

# The Nation.

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## The Week.

A Commander-in-Chief who has to send orders to his subordinates 11,000 miles away is bound to fall into awkward situations; and President Roosevelt is more to be pitied than blamed for the miscarriage of his wisely conceived purpose to prevent the punitive expedition against the Moros of Mindanao. His telegraphic correspondence with Gen. Chaffee amounts to this:

Gen. Chaffee: "I propose to send a column of 1,200 men to Lake Lanao."

President Roosevelt: "That would be a mistake. Don't let the men leave the coast."

Gen. Chaffee: "But the men have already started."

President Roosevelt: "Very well, let them go."

As we say, that has a most embarrassing look for the Commander-in-Chief, but we see no help for it. He is bound to take the word of his division commander when the latter is on the spot, and the spot is half-way round the globe. That is the military moral. The political moral is simply the old Philippine puzzle—what on earth are we doing in that Moro galley, anyhow?

The mere fact that President Roosevelt countermanded the punitive expedition shows that we have learned something in our three bitter years of schooling in the Philippines. We are not so terribly anxious now to uphold our prestige in the archipelago, if it means a needless and bloody war. If such orders had been issued to Otis as were sent to Chaffee—though so unfortunately late—there would have been no war in Luzon. That there may be now a general war in Mindanao is only too likely. If there is, it will be the result of a perfectly insensate proceeding on Gen. Chaffee's part. As a mere piece of skilful management, the settlement with the Moros by the tactful diplomacy of Gen. Bates was by far the most creditable thing we have done in the Philippines. The policy pursued was to let the chiefs alone, provided only that they would acknowledge our flag. They are polygamists, but we kept a blind eye for that. They have slaves, but we looked the other way. We paid them a subsidy to keep still and not bother us, and thought ourselves, as we were, lucky to get off so easily. Now comes Gen. Chaffee with the rough soldier's idea of showing the heathen who is boss, and threatens to bring on a general war with the wildest and most formidable inhabi-

tants of the archipelago. The reason assigned is that two native murderers have not been produced, and that the dattos would not keep their appointments with the American General. We can wink at polygamy, can stomach slavery, and can pay over our tribute like any Spaniard of them all; but if it comes to treating us with personal disrespect, why, blood must flow.

"Hell-Roaring Jake," so Mr. Stephen Bonsal informs us, is the name by which Gen. Smith is known among his army intimates. If his private conversation is more gruesome than the military orders which, it is now undisputed, he gave in Samar, he fully deserves the sobriquet. Indiscriminate slaughter of non-combatants and the laying of the whole island waste—that is what the counsel of an American general admits to a court-martial that he ordered. He may yet offer the defence, as Major Waller did, that he was only executing bloody instructions which came to him from his superior officers. If, however, Gen. Smith can be shown to have been guilty without orders of these frightful violations of the laws of war, these clear infractions of the "Instructions for the Government of Armies of the United States in the Field" (known as General Orders, No. 100), these unspeakably fiendish barbarities, then we say that he ought to be shot. Military law would justify such a punishment for such crimes; and unless our national conscience is seared with a hot iron, it will cry aloud for the sternest justice upon an officer who has outdone Spanish savagery. Suppose that, four years ago, on the eve of the Spanish war, a dispatch from Havana had even hinted at practices by a Spanish general so atrocious as those now coolly admitted by an American general—why, we should have rent the skies with our indignation. Yet the moral law has not changed in the meantime, and God still requires innocent blood at the hands of murderers, be they men or nations.

The letter of instruction sent by Gen. Chaffee to "Hell-Roaring Jake" when the latter was put in command of the brigade operating in Samar will be relied upon as a part of the defence in the court-martial of the latter. One paragraph especially is quoted as a justification of the orders given by Smith to Waller. Chaffee said:

"I have all the time thought that we do not appreciate the fact that we are dealing with a people whose character is deceitful, who are absolutely hostile to the white race, and who regard life as of little value, and, finally, who will not submit to our control until absolutely defeated and whipped into such a condition. It is to our interest to disarm these people, and to keep them dis-

armed, and any means to that end is advisable."

