

Glass-Steagall Banking Law Is Explained by Finance Professor

GLASS-STEAGALL — back (Editors Note: The following analysis of the Glass-Steagall banking legislation was prepared for the Associated Press by Dr. Edward S. Mead, professor of finance at the Wharton school, University of Pennsylvania. The bill became a law Saturday.)

By Dr. Edward S. Mead
The Glass-Steagall act provides for a very large increase in federal reserve notes to a maximum amount of \$2,936,075,000. The machinery by which this result can be accomplished works as follows: The total amount of federal reserve notes outstanding on February 10 was \$2,925,000,000. Of this amount \$819,435,000 was issued against bills discounted, and \$1,095,565,000 against bills bought in the open market, leaving \$1,000,000,000 outstanding against gold.

The federal reserve system holds \$741,434,000 in United States government securities. These bonds could not formerly be exchanged for federal reserve notes. This amount in gold — \$936,000,000 — therefore, is held to secure an equivalent amount of gold federal reserve notes. The Glass-Steagall bill serves to free an amount of gold equal to the government securities held by the federal reserve banks, which gold can be used as a basis for new notes.

How It's Done
The method is as follows: A group of five or more member banks, joining together for this purpose, may apply to the federal reserve bank of their district for loans from the federal reserve bank, secured by municipal bonds, railroad bonds, real estate mortgages, or any other collateral which may be approved by five members of the federal reserve board; and secured also by the joint liability of the members of the group.

The interest rate on such loans will be one per cent above the federal discount rate in that district. Single banks, provided their capital does not exceed \$5,000,000, may also obtain loans in an emergency, but only under special and exigent circumstances.

After these loans are made, the borrowing banks have a credit with the federal reserve bank for the amount of the loan. They can now turn this credit into federal reserve notes, to be used to strengthen their cash position, and to re-establish confidence among their depositors by promptly meeting all demands.

The next step in the program is for the federal reserve bank to obtain from the federal reserve agent, the amount of notes which it is called upon to furnish to these member banks borrowers. Previously, a federal reserve bank could only obtain

these notes in one of three ways: for gold, for eligible commercial paper, including notes and bills, or for 15-day notes of the member banks secured by government bonds.

These restrictions by the Glass-Steagall act are greatly relaxed. Under the new law, the federal reserve bank can still obtain reserve notes with this security, and in addition for United States treasury notes and bills and direct obligations of the United States.

Senate Approves Norris Measure

WASHINGTON, Mar. 2 (AP) — The senate Tuesday approved the Norris bill to restrict the use of injunctions in labor disputes and make the "yellow dog contract" which prevents workers from joining unions, unenforceable in federal courts.

PORTLAND BOXER SHOT TO DEATH

(Continued From Page One)

weapon aside but made no attempt to take it, and Kentworth aimed and fired. The bullet tore through Hansen's heart.

Mrs. Kentworth fled.

Former Convict

Police headquarters here announced records revealed that Kentworth was sentenced to the state prison from Umatilla county for two years in 1927 on a burglary charge.

B. J. Stow, a plumber, who lived in an adjoining room in the hotel, told police Kentworth was the slayer. He said he heard the argument in the room and went to the door. He declared he witnessed the shooting but said he made no attempt to halt the killer.

May Eradicate Diphtheria, Is Word to Parents

By Dr. Frederick Stricker

In an effective demonstration of diphtheria prevention methods as a definite community project, a city of 35,000 population has shown that diphtheria can be eradicated. This city had previous to this time had the highest death rate from diphtheria of any city in the state of New York. Every child was listed and a house to house campaign to secure parents' consent to immunization was instituted. Clinics were held at all of the public schools. Since July, 1923, there has been but one death in the city and this occurred in a child who had not been immunized.

Children need not be infected and practically none need die of diphtheria. Yet the disease is still taking yearly toll in the state of Oregon. Diphtheria has decreased from 589 cases and 78 deaths in 1909 to 217 cases and 17 deaths in 1931. This decrease was due to a great extent to parents realizing the value of immunizing their children against this dangerous and catching disease of childhood.

