

POLITICAL

"DUMPING" SURPLUS REDUCES COST

Washington, Aug. 10, (Special correspondence.)—Not solely or chiefly for the purpose of disposing of surplus stocks is the "dumping" policy practiced by European countries. It is a recognized method of keeping their factories running at 100 per cent efficiency, thus reducing the unit cost of production to a minimum. Having supplied the domestic and continental trade at the lowest unit cost, there remains, as a result of this high rate of efficiency, a large accumulation of surplus stocks the disposal of which is undertaken at little or not profit. This adds heavily to the disadvantages under which American factories are placed, for the Democratic tariff law makes this country the dumping ground for these surplus stocks. It has been estimated that this handicap amounts to 30 per cent because of difference in cost, 20 per cent by reason of elimination of profits, and 15 per cent because of inferior quality of many foreign-made goods,—a handicap far too great for any factory employing American labor under American conditions successfully to overcome.

It is apparent, therefore, that a tariff law which encourages such a high rate of factory efficiency abroad, by supplying a market here for surplus stocks, does just that much toward increasing the unit cost of the American article at home, because of decreased output of the American factory which is obliged to meet this cut-throat competition. The efficiency of the foreign factory is increased at the expense of the efficiency of our domestic concern. The half-time article cannot compete with the full time output. The American mill closes and the American laborer sits on the park bench and waits for the soup cart.

It was to meet such conditions that Canada enacted what is known as the "anti-dumping clause," which has done away with most of the paralyzing effects of dumping. This clause provides that goods of a class or kind made in Canada are subject to special duty when sold for exportation to Canada at a less price than for home consumption in the country of export, whether such goods be otherwise free of duty or subject to specific or ad valorem duty.

A half-hearted attempt was made by the Democratic house when the Underwood law was being debated, to apply a dumping duty to articles on the dutiable list. The Republicans argued that it should also apply to the free list because many articles not subject to duty would be dumped in this country in unfair competition with domestic production. When the bill got to the senate the whole dumping clause was thrown out, and should the end of the war find this country still burdened with a Democratic tariff law, we would be at the mercy of the industrial syndicates which will be organized all over Europe.

At the close of business Saturday, July 31, the net balance in the general fund of the United States treasury was \$68,173,462 as compared with a balance of \$132,263,619 two years ago under Republican laws and appropriations. At the end of the first month of the new fiscal year, the disbursements had exceeded the receipts by \$16,171,757, which is the amount of deficit accumulated during July.

POOR DEMOCRATIC TEAM WORK

A striking example of the "pork-barrel patriotism" which guides the ruling minds in the Democratic party is to be found in a recent interview with Representative Hay of Virginia, chairman of the house committee on military affairs. Mr. Hay makes it known that he is opposed to an enlarge-

ment of the army, and he believes it unnecessary and costly, and that he thinks the country is by no means devoid of defense now. His language also leads to the inference that he is peeved because he has not been called to consult with the war department on the subject of national defense.

Mr. Hay is one of that school of statesmen—dominant in the South and, by the same token, dominant in the Democratic party—who plainly believe that it is better to spend fifty millions for "improvements" to insignificant creeks and bayous in the southern states than to spend the same sum for fortifications and for guns and soldiers to man them. He regards the present pressure for adequate military preparedness as "newspaper clamor," and he sternly refuses to be swayed by it.

In this, Mr. Hay is more consistent than is the president, who has been clearly moved by "newspaper clamor" and who is making a virtue of necessity by trying to plan for a new military policy. At heart, we have no doubt, the president thinks exactly as Mr. Hay does. During the last session of congress the president stood with Mr. Hay in opposition to "militarism." The president has seen a new light. An election is coming and he is trying to shape his course accordingly. Mr. Hay does not have to consider any questions of this sort. A Virginia Democrat, he is sure of reelection and he refuses to play the president's game. And the entire episode is illuminating proof of the lack of team work in the Democratic party and of the futility of looking to that party for constructive patriotism in legislation. Happily, the return of progressive Republicanism to power is not far distant. We hope it may not come too late for dealing properly with this question of national defense—wherein the president plainly plays a game of political expediency while Mr. Hay of Virginia maintains the ancient Democratic doctrine of ignoring the nation's needs.