This is an instruction from a superior to a subordinate officer, not merely to deal severely with enemies in arms, but to exterminate a people because they are "deceitful"—that is, they will not disclose to invaders the places where they keep their arms. In order to get their arms away from them, Gen. Chaffee says any means is not only admissible, but advisable. Of course "killing everything over ten" is one such means, and Gen. Smith will be prepared to show that it is the very best means to the end. Gen. Chaffee may himself be brought before a court-martial for giving such bloody instructions. If so, he may point to the fact that the contents of his letter to Smith was known to the War Department, and was at least tacitly approved. One of the dreadful sayings of "Hell-Roaring Jake," which was known at the War Department for more than a year, and was never questioned, was that "neutrality must not be tolerated on the part of any native. The time has now arrived when all natives in this brigade who are not openly for us must be regarded as against us." This means, Suspect everybody, and kill everybody whom you suspect.

President Roosevelt's military right to order Gen. Funston to die with all his Philippine music in him is doubtless beyond dispute, unless it could be held that silence, in the case of a man like Funston, is one of those cruel and unusual punishments forbidden by the Constitution. The Kansan Brigadier had been having such a good time losing his temper and loosing his tongue about the Philippines. But he ought to take the President's rebuke as a really necessary step in his somewhat neglected military education. Taciturnity is a characteristic trait of great soldiers. Moltke was silent in seven languages, and Funston can begin by being speechless in one. So we hope he will wear his gag gracefully. We do not see that his military glory, such as it is, will be dimmed by his reprimand. The Duke of Wellington was once twitted in Parliament with "never yet having entered into a contest with Englishmen in which he was not beaten." Funston's case is similar. He simply did not know how the moral sense of the country and of the President would be shocked by his insolent attack upon Senator Hoar as a man with "a superheated conscience." Now he knows.

"So far from being in any way a provocation to war, an adequate and highly trained navy is the best guarantee against war, the cheapest and most

effective peace insurance. The cost of building and maintaining such a navy represents the very lightest premium for insuring peace which the nation can possibly pay." Thus spoke President Roosevelt, in his message of last December, and Monday the naval committee of the House brought in their little "peace-insurance" bill of \$77,659,000. The additions to the navy proposed are two first-class battle-ships, two first-class armored cruisers, and two gunboats. These are to be added to the 138 vessels already built or building, at a cost of \$235,000,000. Such are the burdens of an armed peace, which, as the Pope recently declared in his encyclical, are rapidly becoming as grievous as those of war itself.

The rowdiness of certain officers of the United States navy and marine corps in a public place in the city of Venice has drawn upon themselves the attention of the police, and upon the United States that of other nations. Is it possible that this outbreak is one of the signs of our newly acquired dignity and standing as a World Power? However that may be, it is gratifying to know that we have a gentleman at the head of the Navy Department. Secretary Long says that, if these men have committed an infraction of the law in Venice, they must suffer the consequences of their acts. They have been sentenced to prison for no very long period, but sufficiently to put a stigma upon them, and after they have "served time" they will be liable to court-martial at home. The penalty visited upon them by the Venetian tribunal is mild by comparison with the summary method of punishing Italians for infractions of local law in Louisiana. Our civilized and enlightened method is to promptly lynch the offenders and any others found in the neighborhood. Then, when the Italian Government demands satisfaction, we assure the Ambassador of the aggrieved nation that we treat his countrymen as well as we do our own. How could he ask more?

