

THE CAPTURE OF AGUINALDO.

The efforts of the Filipinos to recover their independence have been growing rapidly weaker during the past two months, giving promise of a cessation of hostilities within some reasonable time. This movement toward peace has now been accentuated by the capture of their leader, Emilio Aguinaldo. It is the opinion of those best qualified to judge—that is, of English officers who have had experience in dealing with the Malay races—that we might have avoided all trouble in the beginning if we had treated with Aguinaldo and his followers, at the outset, as men entitled to be consulted in the government of their country. If we had extended to him the same consideration that we accorded to the Sultan of Sulu, for example, it is most probable that we should have had his coöperation, instead of his hostility. In the case of the Mohammedan ruler we recognized his authority and preserved the *status quo* even to the extent of tolerating slavery in his dominions, although it is contrary to the Constitution of the United States. It is not to be supposed that Aguinaldo would have refused everything short of absolute independence if the original attitude of friendship toward him had been maintained. If the spirit which actuated our consuls at Singapore and Hong Kong (the first American officials who came in contact with the Filipino leader), had governed our subsequent policy, there is every reason to believe that we should have saved thirty-five hundred lives of our own men and spared the maiming of as many more, not to mention the Filipino blood that we have shed during the past twenty-six months.

It is customary to speak of Aguinaldo as the Rebel Chieftain. Names are not very important now, but it is well to remember that neither he nor his followers ever owed any allegiance to us. They were in revolt against Spain when the accident of war brought us to Manila. They were fighting for independence. We destroyed the Spanish power. We sought the coöperation and aid of Aguinaldo in that enterprise. Whatever may have been the promises or implications of that alliance, nothing ever occurred that could put him in the attitude of a rebel, since there can be no rebellion where no allegiance is due. Whatever fate may be in reserve for him, he will be known to history only as a defender of liberty under desperate circumstances and against terrible odds. With little money and with scant resources in arms, ammunition, and supplies, he has maintained the fight for more than two years against an organized army of more than 65,000 men, possessing every appliance of modern warfare, and having entire command of the sea. That in this heroic endeavor he was moved solely by patriotism, and that his

character was above reproach, is the testimony of officers of our own, both military and civil. Nor has his career been stained by any act of cruelty. At the time when these great responsibilities were thrown upon him he was only twenty-seven years of age. History can show few brighter examples of patient endurance, intellectual resource, and high principle. We feel sure that such virtues will stir the admiration of every lover of liberty in the world, and that the name of Aguinaldo will find a place eventually in all American hearts.

If any words of ours could reach those charged with authority in the Philippine Islands, we should urge them to treat their captive now as they ought to have treated him in the beginning. Our excuse for being in the Philippines at all has been that we were committed, by our victory at Manila, to the task of restoring order in the islands, and giving the natives as much liberty and self-government as they are capable of exercising. Now we have in our hands the one man who possesses influence throughout the country, wherever it is needed to restore peace. Every consideration of common prudence, statesmanship, and Christian charity points to his employment for the settlement of society and the restoration of good order, industry, and prosperity. The question what measure of self-government the Filipinos shall enjoy is to be determined by public opinion in the United States. In order that public opinion may have a chance to develop and find expression, there must be peace in the islands themselves. For this reason, as for the more obvious one of saving our money and our children's blood, every means to secure that boon should be employed; and surely nothing promises more hopeful results than the coöperation of Aguinaldo. The assurance of this lies in the announcement that he has taken the oath of allegiance, and so at least put an end to any deliberations on our part as to whether he shall be deported to Guam or indefinitely imprisoned. But we have yet to learn what his intentions are beyond individual submission and abstinence from further hostilities.

The fate of Aguinaldo, however, is not the matter of chief interest which his capture brings before us. The destiny of the United States is now, as it has been from the beginning, the subject of the greatest concern. The political future of the Filipinos is of little consequence to the United States, except as it is connected with the question whether the spirit of the American republic is to be preserved as it was handed down to us. Can a free people govern an empire and maintain the institutions which distinguish them from monarchical governments and privileged orders? All history says no. It has never been done for any long period. It is contrary to reason and

experience to suppose that a conquering and self-aggrandizing republic can preserve liberty to itself when denying it to others. The opposition to our proceedings in the Philippines by those who are called Anti-Imperialists rests upon this consideration. They have sympathized with Aguinaldo and his fellows as they sympathize with suffering humanity in other parts of the world, but their political action has been based on the belief that a republic cannot be the oppressor of other peoples without losing its own character and hastening to its doom.

