

the republican administration organ in New York City, frankly describes Mr. Taft's effort as "largely a bid for the support of union labor in his campaign for the presidency." The New York Sun says: "That neither Mr. Taft's speech nor his answers to questions shed very much light on a great many of the subjects in which the public is interested." This is fair criticism. Mr. Taft dodged any direct inquiries on the question on tariff revision, on the Brownville affair, on the compensation of labor, on socialism, or on the immigration question. He even pleaded total ignorance of the latter subject. He did think that the Sherman law should be amended, but did not exactly state how. The fact is, the secretary of war can diagnose fairly well the present difficulties that beset capital and labor. But read his speeches and you will find that he is the man without a remedy. And even when he does propose something remedial, he either hedges it about with impossible limitations or postpones its application to some far distant day. Verily he is "the great postponer." He can argue against, even abuse, the remedies of others, as he did in Oklahoma. But he has no remedy of his own.

The Washington Post has secured a poll of the republican members of congress as to their preferences for the presidential nominee of their party. The result of the poll was a surprise. Perhaps it would be more significant had the name of each member who expressed his view been given. Too often in polls of this sort the reporter is told by the distinguished statesman whom he interviews, "I am for Mr. So and So first, last and all the time." That statement goes into print, but within twenty-four hours the statesman who made it will tell the reporter, "You know I had to say that for publication. As a matter of fact I am for the other fellow."

However, allowing for this human weakness, shown most prominently in politicians, the result of the Post's poll of the house is somewhat surprising. It would have been thought that Speaker Cannon who has thrice been able to be elected, without opposition, speaker would have led all the candidates. Yet the poll showed ninety-three votes for Secretary Taft, as against thirty-nine for Speaker Cannon. In passing it may be mentioned that the poll was taken of republican members only. Senator Knox received twenty-six votes. Vice President Fairbanks twelve; Governor Hughes eight; Senator LaFollette five; Senator Foraker one; absent or non-committal thirty-five. The reporters who gathered this information insist that while they are not certain that the Taft strength is a permanent strength, they do believe that the showing made for Fairbanks, Hughes, LaFollette and Foraker, does represent the following of these men in the house of representatives. Many representatives declared themselves for Taft, not being certain of the trustworthiness of their interviewer, and fearing lest they spoke for Cannon the news would go to the White House. Many of these men, in the judgment of the interviewers, are at heart for Cannon, but preferred to conceal that opinion.

WILLIS J. ABBOT.

#### HOW THE PAPER TRUST IMPOSES ON NEWSPAPER PUBLISHERS

Writing to the New York Herald a New York newspaper publisher tells the story of tariff impositions in this way:

The price of common paper and printing paper has been advancing during the last two years from \$1.85 to \$2.80 per hundred pounds, and this in carload shipments. The manufacturing magnates have the effrontery to declare that this flagitious increase is wholly attributable to the scarcity of wood pulp in this country. This is a monstrous fabrication.

The paper trust was one of the early combinations. To sustain prices here it shipped the over production (?) to England. These shipments were comparatively small. Not until 1895 did they reach the \$2,000,000 mark. Last year the exportations reached nearly ten million dollars.

The treasury department furnishes these figures: Paper and manufactures of, exported for the year ending June 30: 1870, \$514,592; 1880, \$1,201,143; 1890, \$1,226,686; 1895, \$2,185,257; 1900, \$6,215,833; 1905, \$8,238,088; 1906, \$9,536,065.

In 1905 the custom house "valuation" on the exports of printing paper shows a general average of 2 1/4 cents per pound on 76,000,000 pounds. This was not a net price, because we

were openly and freely buying for 1.9 cents. As all the importing countries other than England took but meager or natural supplies it is not an unfair assumption that they paid something more than the average price, and this would lessen the English figure to something in the neighborhood of two cents. From this apparent two cents are to be deducted the freight and insurance charges to Liverpool and the charges for transportation to London and Manchester, which would bring the price down to 1 1/4 cents. And from this are to be deducted the seller's commissions, which brings down the price to 1 1/2 cents per pound, less the interest charges on "time" sales—and the customary time on English purchases is four months.

In 1901 American paper was selling in London for 1 3/4 cents; and the export price was said to be 1 4-10 cents, landed in Liverpool. The English manufacturer, always a very energetic competitor, howled over "the invasion," but he was powerless in being up against a "dumping process" by a plundering corporation with a carefully studied motive. \* \* \*

In 1906 the exports showed 106,000,000 pounds with an average price of \$2.45 per hundred pounds. It is preposterous to suppose that the export could be naturally increased one-third with a simultaneous advance in the price of ten per cent. This is an unmistakable case of "dumping." In 1907 the exports reached only 54,500,000 pounds, a drop of nearly one-half, with a recession in price, the average showing only 2 4-10 cents a pound. These figures abundantly attest that the whole business has been a dumping process. When they had gained their end they cut the export trade. It is the tobacco trust manoeuvre all over again.