We gravely apprehend that President Roosevelt is defeated in his Cuban policy, and that Congress will pass no bill in aid of Cuba before the date for setting up the native government, May 20. This seems to us the unmistakable inference from the situation at Washington. The Senate was pictured for months as feverishly eager to enact an adequate measure of Cuban relief. It could hardly wait for the House to pass even a mangled bill. Well, such a bill passed the House a fortnight ago, and the Senate Committee has only provided for further and indefinite delays. Senator Teller's resolution to investigate the holdings of Cuban sugar by the Sugar Trust was distinctly understood by Ad-

ministration organs to be offered as an obstructionist and dilatory move, yet it has been adopted by the Committee, and the faint "hope" is now expressed by Senator Platt that he may be ready to report a bill in three weeks, or so. This is a square defeat for the Administration, and we fear that it will produce alarm and dejection in Cuba, with consequences that will be bad, both politically and financially. The worst of it is that the President has so procrastinated, through being imposed upon by the assurances of leading Republicans in Congress, that he cannot now make a public appeal for generous treatment of Cuba with any effect. Protection and prejudice have been too subtle and too strong for him; and in spite of the noble words of his message about what we were bound in "honor" to do for Cuba, we are going to do just nothing at all for the fledgling republic.

Attorney-General Knox is rapidly becoming a mighty hunter before the Lord, his principal game being Trusts. Of course, he is doing but his simple duty under the law in ordering proceedings against the Beef Trust, since the statute expressly directs him to proceed as he has done; but his activity is all the more noteworthy because it was unexpected. Mr. Knox had been set down—very unjustly, it is now evident—as the special friend and representative in the Cabinet of unscrupulous corporations. His confirmation in office, it will not be forgotten, was stoutly opposed on the ground that he had been an attorney for the Steel Trust and other large concerns. This weighs little now, except as it perhaps yields one reason for his unusual skill in drawing complaints against illegal combinations. Granting that a lawyer has employed his talents in advising corporations how close to the Anti-Trust Law they may sail, he would be just the man, if so minded, to detect and punish those which had imprudently gone over the line. Certainly Mr. Knox's success in at least frightening the corporations, and spiking the guns of the Democrats, illustrates the power of specially trained wits in meeting specially trained wits.

Dear food in America, caused whether by Trusts or taxes, comes by a strange coincidence at the same time that the new tax on bread in Great Britain is causing an outcry. The Chancellor of the Exchequer has already been proved a false prophet as to the effect of his duty on wheat and flour. Despite his predictions to the contrary, the millers and bakers have promptly raised their prices. They may have done so unnecessarily, and the grumbling which is certain to come may be uncalled for, but important political results will follow, nevertheless. That the new tax is un-

popular in Parliament may be inferred from the falling off of the Government's majority in the Commons. It sank about fifty below the normal when the vote on the second reading of the corn duties was taken. The Liberals are taking up the new issue with avidity, and there is even talk of reviving the Anti-Corn Law League. This will probably not be done, unless the war should go on and the corn duties go higher. Then, indeed, the old battle might have to be fought over again, and of some future Prime Minister it might be said, as it was said of Sir Robert Peel, that he "gave his fellow-countrymen abundant and untaxed food, the sweeter because it is no longer leavened by a sense of injustice."

A study of the platform adopted by the Republican organization in Indiana shows the difficulty which politicians now encounter in formulating issues and in drawing lines between the parties on such issues. The Indiana Republicans are "gratified that Cuba will soon pass to the control of her own people"—although Senator Beveridge, who "sounded the keynote," took pains to point out that this control amounts to little, in view of our "suzerainty" over the island. The Indiana Republicans also "favor just and liberal reciprocal relations between the United States and the republic of Cuba"—but they refuse to tell what would be "just and liberal." The House recently passed a bill for a petty 20 per cent. reduction of duties. Does this meet the demand, or should the rate be 40 or 50 per cent.? As to the Philippines, the Indiana Republicans hold that American sovereignty must be respected; favor "the establishment of absolute peace, and the erection of civil government, and 'insist that the people of the islands shall be given increased participation in the administration of their domestic affairs, as they shall demonstrate intelligence and capacity for self-government.'" Of course, they are "opposed to all Trusts or combinations of capital whose purpose or effect is to restrict business or control prices," and, of course, they "especially denounce those whose tendency it is to increase the cost of living and the necessities of life." They favor "legislation to prevent such abuses," but they do not point out what new laws are needed. They "adhere to the policy of protection," but they favor "such modifications of tariff schedules as, from time to time, are required by changing conditions," and they are ready to accept "carefully guarded reciprocity arrangements" with other countries wherever such arrangements can be made "without interrupting our home production." But whether at the present time any modification of tariff schedules is required, or whether the reciprocity treaties now pending before the Senate are "carefully guarded" and