The method of immunizing against diphtheria with toxoid is simple and harmless. The effects are hardly noticeable in the young child. He goes about his play as usual. There is no need for him to spend a day in bed because of the immunization.

Eradication of diphtheria and protection of the children is entirely up to the parents. This is one way to make Oregon the healthiest place in the world.

	Cases	100,000 Population
1909	589	96.2
1910	537	78.9
1911	365	52.8
1912	236	33.6
1913	323	45.2
1914	590	84.6
1915	385	52.3
1916	100	25.4
1917	171	22.5
1918	183	23.8
1919	612	78.7
1920	513	64.7
1921	2047	252.3
1922	798	96.4
1923	1109	131.6
1924	1404	163.5
1925	1370	156.6
1926	938	104.9
1927	609	67.0
1928	543	58.7
1929	442	46.9
1930	283	29.5
1931	217	22.2

	Deaths	100,000 Population
1909	78	11.9
1910	72	10.5
1911	37	5.3
1912	19	2.7
1913	23	3.2
1914	24	3.2
1915	17	2.2
1916	20	2.6
1917	30	3.9
1918	52	6.8
1919	43	5.4
1920	113	13.9
1921	65	7.8
1922	81	9.0
1923		

1924	107	12.4
1925	101	11.5
1926	80	8.1
1927	38	4.1
1928	35	3.7
1929	40	4.2
1930	23	2.4
1931	17	1.7

MISS HESTER HEATH TO BE HERE SOON

(Continued From Page One)

wishes to impress with his wife's cooking.

Business manifestations work in peculiar ways and your husband may be inspired by the very best of motives when he feels that in the intimacy of his own home he may be able to conclude business arrangements that otherwise would be impossible.

It is the duty of Mrs. Housewife, as her husband's helpmeet, both in the home and in business, to do just as much as she can to meet such emergencies as rush meals. The only thing that is required to get rid of the "bogy" is simply for the housewife to prepare herself with a repertoire of quick recipes and products that will permit her to not only serve a meal that will reflect to her advantage, but will permit her to greet her husband's guest with a smile of welcome and appreciation.

"Pity the poor husband who is greeted by a tirade of abuse and imagined martyrdom from his wife when he presents an unexpected guest!"

And pity more the poor housewife whose culinary training is so limited that under such circumstances she can hardly control a fit of hysterics and a good cry.

Don't Make Guest Uncomfortable
Her usual reaction is to serve a meal with the aid of a can opener and a visit to the delicatessen store. Under such circumstances the guest leaves conscious of the fact that before he is out of earshot, the open-

ing guns of a domestic spat will be well under way.

The intimate knowledge of housewifely problems brought to the cooking school platform by Miss Heath will make this newspaper Kitchen Chautauqua program of vital interest to every woman reader of this paper. If you are not a subscriber, do not hesitate to come. The Kitchen Chautauqua is sponsored by us entirely for you. It is your cooking school — we invite you to make it so by attending every one of the lectures.

Local merchants are cooperating with the Observer in making the Kitchen Chautauqua one of the greatest home exposition events ever presented here. You will see delightful recipes made before your very eyes, wonderfully simple short-cuts and cooking hints, and see many of the most modern home aids and appliances in use.

The time is 2 to 4 p. m. on Tuesday, Wednesday, Thursday and Friday, Mar. 8, 9, 10, 11, at the Sacajawea ballroom.

Liberty Theatre Starting Thursday

EVEN GREATER THAN Susan Lenox!



