



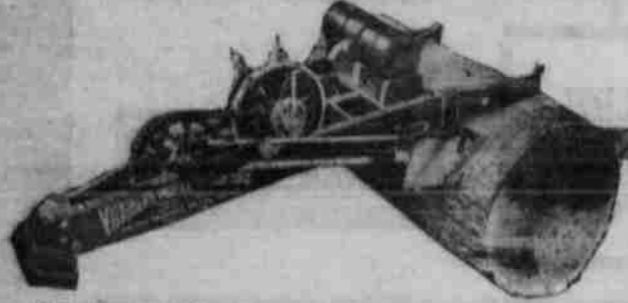
Should take no chances on your Vulcanizing. Tires are too expensive to be entrusted to inexperienced hands. You can be sure of Satisfaction if you bring your work to us. No "Half Baked" work at this shop.

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THE VAUGHAN, THE ORIGINAL DRAG SAW MACHINE

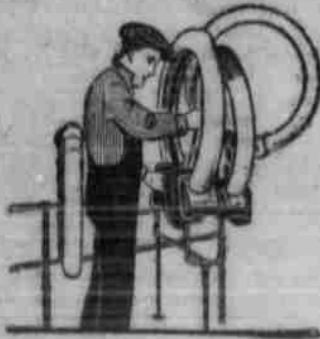


If you have wood to cut or wish to operate light machinery around the farm you need one of these machines. Ask your dealer for information, or write the

VAUGHAN MOTOR WORKS, INC.,
475 East Main St., Portland, Oregon.

TIRE REPAIRING

As we do it practically makes old tires new. It cuts down tire expense to an astonishing extent. Don't scrap your old tires. Send them here. We will vulcanize and repair them so you will not have to think of getting new tires for a long time to come.



SALEM VULCANIZING WORKS
W. M. HUGHES
474 Ferry Street, Salem.

Any Trouble



The Battery Shop

228 NORTH COMMERCIAL STREET

SAVE MAIL ORDER POSTAGE--BUYING AT HOME
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Country Entering Period of Great Business Activity Is Indication Declares Clews

New York, Aug. 2.—The cautious attitude assumed in these advices for the past three weeks has been amply justified by recent events. Values have been considerably unsettled and fell several points. Rumors that the federal reserve bank would take steps toward restricting speculation with the decline; fear of such action having quite as much effect as the actuality would probably have done. As a result speculative order on the bull side was materially lessened, and liquidation on a larger scale than for several weeks followed. There was really no change in the general situation to cause the safe decline, except that in face of such rigid monetary limitations it was unsafe to push the advance further at this time. While the technical position of the market has been somewhat improved by the liquidation, still there is as yet no real foundation for resuming the rise.

Activity in Business
The country is just entering the period of greatest business activity; the harvest has begun in earnest, and funds will be in demand for moving the grain, fruit and other crop during the next three months at least. This harvest will prove an unusually profitable one for the agricultural districts in spite of yield falling somewhat below expectations. Western merchants and eastern manufacturers alike will feel the consequent stimulus in a larger demand for all necessities and many luxuries. It must be remembered enterprise is reviving; many new ventures are starting; old factories are enlarging or improving their plant; houses and office buildings are being started on a growing scale; almost overnight we have become the second maritime power in the world (a fact far from being properly appreciated); our export trade is growing at a fabulous rate, and our iron trade has scarcely had time to shift from a war basis to a peace basis before it finds itself tax-dominant and foreign trade. Demands for shipbuilding, automobiles, construction, engineering and export trade are already taking 80 per cent of the steel output, and will soon require more. As yet the railroads have not purchased supplies with any freedom, and their demands for rolling stock and other equipment will prove enormous owing to the urgent need of replenishing after prolonged war strain, also a period of enforced depreciation and starved improvements. Should the status of the railroads be fully restored as to earnings, capacity and credit a great development may be looked for in this important industry, which owing to unwise legislation and harsh control has made little or no progress in a decade. The railroad system of the United States was probably never so far behind in public efficiency as at present; and for this condition the country has to thank unskillful and unjust representatives who preferred entering to public prejudice rather than public convenience.