would not "interrupt our home production," they refuse to say.

We doubt if there was ever a case where the first important State convention of the dominant party under a new Administration presented so colorless a statement of party faith. Liberal pensions, Chinese exclusion, the keeping out of undesirable immigrants, the suppression of anarchy, opposition to combinations which increase the cost of living, justice and liberality toward Cuba, peace in the Philippines—what opposition party could make an issue on such vague deliverances as these? The difficulty rather is to arouse any enthusiasm in the dominant party over a programme so indefinite. There is one feature of the Indiana platform, however, which affords ground for rejoicing—the plank on the sectional issue which is not there. Representative Crumpacker has been for years the chief advocate of the scheme for cutting down the representation of the Southern States in Congress and the electoral college because the negroes are not allowed to vote, and he was urgent for the endorsement of the idea by this convention. But the managers refused him the slightest encouragement, and kept all reference to the South out of the platform. This may be considered the formal rejection of the attempt to revive the sectional issue, and its worldly wisdom is past question.

The attention of all New Yorkers has been so largely concentrated upon some defects in the Police Department, and two or three "breaks" in other branches of the Government, that people have overlooked the excellent work which is being done almost everywhere by the Low Administration. The most important thing of all is the fact that we have honest men at the heads of the various departments, and that as a rule their honesty is supplemented by ability. They are saving money, and they are accomplishing greater results with smaller expenditures. Efficiency is being restored in branches of the service which had become demoralized—notably the Street-Cleaning Department. In the Water Department the new Commissioner has discovered a system of fraud in meter-inspection, and has instituted a reform by which he estimates that \$600,000 a year will be added to the city's revenues from supplying water. The Building Department in the Borough of Manhattan has practically been revolutionized, as an agency for securing protection to life through a fair enforcement of the law. Equally commendable are the host of minor reforms which have already been introduced in the Charities and Health Departments. Each of these great departments has to do with the well-being of a host of people who had

been shamefully neglected and abused under Tammany. The conditions in the various institutions under the Charities Department were shocking when Mr. Folks took charge, and the list of changes for the better already made means an immense gain in public decency and in the comfort of helpless wards of the city. The Health Department has been equally zealous in work for the protection of the public at large. In short, the spirit of civilization now governs in the conduct of the city Government, and the beneficent effects are becoming more plain every week. It is already clear that New York is to profit immensely from the Low Administration.

Corporation Counsel Rives's revised opinion on the advertising ordinance now before the Board of Aldermen shows a change of mind as gratifying as it is sudden. There seems, in fact, to have been a lack of clearness in his earlier opinion, owing to the confusion of restrictive with prohibitive legislation. Mr. Rives now holds that to limit sky-signs to a height of ten feet and to prescribe their material and construction would not exceed the charter powers of the Board of Aldermen. It is to be hoped, then, that the Ware ordinance now under consideration may soon become law. The Corporation Counsel's second opinion maintains that restrictive legislation concerning bill-boards and similar structures finds its justification only under the ordinary police powers of the city—that is, all hoardings which are not proved to be prejudicial to the public health, safety, or morals have a right to existence, and are not fairly amenable to restrictive legislation. This view at least is conservative, and it still leaves considerable play for reform. It is wholly consistent, too, with the very elaborate and well-considered report of the Chicago Master in Chancery on the bill-posting ordinance of January, 1901.

