Vacation Period Hints Given To Owners of Cars

The vacation period should be devoid of as much service to oneself and one's things as is possible. This particularly refers to the vacationist who uses his automobile as a means of transportation and, therefore, depends on his car as the biggest contributor to his holiday pleasure. The condition of his car, therefore, will vitally affect the extent of the pleasure and rest. It is estimated that approximately forty million people in this country will use between nine and ten million motor cars this summer in seeking a brief respite from the cares of business.

A complete inspection of the car should be made in advance of the trip. All reciprocating parts should be thoroughly lubricated, particularly at those places provided by the car maker. Inspection and tightening, if necessary, of body bolts, motor bolts, spring shackles, etc., should be done. The motor oil should be inspected and changed, if necessary. The cooling system should be gone over, to be sure that connecting hoses and clamps are in good condition to prevent leaks. Generator should be adjusted for proper charging rate, battery tested for proper specific gravity and filling. Lights should be focused, and tires inflated in keeping with recommendations of the manufacturer. (Under inflated tires can cause no end of annoyance and expense.) Front wheels should be checked for proper toe-in, to guard against unnecessary wear and motor should be tuned up.

Have distributor points checked for proper contact. The braking system should be examined to be sure the system is effective and, if necessary, should be relined before starting out on the trip. The fan belt occasionally has to be replaced and it's condition should be checked before starting on a trip to avoid trouble on the road.

"Tire changing tools, with the other pieces of equipment which are usually a part of the car, should be complete. If the trip is an extensive one, it is a wise provision to include an extra tube. Skid chains are a most helpful factor, if the trip calls for travel over less-used, muddy sections of the country.

If the route of the vacationist takes him through the desert or into the mountains, it is well to provide containers filled with water and oil.

Plenty of Motion

We have about 370 muscles to control our various movements, while a caterpillar has more than 4,000. Is it any wonder they can wiggle—and if trained what dancers they would make!

Corn Borer's "Homes"

The European corn borer is not too particular about having a cornfield for headquarters; it can live in coarse stems of more than 200 varieties of plants.

Gold Coast Government

The Gold coast of West Africa is a British colony, divided into the Gold Coast colony proper and the two dependencies, Ashanti and the northern territories. The governor has his seat of government at Accra.

Historical Lapse?

Although history states that the early Egyptians probably came from Mesopotamia there are no records to show that gardens were developed in that country prior to those in Egypt.

Gave Name to Bandits

The Mongol conqueror Genghis Khan, who swept Asia in the Thirteenth century, had red hair, and even today the Chinese name for bandit is "red beard."

Wisdom of Little Value

"Wise ancestors have spoken in vain," said Hi Ho, the sage of Chinatown, "since only the wise, who are always but few, can recognize and use wisdom."—Washington Star.

Backed by Government

Postal savings deposits are acknowledged by postal savings certificates. These are made out in the name of the depositor, serve as receipts, are valid until paid, and are backed by all the strength of the government.

One of La Grande's Newer Business Blocks

These fine new buildings stand on the north side of Washington avenue near Fourth street. The quarters at the extreme left are now occupied by the Montgomery Ward store.

Hints On Care Of Automobiles

The new tourist from the flatlands has a unique thrill when he strikes the mountains.

The roads are steep, long and winding. They are narrow and treacherous. There's a cliff on one side, a declivity on the other and nothing ahead.

It's an experience for only the best of drivers to encounter with equanimity. The new driver must be ever cautious and well prepared for any emergency.

* * *

If your trip takes you through mountainous territory, see beforehand that the motor is in perfect condition and that the brakes hold tightly.

Brakes, however, should not be relied on for mountain driving. Signs at the tops of long, steep hills today warn motorists to go into low. They should be respected, or the motorist may find himself smelling rubber, then ripping out the brake linings and finally flying into space and destruction.

Low gear makes the compression of the motor brake the car sufficiently for long steep down-grades, the ignition. It's dangerous to coast, the throttle should be almost shut.

