of debt.

One currently popular would be imposition of a special tax designed to take away all profit from any person demanding payment of old debts in a larger number of new dollars. Thus, if a debt to pay $100 in gold could be discharged only by giving $169 in new value dollars the Federal Government would apply a $69 or $70 tax and return the proceeds to the debtor. The net effect would be to leave the debt at $100.

Others suggest a hurried move by Congress to amend the Constitution, giivng specific powers to the Congress or the President to do all the things that have been done with the dollar. Advocates say Congress could act within 48 hours and that enough State Legislatures are in session now to get action from them in a relatively few days.

Court Increase Considered.

Still others, much fewer in number, suggest Congress exercise its power to increase the number of members of the Supreme Court with a view to getting new justices who might influence a desired decision. On only four occasions has Congress ever exercised its power to enlarge or contract the court, and there is no proof it was done to influence a decision.

Ever since 1823 there have been attempts to require that the court be restricted in its power to hold acts of Congress unconstitutional. Actually, however, the court has held relatively few acts of Congress unconstitutional. The number since the Civil War has been only 54, including the recent oil decision.

Retailers Given Loans.

The Philippine National Bank is extending loans of $300 or less, payable in installments, to small retailers.

Woman Freezes To Death, Having Coal, but No Stove

By the Associated Press.

PHILADELPHIA, January 28.—An aged woman, who had coal to burn, but no stove, was found frozen to death yesterday beside the unconscious form of her husband in their bed, where both had huddled for warmth.

She was Mrs. James Shackelton, 73. Her husband, 72, was taken to a hospital.

Police said they found three sacks of coal, bought with a relief check, but no stove.

Gang Girl Held

CHARGED WITH HARBORING ROBERT MAIS.

MARIE McKEEVER,

"Girl friend" of the convicted killer, Robert Mais, leader of the "Tri-State gang," shown as she was held in $15,000 bail in Philadelphia for further hearing. She is charged with harboring Mais in New York and possession of Government rifles stolen from National Guard armories in Norristown, Pa., and Hyattsville, Md.—A. P. Photo.

BRITAIN DISCUSSES EMPIRE'S DEFENSE

Reorganization of Plans for Australia Urged by Hankey.

By the Associated Press.

LONDON.—The question of guarding Britain's farflung empire has been revived with the return of Sir Maurice Hankey, secretary of the Committee of Imperial Defense, from a trip that has taken him almost around the world.

A few weeks after Sir Maurice, who also is secretary to the cabinet, left last August on a journey which included Australia and Canada, questioners in the House of Commons were told by Premier J. Ramsay MacDonald that the jaunt had "no political significance."

Recent developments have led members of Parliament and the British press to wonder whether the premier did not answer with his tongue in his cheek. Certain of the former hope to get the answer from Parliament.

The touchoff came with the receipt of advices from Melbourne that Sir Maurice, then on his way back to London from his last stopping place, Canada, had recommended a 10-year program of reorganization of Australian defense plans.

Rail Change Urged.

Whitehall momentarily remained silent in the face of dispatches saying the Imperial Defense Committee official recommended that, among other things compulsory military training be reintroduced and that something be done toward remedying the confusion caused by a multiplicity of railroad gauges. The latter, commentators pointed out, were extremely important in providing rapid transportation for defense from sea attack of large Australian cities, all held extremely vulnerable from that quarter.

Discussion of this point brought to mind that Australia's 2,400 miles from East to West and 1,971 expanse from North to South are interlaced with railroads with gauges ranging from a little over two feet to slightly more than five feet. A trip from Perth to Brisbane, for instance, involves five changes, making the journey of 3,500 miles occupy 170 hours. Not only are passengers forced to change from carriage to carriage, but freight must be moved from car to car.

During the past 30 years no less than a dozen investigations have been held to consider the advisability of agreeing upon a uniform gauge. All have arrived at the same staggering conclusion—that the cost might run as high as $200,000,000.

Compulsory Training.

The suggestion that compulsory military training, which Australia abolished in 1929, be reinstituted found little sympathy with unofficial observers in London. They argued that concentration on strengthening of naval bases and the providing of strong aid forces to aid in repulsing sea attacks would pay larger dividends.

While speculation over the Melbourne reports was rife, J. G. Cobbe, New Zealand defense minister, revealed that while his talks with the traveling London official were strictly confidential, he could state that nothing was said of military conscription as far as his country was concerned. He professed not to know about Australia.

Meanwhile workmen at faraway Singapore continued with their tasks of rapidly rounding the new naval base into shape. Whether it theoretically is one of the most impregnable in the world—tested in recent combined land, sea and air maneuvers—remains a close secret in London offices. Headquarters staffs of Britain's three fighting services never reveal the results of such mimic war games.

POWERS TO DISCUSS ARMS CONTROL PLAN

U. S. Proposal to Be Considered on Resumption of Geneva Talks Feb. 14.

By the Associated Press.

GENEVA, January 28.—The great powers reached an agreement today to resume consideration of disarmament problems February 14.

At that time the Disarmament Committee will discuss the plan advanced by the United States for regulation of munitions trade and manufacture.

The problem of arms limitation apparently awaits Germany's decision on whether it will return to the conference. This decision is believed to hinge on the extent to which the powers will legalize Germany's existing armaments.

DIPHTHERIA, NOT KICKS, RULED FATAL TO GIRL, 7

Autopsy Finds Cause of Death and Absolves Boys Accused of Beating Her.

By the Associated Press.

VALE, Oreg., January 28.—Phyllis Westfall, 7, died of diphtheria and not from an alleged kicking attack by boys, an autopsy disclosed yesterday.

The autopsy was performed by Dr. Clyde R. Walker and Coroner R. A. Tacke as a result of reports which intimated the girl might have died from a kicking attack.

The autopsy disclosed none of the abdominal organs was injured. It also showed evidence of jaundice and a diphtheric condition which left no doubt as to the cause of death, the doctors said.

Wild Ponies Gentle.

Wild ponies that roam the narrow sand strips off the North Carolina coast became quite gentle once they are captured and trained to harness.