

The Nation.

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The Week.

President Roosevelt's Fourth of July speech at Pittsburgh bore out the rumors that he would maintain a bold and unyielding tone in the matter of Cuban reciprocity. This he did, throwing "tact" to the winds. Party managers may well wring their hands over a President who bluntly says in public that he "regrets" what the party did, or failed to do, in Congress, and who defiantly tells them that the policy which they rejected will yet be adopted "as sure as fate." Fate has too many secrets in her grim keeping to make that an absolutely sure word of prophecy; but it is something to have an outspoken man in the Presidency, who thus throws down his gage to his political enemies in the presence of the people. What Mr. Roosevelt had to say about the Philippines was in line with the sentiments of his amnesty proclamation issued on Friday. The peace which all have so ardently desired has come at last; and the Administration's hope is that the army will have to be used no further in the archipelago except as a kind of temporary police force. The President intimated a parallel between our course in Cuba and that in the Philippines which is highly suggestive. If our goal is the same in either case—if, indeed, our conduct towards the Filipinos is to be made, in the end, on all fours with that towards the Cubans—then we may expect that the establishment of a civil government, in which the inhabitants are to have a share, will lead directly to their entire control of their own affairs. To that end the President is bound to strive, unless he is willing to see the Declaration of Independence made, as he said on Friday, a tissue of "meaningless platitudes." Mr. Roosevelt recurred emphatically at Pittsburgh to his former declaration about the need of special legislation by Congress to restrain Trusts and monopolies. His positive endorsement of Attorney-General Knox was something more than the flowery tribute which every member of the Cabinet is entitled to, on the Presidential travels, in his own home; it was a fresh definition of Mr. Roosevelt's platform.

Monday's dispatches from Manila again illustrated, and very clearly, the unreliability of the Philippine news upon which the American people depends for its information as to what is going on in the archipelago. The Associated Press telegrams state that Aguinaldo is in fear of his life, now that he has been released from confinement, and that he

does not dare to call upon Acting Governor Wright except at night time. This timidity is due, it is stated, to apprehension lest the friends of the late Gen. Luna attempt to take his life. All this is very interesting, indeed, but the *Sun's* correspondent will have none of it. He telegraphs as follows: "Aguinaldo says he does not fear the vengeance of the friends of Gen. Luna, who, it is charged, was assassinated by Aguinaldo's orders." Yet it is from these two correspondents that all the telegraphic news comes which reaches the United States. If their situation requires respect for the civil and military authorities in the islands, there is nothing to prevent their toadying to the powers that be and praising them to the skies. They may make or unmake the reputation of any officer. In Manila the signs that the two correspondents cannot forget the existence of a press law would seem to be more or less conclusive. In the Gardener case, for instance, the amount of space given to the defendant is very small compared with that bestowed upon the other side, and the bias in favor of the Administration is quite plain.

Despite the confident assertions of a few weeks ago, that Gov. Taft would conclude his negotiations with the Vatican in "record" time for such diplomatic transactions, they are not yet completed. The stumbling-block is apparently the American request that all the friars be withdrawn. The cardinals would naturally like to have the friars of other than Spanish nationality remain, and enough of the Spanish to man the universities. None the less, the desire of the Vatican to keep on good terms with the United States is obvious as well as the wish to expedite matters. It is, of course, a dangerous precedent for Rome to set—this expropriation or forced sale of property of religious orders. At best some odium will cling to those who give up the rights of the four orders in return for cash, particularly as there is danger that such a wholesale withdrawal and the influx of American Protestants will seriously weaken the great power of the Church in the Philippines. While the cardinals of course realize that the United States has the whip hand, and are anxious to make as good a bargain as possible, some doubtless cannot forget that they are candidates for the Papal tiara. This is said to be particularly the case with Cardinal Rampolla, who, in addition to being Papal Secretary of State, is also protector of the Augustinians.