Giving Credit to Europe
Renewed weakness in foreign exchange impressed the financial community with the necessity for prompt action toward financing our export trade. The demand for American products is growing from all parts of the world. Shipments of fuel and raw materials are upon an enormous and increasing scale; imports increase very slowly, and our takings of foreign securities in the shape of government issues are totally inadequate to affect the balance. If we are to sell our surplus and do our bit toward the rehabilitation of Europe, credit must be given on a large scale. It is estimated that within the next twelve months we shall have to allow credit of at least \$1,000,000,000 to European buyers. Now that the war is ended, private and not government agencies should provide relief. Several important notes have been made to foreign countries, and more are to follow. This week the French government announced the contemplated issue of \$20,000,000 treasury notes with a maximum weekly maturity of \$5,000,000 for the purpose of handling its sixty or ninety day bills on the same line as the British treasury. This plan should afford some relief, and, if so, the same means can't be adopted by other antagonists. Belgium is now seeking financial aid. It is understood that local bankers are about agreed upon a plan for stabilizing exchange, and that its announcement will not be long delayed.

Railroad Outlook
Transactions in railroad shares continue upon a limited scale, mainly because of their stabilization by government control and guarantee. This state of inertia, however, cannot last indefinitely. Before the end of the current year the roads will probably be returned to their owners in accordance with the pledge made by President Wilson when taken over by the government. This means great changes in conditions under which the roads will operate in future. They will no longer be under strict control. Some of the operating innovations introduced by the government will remain, but many will not. The public is disappointed with government management which "doubled charges and halved the service"; so the cause of government ownership is at a lower ebb than for many years. Under the constant control some roads, good and others bad by changed methods of routing and operation. To a large extent the former methods will be restored under private management. Whether the roads be allowed to advance rates sufficiently to compensate for increased costs, is not yet determined, but something will have to be done to take the place of government guarantee in order to return the roads in as good condition as when taken over. Important new railroad legislation is therefore in prospect.

Government Economy
Secretary Glass made an encouraging statement of treasury conditions that should be kept in mind. Government expenses have declined to a marked extent, amounting in June to only \$400,000,000, compared with \$2,000,000,000 in December. It is estimated also that expenses will be \$5,000,000,000 less than in the fiscal year ending June, 1919, when the figures touched \$18,500,000,000. This is a very substantial reduction in expenses which should be carried to a still further degree, since they are still running at over eight times the expense ratio before the war. Of course, the pre-war level will not be seen again by the present generation, the advance in government activities, the maintenance of a large military establishment and general expansion of the country, all meaning permanently higher expenses. Nevertheless a further cut in taxation can and should be made.

An Unsettled Market
The general drift of the market is downward owing to unfavorable conditions in call money, in foreign exchange and in the labor situation. Monthly and fractional advances caused a temporary flurry and call loans touched 18 per cent. That the money outlook is causing great concern to the authorities is no secret, as warnings by the federal reserve board have been given out more than once. There is no fear that money will not be in sufficient supply for business purposes during August at least, but the moving of funds, and this is what the banking people are looking forward to. The only reason why the market falls up as well as it does after such a prolonged advance is that people with large means are not anxious to take their profits owing to the high federal taxation. If it were not for this unique feature the floating supply of stocks would of course be greatly augmented. However, while the big people are not heavy sellers, it is obvious they are not buyers at this level. No doubt rallies will take place from time to time, but until the money supplies increase it would seem advisable to get out of debt rather than to create fresh liabilities.

The new securities issued in July were unusually heavy amounting to about \$1,700,000,000, compared with \$165,000,000 a year ago. The dividends and interest distributed in August are figured at about \$1,500,000,000, as against \$167,700,000 last year.