In the last issue of his "Commoner," Mr. Bryan tells his readers that those people who look upon his resignation from the cabinet as a prelude to a complete break with the Wilson administration, are doomed to disappointment. His assurances are evidently designed to dispel anxiety at the White House. Such might be their effect but for the fact well known to President Wilson, as to all the American people, that W. J. Bryan went to the Baltimore convention carrying direct and specific instructions from the people of Nebraska to do all in his power to secure the nomination of Champ Clark, but at the critical moment, after Clark had gained a majority of the delegates, Bryan violated his obligations and betrayed his constituents by turning his support to Wilson and condemning Champ Clark to slaughter. Mr. Bryan's words are belied by his performances. President Wilson remembers what happened to Champ Clark's "Houn' dog."

The Mexican bandit chiefs are now being told by our government that they must keep the railroad open between Vera Cruz and Mexico City. A natural query is: Why didn't our government open it and keep it open when they had the chance, more than a year ago?

Mr. Edison has devised a factory whistle that can be heard twenty miles. It will not be greatly needed, however, so long as the Underwood tariff is in operation.

"As it now appears, the big task confronting the resolutions committee of the next Republican national convention will not be the framing of a declaration on the tariff. The country will await with far more interest what is proposed in connection with our foreign relations." The foregoing is the opinion of the Cleveland Plain Dealer (Dem.) But we fancy the Republican National

convention will have no difficulty in dealing with the question. The Republican party is coming back into power. It will bring back with it a foreign policy such as was practiced by Seward, by Blaine, by John Hay and by Elihu Root. That's all the platform need to say on the subject. The country will understand and endorse a declaration like that. And so will the Plain Dealer, 'way down in the bottom of its heart.

The treasury department has ordered a further withdrawal of government funds from the national bank depositaries, and by the end of this month more than eight millions will have been thus transferred from the local banks to the regional reserve banks. The government will lose the two per cent interest which it now receives on these deposits, but it is believed that the transfer will have the effect of forcing the national banks to rediscount their commercial paper with the regional reserve banks. This would enable the reserve bank system to pay expenses, which it has never yet been able to do. But it can hardly be argued that a banking system which requires artificial forcing of this kind to make it profitable is altogether an unmixed success.

Theodore Douglas Robinson, once chairman of the Progressive State committee of New York and always nephew of the Colonel, advised all Progressives in York state to enroll with the Republicans this year upon the ground that the advanced principles which they espouse "can best be carried forward through the medium of the Republican party." This is sound common sense. It has already been put into practice by most Progressives and in 1916 there will be no Republican division which will again put a minority party in control of national affairs.

As one contribution toward the fulfillment of the Democratic promise to reduce the high cost of living, the bureau of mines announces that it can now produce radium for only \$36,050 per gram. This will enable the impoverished speculators in "war order" securities to have radium on their tables at least once a day, and will be of tremendous encouragement to workers in other enterprises who are now on reduced time, lower wages or laid off altogether.

Assistant Secretary of the Treasury Byron Newton is reported in the Washington Herald of July 29th as saying that there was a working balance in the treasury of \$125,000,000. That assertion must have been made July 28th. The statement for that date shows that the net balance in the general fund was \$65,793,048.65. Either Mr. Newton was sadly mistaken, or the Democrats contemplate a raid on the gold reserve fund.

The Republican argument against free trade is well given by Representative Humphrey of Washington, who said: "Under free trade you stop production. You stop the demand. You throw men out of employment and stop the payment of wages. You paralyze the entire industrial system of the country, and under a Democratic administration you can neither buy at home nor abroad. Cheap goods are of no value to the idle without money."

"Are you looking for work?" asked the farmer, eagerly. "Yep," replied Plodding Pete; "what kind of work have you got on hand?" "Almost any kind you want." "Well, you ought to be ashamed of yourself, leavin' so much work undone layin' around. I aint goin' to hire out to no sitch shiftless man as you."—Washington Star.

"What's the matter with your friend there?" "Oh, he's a politician in hard luck. Got a confession that no magazine seems to care to buy."—Puck.