Dr. Henry C. Rowland, lately an assistant surgeon in the army, contributes

to the current *McClure's Magazine* a noteworthy article, entitled "Fighting Life in the Philippines." In this he explains from the medical point of view how it is that American officers and soldiers can murder and torture natives. He is able to press home his points by personal observation in the field and in hospitals. Chronic homesickness he found was one of the most serious disorders with which the surgeon has to contend in the archipelago, for it frequently results in acute dementia. One excellent sergeant, for instance, suddenly became insane, fired upon his own comrades, and then deserted to the Filipinos. Two days later he returned unharmed, but confused and depressed. A corporal suddenly jumped out of a hut, sprang upon an innocent native, and beat him unmercifully until overpowered by ten fellow-soldiers, who took the madman to the hospital. Here he recovered within twenty-four hours. Still another reliable soldier was caught in the act of deliberately murdering a Filipino—just as the ex-soldier who surrendered himself in California the other day declares that he did. An officer who was ordered to the hospital raged and threatened to kill the medical officer. "Quantities of such cases might be cited," Dr. Rowland declares, "all going to prove conclusively that, under certain unaccustomed conditions, it is possible for men to behave in a manner entirely foreign to all prehabitudinal impulse, as the result of unusual influences upon which they have no gauge."

We observe that the Imperialists have left off their chuckling over Admiral Dewey's explanation that, when he said the Filipinos were more capable of self-government than the Cubans, he meant that neither people was capable of it. This was a rather roundabout and misfire joke at best, but it was never one which could do the Republicans any service. If Dewey is an infallible oracle, what becomes of that Cuban self-government which has been set up amid Republican rejoicings and self-gratulation? It is obviously a mistake and a sham, and a Republican Administration is much to be blamed for letting the Cubans cut loose at all. If, on the other hand, the opinion is maintained that the Cuban republic is doing very well, there stands the assertion of the Admiral that the Filipinos could make one do better. Moreover, here is a Republican Congress boasting of having given the Filipinos self-government at least to the extent of authorizing a Philippine Assembly. That is another blunder, if Dewey's dictum is impeccable. That officer, it is probable, shares the old military notion that the capacity for self-government

means only a willingness to obey the orders of a superior. He feels, with Wellington, that a Constitution is out of place on a man-of-war, and it is an easy step to deny impatiently that it is in place on a given piece of land—Malta, in Wellington's case, the Philippines in Dewey's.

Even short-memored Americans can recall the time when Gen. Fitzhugh Lee was a great authority on Spanish misrule in Cuba. Widespread indignation used to be aroused in this country by his accounts of the evils from which the Cubans suffered. Yet we do not suppose that the picture he now draws of the miseries and threatened disasters of Cuba, resulting from the prostrate condition in which the United States left the industries and finances of that island, will either attract much attention or arouse deep feeling. At the same time, there can be no doubt that he speaks words of truth and soberness. His description of the unhappy posture of affairs in Havana is borne out by all the impartial evidence available. All disinterested observers agree that the new Government is in rough water and laboring heavily; that President Palma is at his wit's end to stave off national bankruptcy; that he is beset by hordes of clamorous office-seekers, for whom there are neither places nor money to pay their salaries; that the Treasury is empty and revenues falling; that loans are necessary, yet can be negotiated only at ruinous rates; that retrenchment is imperative, but is possible only in the departments of education, public works, and sanitation; that the negro citizens, especially the colored soldiers of the Cuban army, are demanding offices and back pay, and are threatening to make trouble if their desires are not heeded. Gen. Lee's assertion to this effect is only an echo of what we hear from returning travellers and correspondents, and of what is to be read daily in the columns of that impartial witness on the spot, the *Diario de la Marina* of Havana.

We got from the Cubans the Platt Amendment. That is down in black and white. It is a part of the Cuban Constitution. It binds the Cubans, while we remain absolutely free; and the promise that President McKinley and Secretary Root gave them in return, has been cynically broken. How ill at ease they are in such a situation, and how directly their plight provokes them to show a proud sensitiveness, may be seen in the request of the Cuban Government that we take away the stock of coal belonging to us, which was left on a dock at Havana. They do not want to have even the appearance of American control. Secretary Moody very properly undertakes to remove the coal. This should

have a good effect. It should tend to make the Cubans discredit such an absurd dispatch as that published the other day by *El Mundo*, saying that President Roosevelt had telegraphed President Palma "forbidding" him to form a Cuban militia. Yet the Platt Amendment remains a continual cause of vexation to the Cubans. Under it, for example, they agree to maintain the American methods and standards of sanitation. If they did not, if yellow fever should be allowed to infest Havana again, there would be a speedy cry that the Cuban Government was a failure, and that annexation was forced on us in self-defence. But what the Cubans say is that the force of Major Gorgas is one very expensive to maintain; that it is as much for our benefit as theirs; and yet that we have disabled them from having a revenue adequate for such an outlay, while forbidding them to economize. No wonder they are sore. They will soon be called "ungrateful."

