The Nation.

NEW YORK, THURSDAY, JANUARY 30, 1902.

The Week.

It is President Schurman who is now guilty of inflaming the Filipino mind by his recent insistence that the only honorable course for this country is to give independence to the islanders. Hitherto it has been Mr. Bryan, or Mr. Hoar, or the Boston Anti-Imperialists, or the independent newspapers who did such deadly work by standing up for the rights of the Filipinos. But now Mr. Schurman, President of the first Philippine Commission, and versed in Philippine affairs, is really undoing all the splendid service of the troops and inciting the natives to fresh resistance by his doctrine, enunciated last week in Boston, that, if we went to war for any other than an altruistic purpose, we laid ourselves open to the charge of manslaughter. Gen. Wheaton, the acting commander in the islands, is reported to have said that in the Philippines men have been sent to prison for such remarks as those of President Schurman. The latter does well to retort:

> "If that be true, it is the saddest and most discouraging truth that has come to us for a long time from the Philippines. Without freedom of speech, civil government will never win the support of the Filipinos."

The question cannot be settled even temporarily by choking and smothering. Experience has abundantly shown that no government has ever yet been wise enough to pick the doctrine, or set of doctrines, that can safely be suppressed. Attempted suppression will only make opposition the fiercer. If this counsel for independence "be of men, it will come to naught; but if it be of God, ye cannot overthrow it, lest haply ye be found even to fight against God."

The New York *Sun* considers President Schurman to have misinterpreted the language employed in President Roosevelt's message, which, it says, was *not* "a declaration in favor of scuttle at any future time, a prediction of the lowering of the American flag by and by, or of the abandonment of the sovereignty acquired by the treaty of Paris." We agree that the President's language might have been more explicit, yet we cannot see that Mr. Schurman enlarged its meaning or put an unwarranted construction upon it. What is the "great burden" that we are to be relieved of when the natives show the power of governing themselves? It must be the burden of governing the islands. The President could not have had in his mind the burden of killing the inhabitants, burning their villages, destroying their food, and subjecting to torture those who refuse to give up their guns. That is indeed a great and sorrowful burden, but it is not the one the President had in mind. Is there any other meaning to be put upon his words? The only alternative is to suppose that he meant to express the hope that the time would come when we might stand in the same relation to the Philippines in which Great Britain stands in reference to Canada. But if he had meant that, he would have said so. Canada adheres to Great Britain not by compulsion, but by choice. If the Filipinos were attached to us in that way, nobody would speak of them as a burden, to be relieved of as soon as possible.

Announcement was made on Friday that the treaty by which Denmark cedes her West India islands to the United States had been signed at last. As the *Tribune's* dispatch puts it: "This consummation of protracted negotiations, which will put the United States in possession of the strategic key of the Caribbean, and relieve Denmark of a steady drain on her resources, came unexpectedly after the hope had almost been abandoned." But it appears from the same dispatch that several steps are to be taken before the "consummation" is fully consummated. There are still wanting, on this side of the water, ratification by the Senate, and an appropriation of $4,500,000 by the House; on the other side, ratification by the Danish Rigsdag; and, midway, the assent of a majority of the people of the islands, by popular vote. Whether all the people are to vote, or only the whites, is not stated. This is a matter of some importance, since they are mostly blacks and mulattoes. Thirty-five years ago the saddling of these islands upon the United States was as nearly consummated as it is now, but the Senate declined at that time to "relieve Denmark of a steady drain on her resources" by assuming the burden ourselves. Shortly after the Seward-Rassloff treaty was rejected, the island of St. Thomas was so terribly shaken by an earthquake that the harbor was practically abandoned as a commercial entrepôt, and the shipping which formerly centred there took refuge at Barbados.