COMPARE

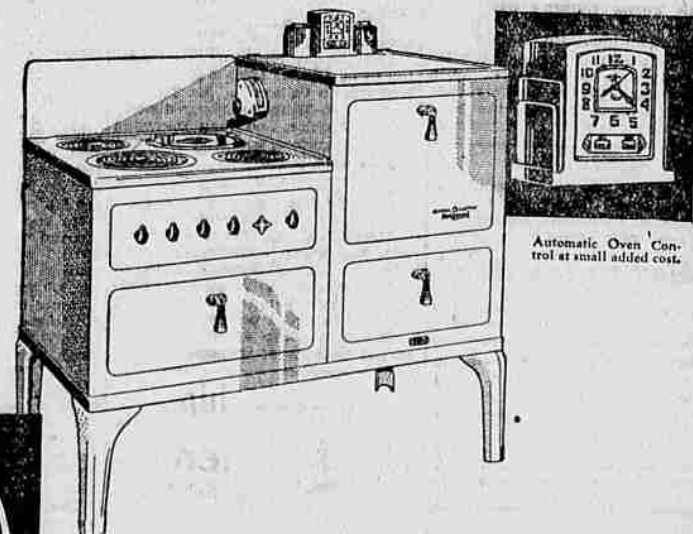
Mix a thin paste of Schilling Mustard and water in a cup. Do the same with some other kind. Smell the aroma from both. Note the difference in strength.

The reason: A mustard seed contains two oils — one a flavor oil — the other flavorless. Most of the flavorless oil can be removed, leaving the flavor oil concentrated in the mustard. Schilling does it.



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SCENES FROM THE SINO-JAPANESE WAR AREA

California Chinese Flier Killed

Japanese Guns Go Forward Toward Woosung



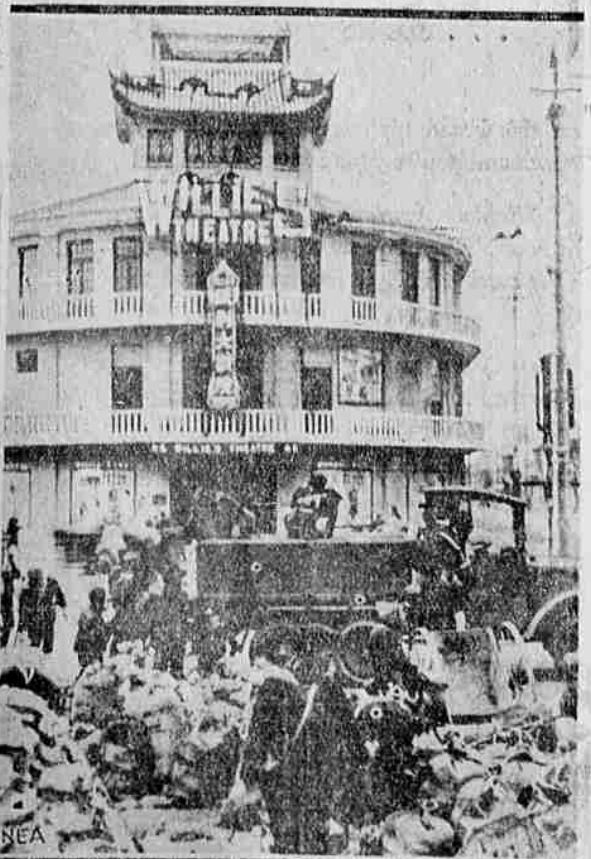
First American casualty in the fighting around Shanghai was Wong Toon, Chinese aviator ace, shot down in battle. He was born and schooled at Marysville, Cal., then went to China and became an army aviator.

U. S. Forces Hold Hot Positions



Men of the 31st U. S. Infantry are shown in their position on the International Settlement border at Shanghai. The area around them has been the scene of much fighting. The doughboys have "a free front seat."