Never coast, and never turn off the ignition. It's dangerous to coast, except where you know your ground and the hill is short and easy. And it's costly to turn off the ignition, because fuel is being pumped into the cylinders anyway and isn't being burned. The result is that it works into the lubricating oil in the crankcase, scoring the cylinders as it passes the pistons.

* * *

It's easier to go up a mountain road than down. You go up usually in low, and have perfect control of your car. Going down, however, even if in low, the least mistake may cause disaster.

Yet the up-going driver has the right of way on such roads. The reason is that it is he who must keep his foot constantly on the accelerator. He can't stop for the brakes alone won't hold on many a climb.

Therefore, the down-going driver must stop for him. He must pull over into a nook in the cliff, if the road is wide enough only for one car, and permit the up-going driver to take the outside whether to the right or left. That's the courtesy for mountain driving.

Worth Remembering

A man never by his authority attains to virtue and excellence, but by reason of his virtue and excellence he attains to authority and power.—King Alfred.

Higher Education

"Kissing me spreads germs," is inscribed on a patented "health" bib for babies. We understand the babies take off the bibs when they enter college.

Precursor of Death

By Irish and Scotch folk lore, a banshee is a fairy visitant, often in the shape of an old woman, whose wailing under the window of a house foretells death.

FINANCIAL SURVEY BY NATIONAL CITY BANK, NEW YORK

(Continued from Page Four)

although current money rates make the yield of such bonds attractive and the banks on the whole have been buyers instead of sellers, the "investments other than governments" of the weekly reporting member banks having increased $16,000,000 in the first three weeks of the month. Among the groups rail bonds have been weakest and the high grade municipals and utilities strongest.

For the virtual collapse in prices of the second and third grade issues, the explanation is the persistent liquidation by holders who have lost confidence in the ability of the obligator corporations to maintain payments, or who have become alarmed and sold merely because other people were selling. There are many issues, amply protected by underlying liens on valuable property, which are selling below any price to which they would likely be scaled down in receivership. In the present state of the market, however, such considerations are less regarded than the panicky fear that prices may go lower.

New bond issues have continued negligible in amount. Only one corporate issue, of $1,000,000 public utility bonds, was offered last month through the 27th, while state and municipal issues totaled $70,000,000.

U. S. Government Financing

New offerings of short term securities by the treasury have continued heavy but have been oversubscribed and sold at artificially low rates because of the surplus of banking funds in New York and the other money centers brought about by the aggressive open market policy of the federal reserve banks.

The extreme disparity between yields of 6 per cent and upwards for corporation bonds of good standing and the sale of treasury bills at the low record of 0.20 per cent is a striking characteristic of the times, illustrating the lack of confidence in the bond market on the one hand, and on the other the abundance of funds available for riskless short term employment, regardless of the interest rate.

Although part of the treasury offerings are for the refunding of maturing obligations and therefore represent no demand for new capital, the larger portion is not thus offset, as may be seen from the following summary of security offerings for the first five months of 1932 and of fixed maturities during the same period, the balance representing new capital:

U. S. Treasury Offerings and Maturities
(In millions of dollars)

Month 1932	Total Offerings	Maturing Issues
January	$ 101	$ 103
February	587	271
March	1227	826
April	203	101
May	695	215
Total	$2813	$1516

It will be seen that the borrowings by the government since the beginning of 1932, represented by thirteen issues of treasury bills, six of treasury certificates and one of notes, making twenty issues totaling $2,813,000,000, the sum of $1,516,000,000 was applied to the refunding of maturing issues while $1,297,000,000, or nearly one-half, constituted an increase in indebtedness. This increase nearly offsets the drop in other public offerings from $1,971,000,000 in 1931 to $561,000,000 this year.

It is an interesting speculation, though an idle one, what the effect upon business would have been if these funds had remained available for industry and if confidence had been upheld by a balanced budget. Surely the situation today would be a very different one, and far less troublesome.