It is a serious question which the Senate now has to pass upon. Shall we acquire another group of islands, to be either neglected or treated in the same way that we treat the inhabitants of the Philippines, Porto Rico, and Cuba? The latter is, to all intents and purposes, one of our possessions, and may therefore serve as a kind of beacon-light to show us what we should avoid. The leading question of our national policy to-day is whether we shall allow Cuban sugar to be imported at lower rates of duty than those of the Dingley tariff. The whole question is agitated by that question. Next to it in importance is the question, What shall be the rates of duty on the sugar and other products of the Philippines? If we acquire the Danish Islands, the question will be, What rates of duty shall we impose upon the sugar of Santa Cruz? The other islands, it should be remarked, have no products, or none to be exported to the United States. Ultimately, we may assume that the products of all islands belonging to us will be admitted free of duty. This is what the sugar-planters of Santa Cruz count upon. This is what our beet-sugar men will have to reckon upon. But that is not all. This is the first step toward other West Indian annexations. The same reasons which prompt us to take the Danish possessions apply to any and all others, of the burden of which any European Power wishes to be relieved. The islands are desperately poor. Those for which we are now asked to give $4,500,000 of good money would not be accepted as a free gift if the Senators who have to vote upon the treaty should visit them in person. They will simply bring us new responsibilities and new expenses. Every argument that caused the rejection of the Seward treaty in 1867 remains in full force to-day, while the one argument in favor of it—that we were without any naval station in those waters—has ceased to have force since we have acquired Porto Rico.

Evidence is accumulating that something will be done speedily by Congress for the relief of Cuba, by a reduction of the duties on sugar grown on that island. The greatest apparent obstacle to such a step hitherto has been the supposed need of making an equal reduction to all countries with which we have treaty relations embracing the "most favored nation" clause. Investigations of the subject made by high authorities lead to the conclusion that the "most favored nation" clause does not apply to a country bearing the relations to us that Cuba bears at the present time. Mr. Frank D. Pavey has prepared a brief in behalf of the Chamber of Commerce of the island of Cuba, in which he maintains that, "during the military occupation of Cuba by the United States, Cuban products have the same international status as American products." At first sight this proposition strikes the reader as a surprise, but it has the support of Chief Justice Marshall and of the Englisn Admiralty Courts. In the case decided by Marshall,

a ship carrying sugar, grown on the Danish island of Santa Cruz, and owned by a Danish subject, was captured during the war of 1812 by an American privateer and brought into an American port as a prize of war, on the ground that Santa Cruz had been captured, and was then actually held, by Great Britain. The court held that the sugar was lawful prize, saying that, "although acquisitions made during war are not considered permanent until confirmed by treaty, yet to every commercial and belligerent purpose they are considered part of the domain of the conqueror, so long as he retains the possession and government of them. The island of Santa Cruz, after its capitulation, remained a British island until it was restored to Denmark."

An opinion of Prof. J. B. Moore of Columbia University runs the same way. As quoted in the morning press, he says that when the reciprocity treaty between the United States and Hawaii was concluded in 1875, Germany acknowledged in a treaty that the "most favored nation" clause could not be invoked to secure the admission by us of German sugar free, since "the relations of proximity and other considerations" were not the same. The conditions which operated in the case of Hawaii, Professor Moore contends, "exist in the case of Cuba with a force and completeness not to be found in any other country not under the titular sovereignty of the United States." His general conclusion is, that the "most favored nation" clause does not stand in the way of the mutual reduction of duties on trade with Cuba. There is, perhaps, no higher authority in this country than the gentleman who gives this opinion.

The hearings before the Committee on Ways and Means on the Cuban sugar question were enlivened on January 22 by a colloquy between Mr. Richardson and Gen. Grosvenor. In the course of a statement made by Mr. Oxnard, the representative of the beet-sugar interests, the latter referred to Mr. H. O. Havemeyer and the Sugar Trust as the parties behind the movement for a reduction of the duties on Cuban sugar. Mr. Richardson asked whether he meant to say that President Roosevelt had been moved by the Sugar Trust to recommend such reduction. That Mr. Richardson's arrow went to the mark was proved by the start which it gave to Gen. Grosvenor, who "denounced such proceedings," and made the point of order that Mr. Richardson was trying to lead the witness (Oxnard) to attack the President of the United States. Mr. Richardson calmly replied that he had no such intention, and that he was seeking the truth. Then Mr. Oxnard disclaimed any intention to reflect upon the President. So the net purport of his statement was that the Sugar Trust had "put up the job" of reciprocity with Cuba, but that the President of the United States, from whom the movement derived its principal force and impetus, was as innocent as a lamb. The result of this tilt in the Committee was very damaging to the opponents of the measure for the relief of Cuba.