But the American purchaser during the current year has been making good to the trust by the enforced payment of 2 1/2 cents on very large orders, and in many cases for far ahead delivery, with the outside price running to 2 8-10 cents. The necessity for these immense shipments ceased when the price reached the neighborhood of three cents—the price which the trust apparently set out to secure—and the foreign shipments were cut off as far as they could be. If this was a bona fide or a profitable business it would not have been discontinued. \* \* \*

For fifty years the paper industry has enjoyed the stiffest kind of protection. For fifty years we have witnessed the Rices and Cranes, the Russels and Warner Millers and other paper manufacturing legislators at Washington looking after their particular interests. For fifty years we have patiently stood for protection—often at great pecuniary sacrifice to our personal interest—for the satisfaction of seeing 250,000,000 pounds of paper dumped abroad in twenty-four months at a much lower price than it is offered to ourselves, but with the comforting assurance that we are paying the customary profit to the plundering trust on their whole enormous output. \* \* \*

There are only 763 pulp mills in the country. \* \* \* There are 30,787 publishing and printing establishments, employing a capital of nearly \$800,000,000. The value of last year's product was \$857,000,000. And this meagre crowd of pulp makers, backed by the International Paper company (and supported by the money and political influences of the Standard Oil company) are openly sweating this great industry (and have strangled its natural profits for the last two years) only because the government sanctions their extortion by upholding the tariff on paper. \* \* \* Is this not a business for the commerce commission to get immediately busy on?

#### A KANSAS BANK PRESIDENT'S OPINION

W. C. Robinson, president First National bank, Winfield, Kan., has written for the Chicago Banker an interesting article from which the following is taken:

"When an epidemic overtakes the country, thousands of people have a 'cure-all.' In the financial predicament in which we find ourselves, I presume many have given you a formula for not only restoration of confidence, but to prevent a recurrence of anything similar in the future. The west disclaims (and I think rightly too) any responsibility for the present unheard-of conditions. It does seem strange that the closing of one trust company in New York City should cause to be locked up, practically, the currency of the United States. Don't you think so? Never before in the west has business been more prosperous or the banks better able to favor the people in handling their immense crops. The entire west looked forward, as late

as the latter part of October, to an unprecedented year as to easy and profitable conditions in business, but our hopes were shattered when the institution so proudly named the Kniekerbocker, couldn't pay any longer. We are told that 'it rains upon the just as well as the unjust.' This proverb is true as well as, 'the innocent must suffer with the guilty.' The west is in this latter position, or maybe better, the western banks find themselves in the position that tradition tells us that 'Old Dog Tray' did. This would not be so bad were it not that our depositors find themselves in a similar position to the 'poor dog' that was said to have belonged to 'Old Mother Hubbard!' 'Her cupboard was bare, so the poor dog got none.' It has been very embarrassing to many and almost unexplainable. It has been my conviction all along that the present condition in the money market should not have gotten further west than New York. If the banks in the reserve cities outside of New York had taken the position that there was nothing wrong in financial conditions, I verily believe that there would have been no excitement or uneasiness and that everything would have been continued normal. The people throughout the entire west have been loyal and prudent and have given the banks the most favorable consideration. If this disturbance shall go down in history as a panic, it will be named 'Panic of the Bankers,' not a 'Panic of the People.' Someone should suggest a bankers' meeting and pass a resolution thanking the people for their prudence, good judgment, and fair treatment and then go into executive session and pass proper resolutions concerning the bankers. Even if Chicago had stood firm and insisted that normal conditions must prevail, the entire west would have commended and would not have been subjected to such humiliation. In our own town, Winfield, with three national banks and one state bank, we have gone right along as if conditions were normal. We have paid every demand on us and have questioned no one's checks. If it were not for newspaper comments and the talk of traveling men no one would know that anything out of the usual had occurred. We are not now therefore embarrassed as to how to get back to the ordinary routine of business.

"Something should no doubt be done to prevent such a condition in the future. What shall it be? We are now convinced that we must have the confidence of the people who have entrusted to us their money with which we are enabled to run our banks. Confidence is the key-note above and better than asset currency, a central bank, emergency currency, or the guarantee of any association of banks. I am now, and always have been, a republican. Of all plans suggested, that made by the Hon. W. J. Bryan is the best, to my mind. Let the government guarantee the deposits of all national banks, hold the banks responsible, and force them to pay. Have no guaranty fund, as this would tend to tie up funds. In case of a failure entailing a loss, have the loss assessed against the banks which would include all national banks. This would insure absolute confidence. It would also lead to better banking as each national bank would watch every other national bank. It would tend to more rigid supervision and would make what we now regard prudent banking even more so. Our treatment of the people would then be the strength in our competition. If we can't have insurance for national bank deposits, possibly the next best thing is some kind of emergency currency, with a tax big enough to drive it in after it has served its purpose."

#### A NEW YORK SUGGESTION

A New York reader of the World writes to that paper to say: "The newspapers, it seems to me, have gone daffy over candidates for the presidency. The election is some eleven months off. They have been whooping it up for about two years. I am an old-time democrat and learned politics sitting on an empty nail-keg behind a wood-burning stove in a cross-roads store in Bladen county, North Carolina. Let all discussion be dropped till next summer, and then when the democratic convention meets nominate W. J. Bryan for president with only one plank in the platform, and that taken from the Ten Commandments, 'Thou shalt not steal.' With that plank and that only, W. J. Bryan could win hands down and all the people could unite on it. The Murphys and McCarrens, the Ryans, Belmonts, Dadys, Woodruffs and Depews would crowd to get on that platform. Then the weary would cease to labor and the wicked would be at rest, and the country would be redeemed from the sharks who overrun it."