A full statement of Gen. Wood's payments from the Cuban Treasury, for the purpose of obtaining legislation from the Congress of the United States, was sent to the House on the eve of adjournment. The total is \$15,626. Of this sum, \$1,350 went to the *Havana Post*, an American paper, which evidently did not daily flatter the Military Governor without expecting something in return. Its rival, the *Havana Herald*, with the natural envy and spite of one not allowed to bask in official sunshine, openly asserted that the *Post* was subsidized from the palace, and that Gen. Wood, in his soldier's simplicity, was paying the full retail price, instead of getting his thousands of copies at a wholesale rate. Putting all this one side, it is obvious now that, with whatever good intentions the payments were ordered, they were indiscreet and improper. Quite apart from their secrecy, and from the boomerang effect which their unexpected publication had upon Congress, they were in violation of the one principle which should have ruled our military government in Cuba throughout. This is, that we were there as trustees, and that all Cuban revenues were in the nature of a trust fund. It is clear that, to-day, the Cubans would be only too glad to have that money back in their Treasury. If they had, and in addition the sums which Gen. Wood gave to buy off the opposition of Gomez and others, the Cuban Government would not be obliged to cancel its contract for the education of Cuban teachers in this country, for lack of \$30,000.

The closing of the successful meeting of the Southern Educational Association in Chattanooga calls attention anew to the educational revival in the South. Unlike the annual conference of the

Southern Education Board, this association is made up wholly of Southerners actually engaged in teaching work. Being free from Northern influence, its proceedings show all the more clearly how Southern teachers have become aroused to the great need of an upbuilding of the school systems of their section. The resolution passed by the association calling upon the State Legislatures to meet school districts half way in providing for district libraries, is merely a symptom of the liberal spirit everywhere manifesting itself. While such a school library would primarily benefit the scholars, it would also exert a great elevating influence upon the surrounding homes; and an appreciation by the parents of the work of the schools is one of the aims which the educators have most at heart. A South Carolina delegate to the Athens conference in May, for instance, declared that he would speak from every stump in the State, if necessary, to further the educational revival. It has suddenly become plain to teachers throughout the South that if really rapid progress is to be made, those of mature age, as well as the young, must be brought to a realization of the financial and practical, as well as moral and intellectual, advantages to be obtained through a sound education.

So marked is the growing liberality in educational matters in the South, particularly in accepting Northern aid in the building up of schools and colleges, that the crass narrow-mindedness of the Louisiana Legislature in the matter of school histories becomes the more glaring by contrast. This worthy body has decreed that no text-book shall be used in the schools of the State which does not give Rear-Admiral Schley full credit for the naval victory at Santiago. There has been some excuse in the deep-seated antagonisms of the civil-war period for the attempt to prescribe histories of that time written from the ultra-Confederate standpoint. But this effort to say what shall be or shall not be put into a school history in regard to the events of 1898, goes much further in the way of prejudice and illiberality than anything which has yet been reported. Doubtless we may yet hear of a Southern Legislature's decreeing that President Roosevelt's Administration shall become known to the youth of its State only as one of "infamy" and of "insult to the South," because of the Booker Washington dinner incident. Plainly the Louisiana Legislature is itself very much in need of an educational revival. We would suggest a course of lectures by James Ford Rhodes, Charles Francis Adams, and others upon the true meaning of history and the proper attitude of the historical writer. It would then learn the folly of its resolution, beside which King Canute's attempt to assert sovereignty over the ocean was an

act of wisdom. Rear-Admiral Schley's place in history will be decided by the verdict of his brother-officers, the adverse findings of the court of inquiry, and the opinion of unbiassed foreign experts.