Another heavy blow was struck by ex-President Cleveland in a letter to Mr. A. B. Farquhar of York, Pa. Mr. Farquhar had asked him for an expression of his views on the subject of Cuban reciprocity. The latter replied that he considered the arguments of the beet-sugar men in opposition to the petition of the Cubans fallacious, mistaken, and misleading, but that the question "involves considerations of morality and conscience higher and more commanding than all others"; adding,

> "The obligations arising from these considerations cannot be better or more forcibly defined than was done by President Roosevelt in his message to Congress, nor better emphasized than has been done by Secretary Root; and yet Congress waits, while we occasionally hear of concessions which rich sugar interests might approve in behalf of trembling Cuba. I do not believe that nations, any more than individuals, can safely violate the rules of honesty and fair dealing."

We hold strongly to the belief that, if President Roosevelt shall, in this case, emulate the firmness and persistence with which Mr. Cleveland, in 1893, pushed the bill to repeal the Sherman Act, the measure for Cuban reciprocity which he and Secretary Root have so admirably presented to Congress will be passed in time to afford the needed relief.

Unfortunate Mr. Hepburn held back his speech of January 9 on the Nicaragua Canal Bill from the *Congressional Record* for ten days; but if he hoped to revise it into a less ridiculous conflict with the facts subsequently developed, he found the task impossible. He could not take back his high praise of the Canal Commission. There was Admiral Walker at the head of it, a man "most admirably fitted by his reading, his experience, his industry, his fidelity to duty." The report of the Commission was "well considered," and was in favor of the Nicaragua route. For what more did the House wish to wait? "We have their report"; let not the House be further beguiled about the possibilities of Panama. But, alas, before this appeal got into type, "we have their report" unanimously in favor of Panama; "admirably fitted" Admiral Walker, with his known fidelity to duty, signing with the rest. Any one but Hepburn so caught would look foolish; so would any House caught voting under his dictation. But the intrepid Congressman coolly announces that while facts may alter, his opinion based on them will remain the same, and that there is nothing in the revised report of the Commission to "lead to any abandonment of efforts in behalf of the Nicaragua route."

Rumors that there will be no canal legislation at all during this session of Congress have at least this foundation in fact, that exorbitant demands by Colombia or Nicaragua and Costa Rica may so disgust and chill Congress that it will vote no money at all for the present. The truth seems to be that the Central American countries concerned think they see a glittering prize all ready for their seizing. They have their eyes upon the surplus in our Treasury, and are simply figuring out how much of it they may get, to place it where they know it will do the most good. We understand that even the apparent check to their hopes has not made the Nicaraguan authorities a whit less exigent in their financial demands. If Colombia, as is reported, thinks that this country is now bound to take the Panama canal, and that she may therefore ask any sum she pleases for rental of the necessary territory, she will get a most rude awakening. All depends now upon a reasonable proposal by the Colombian Government. It should not forget that there are many men in Congress opposed to paying anything whatever for right of way.

It is apparent that the provisions for general subsidy in the pending Frye bill are introduced for amendment, and that various specially objectionable features of former bills have been temporarily withheld for the purpose of allaying Republican opposition. But, in spite of this, the new bill as it stands shows the essential injustice of any system of general ship subsidy; that is, the injustice of any subsidy except such as is paid for the purpose of calling into being new means of communication to specified foreign ports, to which such means are now lacking, and where they could not exist without Government aid. Among the iniquities of the pending bill is the fact that nothing in it will prevent an empty ship from collecting a full subsidy. This will interest those who are contending that the bill will operate to increase our commerce, and who allow that subsidies should be paid only in proportion to the cargo carried. Then there is the same old provision about vessels owned by corporations; that is, if the corporation is formed in this country, the stock may really be owned by foreigners, and the subsidy paid out of American taxes may all go as dividends to foreigners. There is no provision in the bill which will secure the establishment of any new means of communication, or will prevent the Government funds from going as a bonus to increase the dividends of those al-

ready engaged in the shipping business, even though they provide no increased facilities for the public. There is no adequate guarantee that the subsidy will not eventually be given to foreign-built ships whenever Americans consider it for their interest to buy these ships and to obtain a special American registry for them, as has so frequently been done in the past by the companies which are pressing this bill.