World Trade in the Depression

Current figures of the foreign trade of the principal countries show in impressive manner the severity of the decline in world trade that has occurred since 1929, and the significant changes in the trade positions of different countries that have been caused by shifts in capital movements, currency depreciation, tariffs and other obstructions, and similar influences characteristic of the present disordered state of affairs. The accompanying table gives the combined trade of 23 countries for the first quarter of this year (for four months where available) with comparisons going back to 1929, and also for the past three calendar years. These countries do more than 80 per cent of world trade, and the value of their current trade is only 40 per cent of the 1929 figure, and the lowest in 20 years or more.

Foreign Trade of 23 Countries
(In millions of dollars)

First Quarter*	Exports	Imports
1932	3135	3542
1931	4682	5364
1930	6671	7558
1929	7709	8588
* Four months for 8 countries.		
Calendar Year (25 countries)		
1931	14,907	16,633
1930	20,845	23,045
1929	26,503	28,855

The decline in trade has been a cumulative one, operating in the manner of a vicious circle, and no country is exempt. Difficulties were experienced earliest and most acutely by the raw material producing countries, notably in South America and Australia. Their exports were reduced, loans to them ceased, correspondingly reducing the amount of foreign exchange available to them for purchasing and for making payments abroad on their indebtedness. There followed in sequence exports of gold, sharp declines in the exchange value of currencies, and in some cases default on their international obligations.

For these countries there has been but one way out. Whatever the decline in the value of their exports, they have had to reduce their imports more, in the effort to bring their international payments into balance. Since their imports are the exports of other countries, the vicious circle was thus set going.

Effects of "Confidence Crisis"

In the early part of the depression inter-European trade was affected less than any other, but the worst blow to world trade was to come from Europe. This was the "confidence crisis," which originated in Central Europe one year ago. The sudden flight of short term capital, when alarm as to its safety spread over the world beginning with the Credit Anstalt difficulties, required overnight payments far beyond the capacity of normal trade balances to make, set in motion the events which have done the most to reduce trade to the present chaotic condition. The gold and foreign exchange available for making the payments was quickly reduced to the minimum needed as currency reserve, and thereafter the necessary exchange could be obtained only out of an export trade balance. Hence the forced curtailment of imports and effort to maintain exports at all costs. In part the process has been an automatic one, since the loss of bank reserves exerted deflationary effects on commodity prices and values of all kinds, making the country a cheaper market to buy in but a poorer on to sell to. The process has been hastened by governmental policies limiting imports or giving inducement to export.

This was the sequence of events in Germany and the other Central European countries. Finally Great Britain was involved, the depreciation of sterling affording a temporary stimulus to exports and an obstacle to imports, to which the protective tariff policy is added.

Accompanying all these developments has been a mounting tide of trade restrictions. First against pressure to sell German goods and then against British goods drastic tariff measures were instituted. Various countries have established quota systems, limiting imports by volume or value to specified quantities from specified countries. The license system is much the same in effect, being a substitute for fixed quotas. Embargoes are not unknown. Control of foreign exchange is a transitional measure adopted of necessity by many countries to prevent flight of capital and to preserve the value of their currency, and acts effectively in restricting imports, since importers can obtain means of payment only from the government or central bank.

Changes in Trade Balances

The following table brings out the changes in the trade balances of the nations, the causes of which have been given in the foregoing discussion. The seventeen debtor countries in the table converted an excess of imports of $117,000,000 in 1930 into an export excess of $765,000,000 in 1931, and thus far this year have had an export balance of $148,000,000 compared with $67,000,000 in the same period last year.

Excess of Exports (*) or Imports (—)
(In millions of dollars)