Last week's report on the movement of national bank circulation during June has a special interest. It proves, if further proof were necessary, the intimate and unfortunate connection between this form of money supply and the condition of the Treasury, and it shows that the resulting evil has been for the present checked. At first glance, an uninformed observer might be puzzled to understand why such a connection should exist at all. But the order of events is as plain as a syllogism. Bank circulation depends on the Government bonds deposited by the banks as security for the notes. An excessive public surplus is usually dealt with here by redemption, on a considerable scale, of the public debt. The Treasury's bids for such a purpose force the bonds to an artificial price. The profit thereby guaranteed induces the banks to sell their bonds, as a result of which they have to reduce their circulation. All this is nothing new to us. In the fiscal year 1887, for instance, the surplus revenue was such as to draw very seriously on the money market, and \$125,000,000 of bonds were bought in by the Treasury. In 1888, \$71,000,000 were redeemed for the same reason; in 1889, \$120,000,000; in 1890, \$104,000,000; in 1891, \$114,000,000. The result was contraction of \$26,000,000 in bank notes during 1888, \$31,000,000 in 1889, \$25,000,000 in 1890, and \$18,000,000 in 1891. With the Treasury piling up idle surplus, even after these lavish and at times extravagant bond-redemptions, something very like a real contraction of the outside money supply was in progress.

This contraction, it will be observed, was wholly independent of any conditions properly governing movement of circulation. Almost exactly the same phenomenon arose last autumn. Bank circulation based on bonds had expanded, between the enactment of the law of 1900 and the close of last September, \$115,000,000. It still showed a general tendency to increase when the Treasury's unexpectedly heavy surplus, and its consequent large withdrawals from the money market, forced Mr. Gage to resume his bond-redemptions on an extensive scale. Between that date and the close of last March, the Treasury bought in \$35,890,000 of its bonds. During exactly the same period, bonds of the national banks, deposited to secure outstanding notes, decreased in amount \$11,100,000, with, of course, an equivalent contraction of circulation. The first act of Mr. Shaw was to stop the

bond-redemptions, with a view to stopping the quite artificial contraction of the currency. Since March, not a dollar of the public debt has been redeemed. Retirement of notes continued for a month or two, probably for account of banks which wished to strengthen their cash reserves. Now it has stopped entirely; during June, there was an increase, for the first time in nine months, in bonds held by the banks to secure circulation, and outstanding notes increased. It is quite manifest, however, that even this normal movement is a result of accidental circumstances; that, had the Treasury surplus kept on draining an active money market, the contracting process could not have been arrested. The whole episode shows the fatal weakness of the present bank-note system—a system which for security is admirable, but, for the other normal functions of a currency, hopelessly out of joint.

An aged merchant in this city has planned a unique beneficence—an institution which shall succor worthy self-supporting people, temporarily under stress of poverty or of physical disability. This new charity will not compete directly with the present hospitals, for it will draw neither from the well-to-do classes nor from the very poor, but from the average independent wage-earners. Its organization will permit it to treat those cases of comparatively slight illness and of tedious convalescence which the hospitals undertake, if at all, only at a sacrifice of efficiency. The character of the trustees of the Winifred Masterston Burke Relief Foundation, so splendidly endowed, insures a wise administration of this unusual trust; while the fact that the donor, Mr. John M. Burke, gives the funds outright, and will during his remaining life serve upon the Board of Trustees, happily brings to the shaping of this novel benefaction the counsel of the mind and heart which conceived it. Mr. Burke's is comparatively an obscure name in this city. It is a redeeming feature of our restless civilization that, where thousands are moving heaven and earth for notoriety, there are always a few modest citizens of every city who are silently planning how to turn their personal prosperity to the general good, and who finally present a great scheme of benefaction with no more circumstance than they use in any customary transaction of their day's work.