Senator Nelson's bill to establish a Department of Commerce has passed the Senate with comparatively little opposition. On Wednesday week that body received a letter from Mr. Gompers, President of the American Federation of Labor, protesting against the transfer of the Bureau of Labor to the charge of the new Secretary. The trouble is the old one of "saving my order." Nobody objects to the establishment of a Department of Commerce, but nobody wants to see his particular interests incorporated into a general scheme of organization, even if such a scheme would conduce to the public good. Mr. Gompers puts his objection bluntly. The Bureau of Labor, he says, was organized at the request of the labor interests of the country, in the hope that it might ultimately become one of the executive departments of the Government, with a Secretary of Labor in the Cabinet. If it should be incorporated into any other, the "interests of labor" would be "minimized." In the end the new department was dubbed "of Commerce and Labor." A tendency of quite another sort was displayed by Senator Quarles's defeated amendment vesting the new Secretary with power to supervise the collection of statistics on commercial subjects made by the other departments of the Government.

Interviews with the officers of several national banks in New York indicate that there is general opposition to Representative Lloyd's bill permitting national banking associations to make loans upon real-estate security. Although the bill limits the amount of advances on real estate to 25 per cent. of the total loans of any bank, those who have been consulted are practically unanimous in condemning the plan, because real-estate security is not a quick asset. This, however, is not the only objection to real-estate loans. There is always a question about even the ultimate value of the property offered as security, and it often happens that banks find it necessary in times of depression to take over the real estate on which they have made loans, in order to protect themselves against the loss which would result if the property were suddenly thrown on the market. The fact is that no such extension of activity as the making of real-estate loans should be granted to any commercial bank, least of all to those which hold the reserves of the country, and may be called upon at any moment to furnish the current funds needed to meet sudden demands for cash. Further, as Mr. A. B. Hepburn points out, the banks in the large inland cities are often quite as important factors in maintaining the solvency of the country as are those of New York, since our system of reserve cities places in their hands the balances of the surrounding country. The national system must be made more attractive to capital, not by weakening the legitimate restrictions that have been thrown about the business of banking under it, but by removing the unnecessary ones which prevent the banks from using their credit by note issues.

The continued decline in the national bank currency and the withdrawals of deposited bonds from the Treasury indicate with renewed force the necessity of taking measures for revenue reduction. Secretary's Gage's policy in keeping the surplus down by means of bond purchases is effective enough as a temporary measure, but it results in raising the price of the bonds, and making it more profitable for the banks to sell them than to use them as a basis for circulation. It not merely raises the price of the outstanding bonds, but, should it continue, will take all the purchasable bonds out of the market. The national debt is now $105,000,000 less than during the summer of 1899. During January alone, purchases of bonds by the Treasury have amounted to a par value of $3,734,150, requiring an expenditure of $5,285,371 for the payment of principal and premiums. How the bond-purchases tighten the market is shown by the decline in offers of bonds to the Treasury from nearly $12,000,000 in November to less than $4,000,000 during January. Moreover, the bond-secured circulation, which stood at $328,845,067 in September last, will have been reduced to $317,500,000 at the end of March, and there is no apparent reason why the decline should stop at the last-mentioned figure. Evidently Congress must find some way, consistently with the safety of the noteholders, to take off the shackles from the national-banking system.

Some exceedingly interesting testimony regarding last year's Northwestern railway deals was submitted on Saturday at Chicago. We imagine that the public mind will be chiefly impressed by Mr. Harriman's testimony as to the use of the Union Pacific's credit in the operation. This witness had stated that, to-day, neither the Union Pacific, Southern Pacific, nor Oregon Short Line owns any Northern Pacific stock. This was, of course, not news, the transfer of the stock having been part of the Northern Securities Company settlement of last autumn. Succeeding inquiries established three points: first, that the rich corporation, the Oregon Short Line, which bought the Northern Pacific stock at a figure "several times larger than its own capital stock," had to borrow the money for the purchase; second, that it apparently did not buy this $78,000,000 worth of stock for investment, but for strategic purposes; and, third, that corporations which make such purchases are quite at liberty to sell out again to anybody. As to the purpose of the purchase, it was, Mr. Harriman alleged, "to preserve to the Union Pacific the avenues already open to it," and to "develop an opinion that we were strong enough to control traffic in our own territory." The stock, Mr. Harriman testified, has been sold without loss to the Union Pacific Company; in other words, the operation resulted more agreeably than the Reading Railroad's by no means dissimilar operation of 1892. But we are nevertheless inclined to think that the public will do some sober thinking over this sort of use of corporate capital and credit. Mr. Harriman obtained his strategic purposes and sold out the stock without loss to his company. But who is to guarantee that the next exploit of the kind in the railway world will have the same ending?