FRAUDS AT MANILA.

Next in importance to the capture of Aguinaldo, although exciting very different emotions, is the news which came from Manila on Monday that extensive frauds have been discovered in the Quartermaster's Department, that Capt. Barrows of the Thirtieth Volunteer Infantry, and a dozen or more of his subordinates, together with a number of civilians, have been arrested. Dispatches from Washington say that the Government has heard nothing about these frauds, and that Gen. Corbin thinks that the reports are exaggerated, although he has no reason for thinking so. Inasmuch as the censorship on news still exists at Manila, it is most probable that the information allowed to come through is the minimum rather than the maximum of the scandal. The story is, that large quantities of army supplies have been missing for a long time past, the losses extending back to June, 1900; that thousands of sacks of flour, together with quantities of bacon and other stores bearing the Government marks, have been found in the possession of unauthorized persons; that a Government contractor has been spending large sums of money in entertainments to army officers, that a prominent officer of the Commissary Department is accused of leading a scandalously immoral life, and so forth.

To those who recall the words spoken by Gen. Otis, more than a year ago, these revelations will not be in the least surprising. The wonder is rather that the present revelations did not come sooner. In an official order printed in the *Evening Post* of January 3, 1900, he said that cases of bribe-taking and other like misconduct by persons holding positions in the military or civil service had been reported to him; that passes had been obtained and transferred for a money consideration; that transportation in public conveyances had been extended to unauthorized persons, and that contributions had been solicited, if not exacted, from subordinates, as presents to their superior officers. "The evil," he said, "corrupting and far-reaching in its effects, appears to have reached a stage which renders its suppression with a strong hand im-

perative." Concerning the exaction of presents to superior officers from those under them, he called attention to a law of the United States which prohibits the acceptance of such gifts, even when offered voluntarily. But this was evidently the smallest part of the corruption which he believed was going on at that time, although he was not able to put his hand on the guilty parties. Another source of corruption was discovered two months ago, when G. W. Carman, a private citizen, and a Spanish merchant named Carranza were arrested for sending supplies to the insurgents by means of passes obtained from Government officers and employees, who must have known what the passes were used for, and must have been paid for giving them.

It is with no satisfaction that we recall the evidence of former scandals in Manila, or that we comment on these fresh disclosures. One of the strongest arguments against what is called Expansion, has been the belief that our civil service is not fitted for the administration of government in distant countries. This defect was known to and appreciated by the Schurman Commission, who pointed out the necessity of radical reforms in that service. In fact, President Schurman, in a public lecture shortly after his return, declared that it was a *sine qua non* of successful government in the Philippines that the men sent thither should be selected by a rigid civil-service system, and not by favoritism or haphazard. It was an obvious incongruity, however, that we were already in the Philippines, and had no intention either of coming away or amending the civil service. On the contrary, we were deteriorating at home at the very moment when the Chairman of the Philippine Commission was insisting on improvement abroad. The President's order withdrawing from the classified list several thousands of offices which had already been placed under civil-service rules, was nearly simultaneous with President Schurman's appeal for the enforcement of a better system. The discovery of the Neely frauds in Cuba came, about the same time, to illustrate both the President's course and that which his chief adviser in Philippine matters recommended. And now we have the painful disclosure not only that there has been no improvement in civil-service methods at Manila, but that corruption has found its way into army administration also. This happens to be coincident with the President's appointment of Rodenberg as Civil-Service Commissioner, a few months after he had voted to abolish the merit system entirely.