The most important action thus far in connection with the meeting of the Colonial Premiers in London has been the Imperial Government's refusal to suspend the Constitution in Cape Colony. This decision is all the more striking in view of the fact that Lord Milner has gone on record, unofficially, but publicly, as desiring "to preserve the Col-

ony from the disastrous consequences which are likely to result from the resumption of Parliamentary and party strife before the bitter passions excited by the war have had even a little time to subside." Of course, Lord Milner, like the forty-two members of the Cape Colony who petitioned for the suspension of the Constitution, wished it understood that their views implied "no defection from the principle of responsible government." But the English Cabinet has apparently realized that the South African public would not take a suspension in this broad-minded spirit, particularly that part of it which has lately been won over to peace by a promise of eventual total self-government. The truth is, that Lord Milner and his followers fear that in Cape Colony the Dutch and their sympathizers will be in the majority, and their kind of self-government does not include anything but English supremacy. The English party at the Cape is divided on the suspension proposal; the Premier, Sir Gordon Sprigg, being against it, partly in view of Lord Milner's promise in 1899 that there should be no curtailment of Constitutional liberties as a result of the war. Not only Sir Gordon Sprigg, but others of the visiting premiers, have had a hand in bringing about the decision, for fear of the bad effect such action as urged by Lord Milner would have upon their colonies. Aside from this personal reason, they have urged a policy which is in line with the best English Constitutional traditions.

The announcement that the King of Italy and the Czar will soon exchange visits, gains a piquancy from this added item, that, while Victor Emmanuel III. will find time to make the return trip by way of Berlin, he considers Vienna too inconvenient a stopping-place on the way to St. Petersburg. This certainly lends color to the repeated rumors of alienation between Austria and Italy. It is undoubtedly something of a chagrin to the tenant of the Quirinal that no Austrian sovereign or prince of the blood will make an official visit to Rome, for fear of disturbing the delicate but friendly relations which exist between the dual monarchy and the Vatican. It may be felt that a punctilio of this kind has no longer serious political weight; but the fact that the Italian King visits the Czar in the first instance, and elaborately omits to visit the intervening Emperor, shows at least that the Triple Alliance lacks something of its old fervor. Amateurs of prophecy about the Eastern question will not fail to point out the fact that Italy may well be seeking assurances from the arbiter of the East in the matter of Montenegro and Albania, where her interests clash directly with the supposed ambitions of Austria. But one does well to leave the Levant on the lap of the gods.

VACATION TRUST-HUNTING.

All accounts agree that the President's Pittsburgh declaration about "great corporate fortunes" is but the preliminary to an active political campaign against Trusts. He is to devote his vacation to their pursuit. Instead of the Big Game of the Rockies, which has so often before been the trophy of his holiday bow and spear, he plans to return this time with the pelt of the *Octopus Vulgaris*. Representative Littlefield is to be called in as a brother-Nimrod. The Attorney-General is to visit Oyster Bay, not for the purpose of hunting the common or garden Trust which alone haunts that peaceful shore, but to help the President load his anti-Trust cartridges for his fall shooting on the Western stump. The idea is to equip him with a high-powered rifle, in the shape of a bill embodying his idea of the "new legislation" needed against Trusts, before which every Trust that roams the prairies shall go down.

We would not be thought to speak flippantly of the President's plans. He is, no doubt, in dead earnest. His sincerity, in the position which he has taken on this subject, is as unquestionable as his courage. We cannot, however, blind ourselves to the fact that a long-range summer fight with Trusts is a very different thing from coming to close grips with the monsters in the winter at Washington. From such a hand-to-hand contest the President and his party have just emerged, and the Trusts were not the ones to come out of it "considerable shuck up like" and "permiscuously chewed." The truth is, as a careful study of the habits of the Trust will show, that animal is what may be called an aestivating instead of a hibernating species. It sleeps peacefully the summer through, caring not for the loud cries of its assailants on stump or platform. But when the winter comes, with an actual bill in Congress, like Mr. Littlefield's of this year, then it appears all teeth and claws, and by the time the Trust gets through with that bill, its own father would not recognize it.

This well-known fact is what suggests the present political futility of President Roosevelt's aggressive movement against the Trusts. He intends, his friends say, to spike the Democratic gun. But he will need to be exceedingly careful lest he furnish that piece of artillery with an extra charge of powder. Just what is the cry which, it is evident, the Democrats will raise against the Republicans in the Congressional campaign of this autumn? Obviously, that the party in power, with an ample majority and abundant time, did not so much as report in Congress a single measure for the restraint of monopoly. Now, to bring out a vacation bill on the subject will look, in the first place, perilously like confessing that the Democratic charge is true. The retort

will be ready to hand: "If you think such legislation is imperatively needed, why did you not enact it during the last session of Congress?" President Roosevelt can hardly reply that Congress was too busy heeding his urgent request for Cuban reciprocity! And simply to make a fresh promise of doing, in the crowded short session, what no time was found for in the long one, would put the party too much in the attitude of being the party, not that "does things," but that is always going to do things.