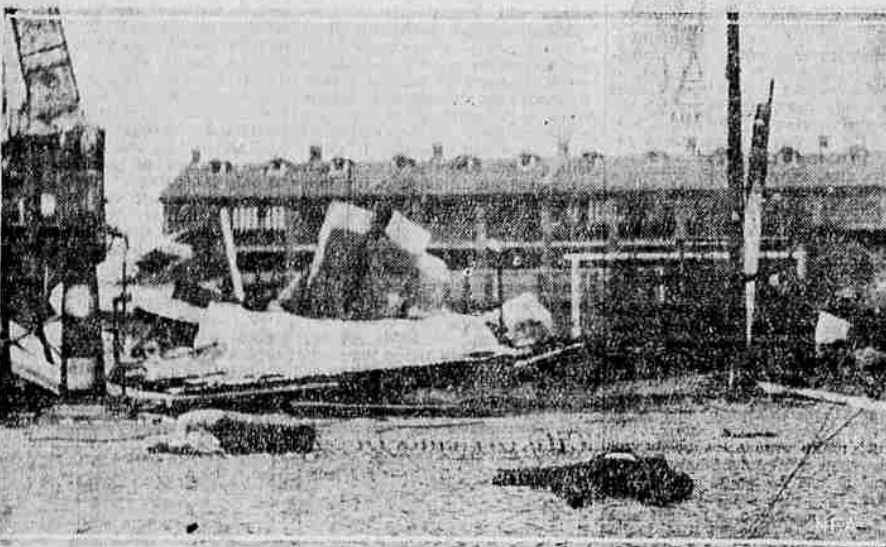
Jap Marines Start Entrenchment



Finding themselves resisted with unexpected force by the Chinese, Japanese marines quickly "dug in" for protracted struggle. Photo shows marines hastily constructing sandbag fortifications near entrance of Japanese concession at Shanghai.



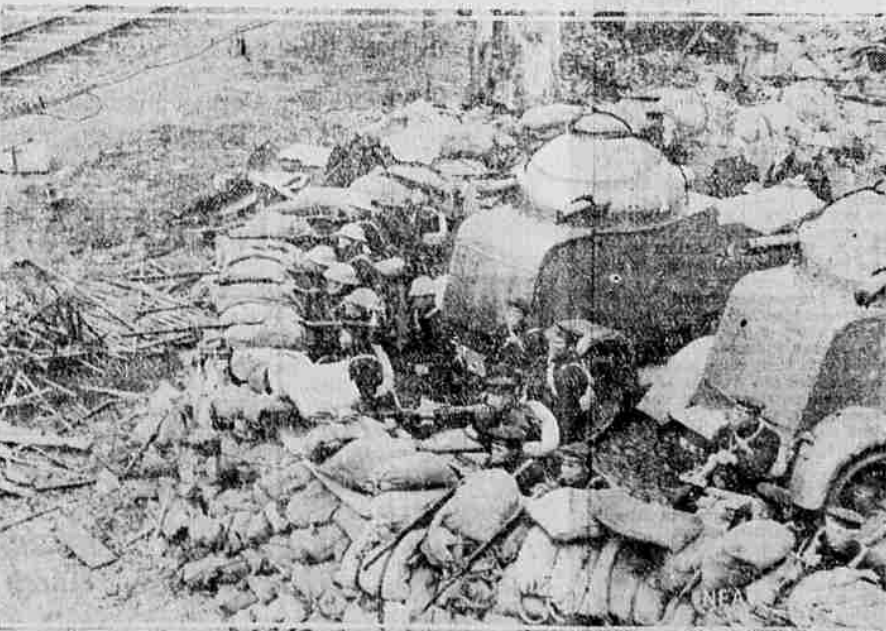
Japanese lost no time in dragging light field pieces toward the front after they took charge of fighting around the Woosung forts. Photo, rushed from China, shows artillerymen moving forward, pulling their guns and caissons.



This graphic picture, rushed from Shanghai, gives an idea of the way the war-torn district looks after the tide of battle sweeps on. Note the dead Chinese in the street, and the destruction of buildings and factories by shells, bombs and flames.



This is war. Fields strewn with the bodies of Chinese soldiers. Gaping shell-holes. Once fertile terrain converted into a dumping ground for spent ammunition. The grim scene is embodied in this picture, taken on Manchurian plains in the wake of the relentless Japanese advance upon Harbin.



This closeup of a Japanese defensive position, commanding the North Station area at Shanghai, shows Nipponese marines packed behind a heavy sandbag redoubt, their rifles reinforced by machine guns and armored cars.