HENRY CLEWS.

outside the league of nations covenant. It is the provision transferring German rights in Shantung peninsula to Japan. The language of this provision is:

"Article 156.—Germany renounces, in favor of Japan, all her rights, title and privileges—particularly those concerning the territory of Kiaochow, railways, mines and submarine cables—which she acquired in virtue of the treaty concluded by her with China on March 6, 1898, and of all other arrangements relative to the provinces of Shantung.

"All German rights in the Tsingtao-Tsinanfu railway, including all its branch lines, together with its subsidiary property of all kinds, stations, shops, fixed and rolling stock, mines, plant and material for the exploitation of the mines, are and remain acquired by Japan, together with all rights and privileges attached thereto.

"The German state submarine cables from Tsingtao to Chefoo, with all the rights, privileges and properties attaching thereto are similarly acquired by Japan, free and clear of all charges and encumbrances.

"Article 157.—The movable and immovable property owned by the German state in the territory of Kiaochow, as well as all the rights which Germany might claim in consequence of the works or improvements made, or of the expenses incurred by her, directly or indirectly, in connection with this territory are and remain acquired by Japan, free and clear of all charges and encumbrances.

"Article 158.—Germany shall hand over to Japan within three months from the coming into force of the present treaty the archives, registers, plans, title deeds and documents of every kind, wherever they may be, relating to the administration, whether civil, military, financial, judicial or other of the territory of Kiaochow.

"Within the same period, Germany shall give particulars to Japan of all treaties, arrangements or agreements relating to the rights titles or privileges referred to in the two preceding articles.

This, declares its critics, constitutes a theft from China of territory stolen from her in 1898 by Germany and puts the United States in the position of underwriting an illegal transfer. They insist that the control of the railroad from Tsingtao to Tsinanfu, a distance of 250 miles directly into the heart of Shantung province, gives Japan a stranglehold on the whole province with its 40,000,000 Chinese.

Administration forces reply variously that the whole province is not affected, but only about one-seventh of it; that Japan has agreed to hand it all back to China soon, and that in any event, President Wilson, while not liking the settlement, was forced to agree to it by sheer weight of numbers against him.

Correct lubrication is one of the most important factors in keeping a tractor in good condition so that it will consume less fuel, last longer and work most efficiently. Through its board of lubrication engineers, the Standard Oil company has determined the best grade of Zoroine for every type of tractor engine. Not only must the operator use the oil best suited for his machine, but he should also give particular attention to the way in which it is used.

The object of all power plant machinery is to develop the most power with the least fuel and the least possible cost for adjustment and repairs. To make this possible, the engine must have an efficient lubricating system, and the oil in the system must always be in a clean and efficient condition. Particular attention must be paid to draining the oil from the crank case at regular intervals and cleaning of both crank case and sifting system.

The lubricating oil must be changed frequently for several reasons. The oil after a time will wear out, or, in other words it will lose its lubricating value after it has been in the system for a certain length of time. The fuel which condenses in the cylinder works past the piston rings, thus down the oil and destroys its lubricating value. The necessity of changing the oil is particularly urgent when it becomes contaminated with foreign matter, such as carbon, which forms on the under side of the piston rings, or dust, which enters the crank case through the breather pipe; and oxide of iron, which comes from the wear of the bearing surfaces of the motor. The presence of this foreign matter in the lubricating oil is intended to form a film between all moving parts such as bearings, pistons, rings and cylinders, taking the wear instead of the metallic bearing surfaces themselves. It is, therefore, cheaper from every standpoint to wear out lubricating oil than metal, and if an engine is to develop its maximum power and show a low frictional resistance in the bearing surfaces, the lubricant must be kept clean and it must have its maximum lubricating value.

SEVEN PROVISIONS IN

(Continued from page nine)

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The Standard Oil company is performing a valuable service in teaching the operator of a tractor the correct means of lubricating his engine. The company is interested not so much in selling merely a gallon or a barrel of lubricating oil as it is in selling correct grade Zoroine in the particular type of motor for which it is manufactured.