Creditor Countries	1929	1930	1931
	Full Year		
United States	* 842	* 782	* 334
Un. Kingdom	—1879	—1888	—1828
France	— 322	— 373	— 461
Netherlands	— 306	— 281	— 233
Switzerland	— 116	— 151	— 174
Belgium	— 102	— 120	— 16
Sweden	* 8	— 28	— 80
Denmark	— 22	— 15	— 33
Total	—1897	—2083	—2491
Debtor Countries (Industrial & Semi-Industrial)			
Germany	— 174	* 223	* 591
Japan	— 30	— 38	— 42
Italy	— 339	— 275	— 83
Czechoslovakia	* 16	* 53	* 41
Austria	— 152	— 120	— 120
Poland	— 34	— 19	* 47
Canada	— 117	— 122	— 27
Norway	— 86	— 102	— 99
Total	— 916	— 362	* 308
Debtor Countries (Primary Producers)			
Argentina	* 88	— 103	* 77
Brazil	* 40	* 59	* 101
Chile	* 82	— 8	* 27
China	— 160	— 191	— 165
British India	* 294	* 264	* 109
D. E. Indies	* 158	* 158	* 96
So. Africa†	* 69	* 91	* 87
Australia	— 106	— 41	* 120
Hungary	— 4	* 16	* 5
Total	* 461	* 245	* 457

†—Includes gold.

Germany converted an import balance in 1929 into an export balance of $591,000,000 in 1931 not including $100,000,000 reparations paid in kind, and for four months took rank over the United States as the leading exporter in the world. The gain was too great to last, since relatively high imports are necessary to give Germany the materials to manufacture for export, and her efforts to sell abroad have met more vigorous competition from Great Britain, and have had to overcome tariff increases and other obstructions placed in her way. Therefore her export balance during the first four months of this year was less than one year ago.

Other countries which have converted import balances into export surpluses are Argentina and Australia, while import balances have been nearly wiped out or greatly reduced by Canada, Italy and Belgium.

Particular interest attaches to the figures for Great Britain. Her import merchandise balance before the war averaged about $800,000,000 annually, and in recent years has exceeded $1,800,000,000. As the event has shown, the balance was too high for her to meet continuously. With sterling depreciated and the protective tariff in force her import balance already has been reduced, and for the first four months this year totaled $350,000,000 compared with $586,000,000 in the same period of 1930.

Significance of the Figures

What is the significance of these figures? Clearly the changes in the trade balances of the debtor countries have been inevitable. With countries, as with individuals, there is no other way to economic rehabilitation after a period of excess than that of self-denial and intensified effort, leading back over a difficult road to balanced exchanges once more. Until payments are balanced the trade restrictions enforced by these countries are not likely to be lightened, and there can be no resumption of international credit operations, which more than any other agency would be helpful to recovery. Hence there is encouragement in the progress made toward a better balance of merchandise trade, usually the largest item in the total balance of payments.

However, the countries which have made progress are not prospering, and the effects of the situation on the whole are very unfavorable. Obviously it is impossible for every country to "improve" its trade balance, and to the extent that some countries succeed in doing this others are forced to adjust themselves to smaller "favorable" balances or larger "unfavorable" balances, as the case may be. The creditor nations, which ultimately receive the payments made, are the ones affected. The table shows that the export balance of the United States has dwindled steadily, and the import balance of France increased until "quotas" were put upon imports, which have reduced the import excess this year as compared with previous years.

The effort of the debtor countries to export results in dumping on foreign markets, which has been destructive to price and has tended to further disorganize trade, and defeats the purpose of the exporter to obtain more foreign exchange. A recent increase in volume occurred, but for example, pointed out with respect to Bulgaria that although her exports in 1930 increased 80 per cent in volume, they declined 3 per cent in value. In 1931 a further 40 per cent increase in valume occurred, but value declined 4 per cent more. The figures are similar elsewhere, and for Argentina the "Review of the River Plate" characterizes the situation as a liquidation "dangerously unfair and murderously disadvantageous to the country."

Nor is the reduction in imports to the minimum of subsistence requirements, which alone has made possible "improvement" of trade balances in the face of declining export values, any more a natural or healthy one. People are being forced to go without not only luxuries but in many cases necessities. Evidence or social unrest in many countries which have cut imports most drastically is proof of the discontent of the people under deprivation.

Undoubtedly the pressure on commodity prices has arisen in great extent from the effort of all countries to sell more and buy less on the international markets.