These facts are a sufficient comment on the assumption made by many well-meaning persons that the additional responsibilities cast upon us as a "world Power" would compel us to bring our civil service up to the measure of the

new requirements. We believe that some college professors held this opinion. It was the belief of others (detractors of the good McKinley) that if the American civil service was defective at home, where it was under the correction of public opinion and the watchful eye of the press, it would be worse in distant islands where these restraining influences did not exist. They maintained that a civil service cannot rise higher than its source, but must necessarily fall somewhat below the fountain-head by reason of friction and distance. But they incurred the reputation of pessimists and are still more or less under a cloud.

THE CURRENCY SITUATION IN THE PHILIPPINES.

Sound Currency furnishes an interesting documentary history of the monetary situation in the Philippines, compiled by L. Carroll Root from official reports on the subject. Conditions in the islands are not immediately alarming and are likely to present technical difficulties rather than large questions of theory, yet it is easy to see how Congress might make a bad mess of the matter if it should pursue its former policy of "going it blind" on currency questions. When the United States first took over the islands, it found there a silver standard which had succeeded a nominal gold standard about 1875, shortly after the first downward rush in the price of silver. Gold was driven out by the Mexican dollar, which was preferred to gold on account of its greater bulk and suitability for the business of the people. The use of such dollars was legalized in 1876, those in circulation being made a legal tender, although further importations of them were forbidden the following year.

At the time of the American occupation, therefore, there was no gold in circulation in the islands, and the standard was an arbitrary one, the dollar fluctuating in value partly with the price of silver bullion and partly with local demand and supply. The prohibition on importing Mexican dollars was abolished almost immediately after the advent of the American troops in Manila, in consequence of representations made by local banks concerning the increased need of coin produced by the greater volume of business. In consideration of the permission to import, the banks guaranteed a rate of exchange not worse than \$2 Mexican for \$1 United States. Prior to July, 1900, the banks were not called upon to maintain their guarantee, for the Mexicans remained from 1 to 7 cents less valuable than the ratio of 2 to 1. Late in July the American dollar was quoted at only \$1.98 in Mexican money, and this decline in price led to a discrimination against American currency on the part of the natives, which was only partly reme-

died by an arrangement, effected by the Philippine Commission, for the exchange of Mexican dollars against those of the United States at the rate of 2 for 1, and a duty of 10 per cent. on the export of the latter.

There are four proposed methods of dealing with the question. The first is the familiar bimetallic policy. Waiving for the present the danger and wrong of pressing down a crown of thorns upon the Filipino brow, it is clear that any effort to maintain Mexican dollars at a \$2 parity with our own might be a very dangerous undertaking, and that bimetallicism cannot be thought of for an instant. Inasmuch as Mexico is a free-coinage country, the United States would be practically offering to maintain the world's product of silver at a certain price, provided only that it had passed through the Mexican mints. The Commission's efforts to "keep the ratio steady" in the Philippines have already been expensive and very troublesome. Nor would a second proposed plan—the rough-and-ready method of merely extending our system to the Philippines, without change of unit—be exactly fair. In an unprogressive country like the Philippines, it would take a long time to readjust the scale of prices and wages in terms of a unit twice as large as that hitherto prevailing.

The third and fourth modes of dealing with the problem are the establishment of a gold standard, with a unit corresponding to the peso (Mexican dollar), or worth, in other words, something like half as much as the present American dollar, and the policy of "open mints" in the Philippines, which implies the acceptance of a single silver standard, with free coinage, but without obligation to redeem. The latter suggestion has perhaps been most widely approved. But it should be observed that the old confusion, of which we are all heartily tired, but which seems to be inevitable whenever monetary discussion is aroused, between a gold standard and a gold medium of exchange tacitly underlies nearly all the statements on the subject. In considering the relative advantages of silver and gold as standards, the theoretical arguments are too familiar to need much discussion. It is enough to say that the retention of the silver standard would carry with it all the usual disadvantages—fluctuating par of exchange, instability of value, etc. The Commission itself admits that "as long as the principal currency of the islands is Mexican money, the ratio of exchange between it and United States money will be subject to constant fluctuations. . . . Every such fluctuation operates to the injury of all business interests except that of the local banks and speculators in currency."

The situation is much like that which existed a few years ago in Japan. The