The New Jersey Republicans have chosen as United States Senator a man who would never have been heard of in public life but for his money. The business career of the caucus nominee, Mr. John F. Dryden, has been long and successful, but of his political activity the most that is said of him by even his eulogists is: "To the party organization he has been a generous contributor." We have thus another rich man elected to the Senate simply because he is rich. We know nothing whatever against Mr. Dryden, and sincerely hope that his undoubted energy and business capacity may prove of service to the public; but what we say is, that, by the people of the State and by the country at large, his election will be regarded simply as one more step in the commercializing of the Senate. Of his opinions, or of his ability to state and defend them, nothing is known; whether he can draft a bill, what his capacity may be in committee work, what amount of intelligence he may bring to the routine of legislation—all this is an unknown quantity. One of his competitors, ex-Gov. and ex-Attorney-General Griggs, stood for the older Senatorial tradition. He is a skilled lawyer and an able speaker, has had a wide experience of public affairs, and would have distinctly added to the Senate what it most needs—intellect, not money. But he is passed over for a man whose one title to the honor is his wealth. We cannot regard this as an auspicious event.

AN INDEFENSIBLE ACT.

On January 8 Senator Lodge introduced a bill "temporarily to provide for the administration of civil government in the Philippines." One object of this measure, which does not establish a new form of government, is to confirm the action of President McKinley in appointing the present Philippine Commission, and "to approve the acts of the Commission up to this time." In view of the latter purpose, it would be well for the American people, and also for Congress, to know something more about the legislative acts of the Commission, particularly as Secretary Root has hoped that "the work of the Commission will receive the approval which it merits." This work he declared to be praiseworthy "for its high quality of constructive ability, its wise adaptation to the ends desirable to be accomplished, and its faithful adherence to the principles controlling our own Government."

That this praise should apply to a large part, or even the greater part, of the work of the Philippine Commission may very well be. There is one achievement of the Commission in its character as sole legislature in the Philippines, however, which should receive only condemnation from Congress and the American public. This is a statute which became the law of the Philippine Islands on November 4, 1901, and which is verbosely entitled "An Act defining the crimes of treason, insurrection, sedition, conspiracies to commit such crimes, seditious utterances whether written or spoken, the formation of secret political societies, the administering or taking of oaths to commit crimes or to prevent the discovering of the same, and the violation of oaths of allegiance, and prescribing the punishment therefor." It is on its face a measure to assist the military in forcing the sovereignty of the United States down the throats of the Filipinos, and to prevent them from continuing their struggle for independence. Like all similar acts in all lands, it is of an essentially despotic character.

Its first section prescribes the penalty of death or imprisonment at hard labor for not less than five years, with a fine of not less than $10,000, for the crime of treason—that is, levying war or adhering to the enemies of the United States or the Philippine Government. In this it parallels the statutes of the United States. But in Section 5 the law goes beyond anything now upon the statute-book of the United States, and defines as sedition the infliction of any act of "hate or revenge" upon any official of the Government, or, "if with a political or social object," upon individuals, or any class of individuals. These crimes it punishes by a fine of not over $5,000 and imprisonment for not more than ten years. Conspiracy to commit the crime of sedition carries with it a punishment of not more than five years in prison and of not more than $1,000 fine. Going a step further, the taking of an oath to engage in a seditious project, or to bind one to fail to reveal any unlawful combination, is punished by the last-named penalty, as is the action of one who merely attempts to induce a person to take such an oath. But the climax of this extraordinary law is to be found in the following sections:

"Sec. 8. Every person who shall utter seditious words or speeches, write, publish, or circulate scurrilous libels against the Government of the United States or the Insular Government of the Philippine Islands, or which tend to disturb or obstruct any lawful officer in executing his office, or which tend to instigate others to cabal or meet together for unlawful purposes, or which suggest or incite rebellious conspiracies or riots, or which tend to stir up the people against the lawful authorities or to disturb the peace of the community, the safety and order of the Government, or who shall knowingly conceal such evil practices, shall be punished by a fine not exceeding $2,000 or by imprisonment not exceeding two years, or both, in the discretion of the court.