The Danubian Situation

The most critical situation created by disruption of trade is the Danubian situation. The old Austro-Hungarian empire, although racially a patchwork, was economically a balanced state existing upon a diversified production and mutually advantageous exchange of products. The parts of the empire that are now in Hungary, Rumania and Jugoslavia were predominantly agricultural and Austria and the present Czechoslovakia were the manufacturing sections. Each section produced what it was best fitted for and each complemented the other, all exchanging to the profit of all.

The erection of new political boundaries in this area of course did not alter the soil, climate, location of materials, abilities and training of the people or the other factors which had determined what each section could economically produce, but the policies of the new governments have been in the direction of self-sufficiency and aimed at overcoming such factors rather than deriving benefit from them. The fact that the existing industrial plant was sufficient for the supply of the agricultural countries was ignored by them because the plant was now within another political boundary; and the farming countries set out to build factories and the factory countries to stimulate farming. Before the separation Hungary milled wheat for the empire, but the other states set about building mills to be rid of dependence on Hungary. Hungary doubled its spinning and weaving plant in order to buy less from Czechoslovakia.

Austria, an industrial country now bereft of its market, has tried through subsidies to build up agriculture in the unsuitable Alpine regions. The agricultural states, with conditions unfavorable to industry, inadequate transport facilities, and skilled labor lacking, have been building factories, naturally providing high tariffs to keep them going. According to the international chamber of commerce the tariffs of the Danubian countries one year ago averaged nearly double those of most of the Western European countries.

In all this there was insufficient consideration of the matter which is responsible for much of the present difficulty, namely, the wasteful cost of the duplication of factories, agricultural activity and banking in the region where the old state of affairs was working very well. It is said that plants had to be abandoned and the investment in them lost while similar plants were built only a few miles away, but across a new border. Of course this duplication could not support itself and the local industries with few exceptions had not developed real strength when the depression began. Nor had any country approached in measurable degree its goal of self-sufficiency, or even altered the broad character of its trade. The farm countries continue to export farm products and import manufactures, and vice versa. Trade still dovetails, but with the great difference that all trade is restricted and hampered, the cost of living is raised and the standards of living are lowered. Moreover, a smaller percentage of their trade is with each other, and more with other countries, an uneconomical condition.

For these countries the problem of making payments on indebtedness due abroad has been extremely difficult. As the other debtor countries to which we referred have done, they have sharply reduced unfavorable balances of trade by restriction of imports, but total trade is now so small in relation to their debt that their difficulties are acute. Thus Hungary, already under a moratorium, with debt service of approximately $50,000,000 annually had total exports of only about $100,000,000 in 1931 and an export trade balance of only about $5,000,000.

Troubles Aggrivated by Trade Obstructions

The following extract from a report to the department of commerce concerning Hungary shows how other difficulties have been aggravated by the trade restrictions:

"All of Hungary's principal foreign markets are restricting imports of agricultural products, especially livestock, which during the last two years has been Hungary's most profitable class of exports. The outlook for livestock exports is very discouraging. Austria, Italy and Switzerland, Hungary's three most important markets for cattle, are curtailing imports further through reduction of quotas. Hog exports are suffering, owing to the rise of hog prices in Hungary occasioned by the failure of the corn crop and the necessity of importing feedstuffs. Sheep exports were recently menaced by Swiss veterinary measures, and by the establishment of a quota by France limiting Hungarian slaughtered sheep to only 24,000 head and live sheep to a very small number for 1932.

Restriction of imports by Austria has fallen with great effect upon other countries. According to the Vienna correspondent of the London Times, importers of Austria during April were allotted only 1½ per cent of the foreign exchange for which they applied. The Austrian government has published a list of about fifty items whose importation will require the special permission of the government. These items are not all luxury articles, but include cattle, calves, pigs, butter and lard, cotton fabrics, and chemicals. Manifestly these restrictions lead to lower living standards in Austria, and react elsewhere. The Budapest correspondent of the London Economist states that this decree has caused consternation in Hungary, that a new quota treaty with Austria will be necessary and there is little doubt that it will result in a further strangulation of trade.

Further illustrations could be employed, but the nature of the situation is well understood. The Western European powers and the League of Nations are endeavoring to assist

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