Another pitfall will lie at the President's feet. What is he going to say about the relation of the tariff to Trusts? He cannot be unaware of the line of attack which the Democrats will take up. They will maintain that the Republican party is so protection-mad that it dares not touch a customs duty even when it can be shown to inure to the benefit of a Trust. In support of this contention, they will point to a solid Democratic vote in Congress in favor of taking off the tariff from all Trust-made products, and a nearly solid Republican vote against it. Here is no question of problematic control of Trusts by special legislation, thrown at once into the courts. It is, rather, an opportunity to cut away at one sharp stroke a needless and noxious protection enjoyed by monopolies. How is the President to excuse his party's attitude on that subject? Can he expect to stir up agitation about Trusts, and yet be silent, and have his party silent, in regard to this one definite and perfectly feasible way of clipping their claws? When a man goes Trust-hunting, he must not put aside the most direct and immediately deadly weapon he might use; or, if he does, he must expect to have some awkward questions put to him, and will have to give a transparently clear explanation of his course.

In referring to these personal and political difficulties which the President is certain to encounter, we must not be charged with belittling or discouraging his enterprise. We consider it of the highest moment if it signifies that Mr. Roosevelt intends to assert his leadership, and that he means to break with the timid and selfish counsels of party managers in the matter of monopoly, as well as of Cuba. He understands perfectly by this time, we have no doubt, that he has nothing to hope, but everything to dread, from the bosses and the promoters. He has heard, we presume, of that magnate who said, in the bitterness of his wrath at President Roosevelt's suit against the Northern Securities Company, that he was prepared to spend \$1,000,000 to prevent his renomination. To shrink before such threats would be neither safe nor shrewd for Mr. Roosevelt. Whatever the party leaders may think of him, he is extraordinarily popular with the Republican rank and file. We can interpret his announced pro-

gramme in only one way: he means to go directly to the masses of his party, and secure for himself such a support as will enable him to obtain the legislation he thinks necessary for Cuba, or against monopoly, whether the party bosses will hear or forbear. It is a greatly daring plan, and it may fail; but it reveals the President as a man who does not shrink from the duty of leadership, and who knows how alone to assert and apply it—namely, by going over the heads of the managers to the people.

PROTECTION OF MINORITY STOCK-HOLDERS.

There is much in the present situation of the "small investor" to arouse sympathy. The rate of interest has fallen very low, and the rate of taxation has correspondingly risen; for a tax of 2 per cent. on property that pays 4 per cent. interest is twice as heavy as the same tax was when the property paid 8 per cent. The proper, and we might say natural, investment for moderate fortunes is in mortgages on real estate; but our system of double taxation renders this investment frequently impracticable. A citizen of New York may, it is true, put his money in a savings bank, which can then put it into an untaxed mortgage. But the bank will accept only a small sum from one depositor, the theory being that such institutions are for the accommodation of poor people. Thus the inducement to invest in corporate stocks is very strong. In most States such stocks are taxable but once, and as the taxes are generally paid by the corporation, the stockholder is relieved from annoyance.

But nowadays the stockholder finds that his security is elusive. He may learn any day that his property has been, or is to be, taken from him; and it does not make much difference whether the process is called stealing or reorganization, or enlargement of the field of the enterprise. True, he does not often lose the whole of his property; but he finds its status impaired. He can no longer dismiss his investments from his mind, as matters that, having been once properly investigated, need no more attention. He must decide whether he will pay an assessment or be "frozen out"; whether he will take other stocks in place of those with which he was satisfied; whether he will surrender stocks for bonds or bonds for stock.

Sometimes he does not need to decide. The matter is settled without consulting him. The holders of the second-mortgage bonds of a great railroad in the Southwest were told not long since that the directors had sold bonds amounting to \$30,000,000, which became, in the judgment of some people, practically a prior lien. The stockholders of a great railroad in the South suddenly learned that the directors had decided to issue