Go Easy on the Starter

Once in a while your engine balks, and you step on the starter again, and again—

That's just what you should not do.

The wise car owner raises the hood and locates the trouble. By doing this he has saved time, and he's avoided useless wear and tear on his battery.

Watch your step, and you'll find it is a lot easier to keep your battery charge up to 1.285 where it ought to be all the time. Drive around and we'll tell you how to get the most out of your battery. Ask, when here, for a copy of the booklet "The Willard."

Degge & Burrell

Auto Electric Shop
Phone 203 418 Court St.

We test, repair and re-charge storage batteries, and always carry a full supply of battery parts, new batteries and rental batteries.



Why Boys Go Wrong

Nine times out of ten what we call "Bad Boys" are those whose natural boy energy isn't given a helpful outlet.

The "good boy" is the contented boy, and the contented boy is the one whose mind and muscle is constantly occupied.

Your boy's standing with you and your neighbors lies in your hands. To make it one of which to be proud--let him

RIDE A DAYTON

Lloyd E. Ramsden

CONDITION OF ROADS IN WESTERN OREGON

McKenzie Highway—Open and in good condition. Eugene to Bine River; fair condition. Blue River through McKenzie Pass to Sisters.
Willamette—Open for machines between Eugene and Rigdon. Passable for wagons across summit.

Santiam Wagon Road—Open and in fair condition from Foster to summit of Cascades. A few machines have crossed the pass into eastern Oregon this season by this route.

Basin—Open between Sandy and Wapinitia. In good condition Sandy to Twin Bridges; poor Twin bridges to Clear Creek; fair Clear Creek to Wapinitia.

Eugene-Florence—Open and in permanent summer condition for the entire route.
Medford-Klamath Falls—Open and in fair condition entire length, with numerous rough places due to heavy traffic.

Anna Creek—Open and in generally good condition.
Crescent City—Brookings—Open and in fair condition entire length. Has some rough places.

Grants Pass-Crescent City—In fair condition between Grants Pass and Crescent City. Rough on Oregon Mountain and fair from there to Waldo. California side in good condition.

Waldport-Abus—Open entire route and in passable condition. The road south from Waldport by Yahuts and Cape Perpetua to Ten Mile Creek is open and in fair condition.
Riddle-Tiller—Open and in good condition for entire length.

Cottage Grove-Distort—Open and in good condition between this point and Bohemia. No detours possible. Wagons can get through this road.
Pacific Highway—Open and in excellent condition except where construction work is in progress, between Medford and Riddle. Because of paving op-

erations between Grants Pass and the Rogue River, detour over rough road on the north side of the stream is necessary.
Three Rivers—Open between Willamina and Tillamook. Very rough for six miles through the Grande Ronde Indian Reservation; here for several days after heavy rains it is practically impassible. Construction work between Dulp and Hebo makes detour down the Little Nootka necessary.
Bandon-Gold Beach—Open and passable for light cars entire length.

Polk County Fire Warden Takes Journey In Plane
(Capital Journal Special Service.)
Dallas, Ore., Aug. 9.—Hon. W. V. Fuller of this city, Polk county's representative in the State Legislature and Fire Warden for this county, made a trip by aeroplane from Salem, Monday over a large amount of the timbered area of this part of the state. Mr. Fuller states that the plane he was in made a trip of 90 miles in 78 minutes, which he considered some speed after covering the mountainous section of Polk county in fighting forest fires in a Ford. He states that they reached an altitude of 7000 feet and that the earth's surface below was one of the most interesting and changing sights he has ever seen.
Mr. Fuller thinks that the aeroplane will prove a valuable aid in locating forest fires and in patrolling the timbered areas of the state and hopes that in the near future a plane can be secured for this county as some of the finest timber in the state is located within the county's boundaries. At present one of the machines that is located at Salem will patrol this section of the country but with this service the danger of damaging forest fires will be greatly reduced.

Horlick's the Original Malted Milk—Avoid Imitations & Substitutes