"Sec. 10. Until it has been officially proclaimed that a state of war or insurrection against the authority or sovereignty of the United States no longer exists in the Philippine Islands, it shall be unlawful for any person to advocate orally or by writing or printing, or like methods, the independence of the Philippine Islands or their separation from the United States, whether by *peaceable* or forcible means, or to print, publish, or circulate any handbill, newspaper, or other publication, advocating such independence or separation. Any person violating the provisions of this section shall be punished by a fine of not exceeding $2,000 and imprisonment not exceeding one year."

Plainly, the proper title for this act should have been "A Bill to Put an End to Freedom of Speech and the Liberty of the Press in the Philippines, and to Create a Nation of Spies and Informers"; for such is the purport of the provisions cited, and such will be the inevitable results of the law if it should be rigidly enforced. When it was before the Commission, some of the friendly Filipinos, and also Señor Buencamino, who represented the Federal party, protested against it on the ground that it would undo the beneficial effect of the benevolent speeches of members of the Commission when they first arrived in the Philippines. The Manila *Times* did not hesitate to tell the truth about the act. "There is no loophole left by it by which any man who is disaffected towards the Government in these islands, and so expresses himself by word or act, can escape. Even the secret knowledge of covert workings against the sovereign power in these islands is sufficient to make one culpable and amenable to the new law."

Evidently the new Liberty which typifies the United States abroad should fling away the torch of enlightenment for the bayonet, since her mission in the Philippines is plainly not to encourage men to be free, but to think only what her armed representatives deem wise. One of these, according to Representative Gaines, has declared the Constitution of the United States "a d—— incendiary document"! In what way such a policy as this Philippine one differs from the oppression of Russia in Finland, or that of Turkey in Armenia, it would be very interesting to know. Was there any law of King George the Third as arbitrary or as hard upon his American colonists as this when they revolted? We know of none. And yet Mr. Root would have us believe that the Commission, in all its acts, has "faithfully adhered to the principles controlling our own Government." Only once in its history has this Republic turned to such an extreme law, and that in 1798, when the famous Alien and Sedition Acts were passed, only to be repealed within a few years. "Let us not establish a tyranny," protested Alexander Hamilton, whose own party was passing these acts. Is it not a tyranny which the Philippine Commission has established by its sedition act?

Theodore Roosevelt recently named three characteristics or attainments as the necessary equipment of any man fitted to do useful work in our body politic. One of these he defined as "some knowledge of history." It would seem as if the members of the Philippine Commission were wilfully ignorant of some of the most tragic pages in modern history. For if they were familiar with the struggles for liberty of men under the tyranny of despots or under foreign oppression, they would know full well the futility of trying to overawe men's minds and spirits by threats of prison bars. The dungeons of Russia, the convict hovels of Siberia, the prison stockade on the island of Guam, all attest this truth.

THE SENATE AS TREATY-MAKER.

The ups and downs of the treaty with Denmark for the sale to us of St. Thomas, which is at last before the Senate for its approval, throw an instructive light upon the theories of Senator Lodge respecting the treaty-making powers of the Senate. He holds, in his *Scribner* article, that the Senate must be consulted in the framing, as well as in the ratification, of treaties. Of course it needs a negotiator, since the Senate cannot directly deal with foreign governments, but there stands the Secretary of State ready to carry out the Senatorial behests. Let him first find out what Senators want, then let him negotiate. Ratification will follow as a matter of course. Such is the Lodgian view.

The Danish instance, however, shows that, whatever may be said of the Constitutional questions involved, the practical application of these notions would make an end of all negotiation. The treaty with Denmark has been hanging fire for a year or two. There has evidently been a great deal of diplomatic give-and-