That the French elections would result in a substantial vindication for the Ministry was a foregone conclusion. If on the reballoting the Government does as well in the 173 arrondissements in which there were no choices on Sunday, as it has done in those in which Deputies received their majority, M. Waldeck-Rousseau will bring to the Palais Bourbon a majority of certainly a hundred. Let it be remembered that, when he became Premier, three years ago, he could hardly command a majority of a score, and the measure of his present success is fairly shown. Yet the mere fact that there was nearly a third of "no-choices" shows that the Progressists and other Republican factions very generally failed to rally to the Ministry. Paris is traditionally hostile to the Government, and

the failure to elect, on the first ballot, a single Ministerial Deputy in the capital city is rather an annoyance than a serious check. The Government will still have to deal with that nondescript and brawling faction which has rallied under the banner of Nationalism, and, with reduced political power, retains possibilities for mischief-making. The solidarity of the country districts in favor of the Government is the most gratifying feature of the elections, for it shows that nothing like a real monarchical feeling survives in France, and that the Royalists and Imperialists are just about as important in France to-day as the followers of "Charles the Martyr" are in England.

Ominous or promising, according to point of view, are the repeated reports of industrial disturbances in Russia. Not so long ago a strike would have been out of the question, and manufacturing enterprises were of the most primitive character. In 1885 there were in European Russia, excluding Poland and Finland, 62,801 manufacturing, mining, and industrial establishments of all sorts, with a laboring force of 994,787, and an annual output valued at 1,121,040,270 rubles. In 1893 the establishments, under the influence of incorporation and consolidation, were 39,029, but the people employed had increased to 2,098,262—more than double—and the output had risen to 2,839,144,000 rubles. Meanwhile the growth of the textile industries has made manufacturing centres of Moscow and other ancient cities. When the peasant becomes a mill-hand, he is perforce aroused from his century-long stupor, and he faces the stern facts of modern industrial life. The mere bringing together of masses of people about the mills means the accumulation of inflammable material. The powers that be have nothing so much to fear as an enlightened and restless prolétariat, and such a class is actually forming in Russia, if slowly. Even more alarming are symptoms of political discontent among the peasantry. The Moscow correspondent of the *London Times* writes that the bread riots in Little Russia are of a political nature, and not, as has been supposed, a simple expression of agrarian distress. It is said that educated Russians have been spreading the Socialist propaganda widely among the peasantry. Though it is too early to estimate the importance of the movement, it is clear that its very existence constitutes a menace to the present order of things in Russia. The strength of the empire is the ignorance and loyalty of the peasants. When these peasants demand political rights, the empire will be put to the test, and it will be seen whether Nicholas II. has that personal force and that ability to see beyond the influences of the court which characterized his grandfather.

## FINANCIAL SIGNS OF THE TIMES.

A survey of the financial situation, at this time, reveals a singularly interesting state of things. Abroad, the Boer war, for nearly three years a millstone on the neck of British industry, is apparently about to end. The production of Transvaal gold, cut down from \$9,000,000 per month in 1899 to almost nothing in 1901, has risen already to two million dollars monthly, and will reach its figures of three years ago when the Cape railway is no longer clogged with Government transportation. The Continent, in advance of these new supplies of gold, is slowly recovering from its trade prostration.

In the United States, industrial prosperity continues at a rate hardly anticipated even in the hopeful forecasts contributed to the *Evening Post* on the 31st of last December. The basic iron market is in a state of unparalleled activity, with production at much the highest rate in history; the monthly output, by the last returns, running some 200,000 tons, or not less than 15 per cent., beyond the same period in 1901. Railway earnings, as now coming to hand, average fully 7 per cent. above last year, with an increase of barely 2 per cent. in mileage. Trade payments through the clearing-houses of interior cities are running 15 to 20 per cent. beyond 1901, and 30 to 40 per cent. beyond 1900, and their decrease in the East is wholly attributable to the relatively smaller stock speculation. The first of the harvests, winter wheat, will possibly be deficient, owing to the drought; but the loss may easily be repaired with good luck in corn and by the spring wheat acreage. The currency seems to be secure; the revenue is abundant, and evils arising from such sudden expansion in the Treasury surplus as tightens the money markets, are in a fair way to be corrected by an intelligent revenue-reduction law.

On the surface, then, almost all indications would appear to point to continued prosperity and industrial happiness. How does it happen, this being so, that many of the most careful and experienced watchers have expressed misgiving over the situation, and are looking, from time to time, for signs of a possible coming storm?

Such misgivings, we imagine, whether well or ill founded, base themselves wholly on the current experiments with capital. We are not among those who discourage the bold and aggressive use of capital at a time of trade prosperity. It is an axiom of sound finance that such a period, when credit is easy, capital ready for investment, and the profits of industry substantial, is the hour for bringing to a head plans for further developing the country's industrial capacity and power. If it were not done then, it would never be done. But if the structure is to stand in all its parts, it must

be soundly built. Its foundations must be laid on solid rock, which will not give way in days of trade reverses, harvest failures, and hard times. The first question asked by those who scan with the eye of experience a movement of prosperity is, To what extent has fixed capital been adjusted to the emergencies of the future?

Examination of the present position, from this point of view, discloses some reasons for legitimate disquiet. A glance at the industrial prospect shows a capitalization of existing prosperity so enormous as to create grave doubts as to the ability to sustain its full obligations in the future. With scarcely an exception, the country's industries have been reorganized in corporate form with liabilities on an absolutely unheard-of scale. It is not pretended that the issues of stocks and bonds, poured into Wall Street during the short span of five years since the last depression, have been limited by the mere ratio of increased profits. Immense as that increase has unquestionably been, the ratio of increase in capitalization has trebled and quadrupled it. Vast possibilities of further expansion may reasonably be assumed for the still more distant future. But the liabilities of scores of corporations have been adjusted, not merely to what is actually earned to-day, but to the full expectation of what the next decade may further yield. The suggestion that disappointments may occur before this goal is reached, is rather commonly received with incredulity. The way in which this "discounting" process is being managed is also somewhat striking. Share capital can bridge an interval of reaction, or even calamity; but the characteristic symptom of the past twelve months has been the increase by hundreds of millions in that part of capital which must pay its regular fixed charges if the company is to weather insolvency.

We have stated, we believe, in moderate language a condition which every intelligent man with his eyes open knows to exist. There is no one in the community who cannot add some pertinent fact to the recital. We mention further only this—the scattering of the money of corporations on so lavish a scale that it fairly staggers the observer's mind. Sums which would have equipped a great corporation a dozen years ago, and which might do so again, are, month by month, disbursed outright to syndicates for the mere service of guaranteeing the sales of new securities. To some extent, this may be prudent and necessary finance; but it is calculated to make old-fashioned spectators stop and wonder who is to foot the bill.

How far these huge sums of money, poured out with so free a hand, have themselves been raised by credit operations, is another question suggested by the returns. The answer is not altogether

easy to find. The expansion of loans at credit institutions may mean a dozen different things, according to the collateral that lies behind them. Taken by themselves, the figures show that in two years the loans of the New York city banks have been enlarged by \$119,000,000, and those of the trust companies in this State by \$223,000,000. This is an increase of no less than 30 per cent. We believe this expansion, in a single community and in so brief a period, to be not only utterly unparalleled in history, but wholly unexplainable, except on the theory that the capitalization of our huge new corporations still rests for the most part on the support of bank credits.

We are writing in neither a pessimistic nor an alarmist vein, and with full understanding of the strong points of the situation. But the signs of the times to which we have called attention are sufficiently striking, in our judgment, to demand the most careful watching by people who have the interests of the community at heart. One quite reasonable conclusion from an examination of this sort is that our banks ought to take very early measures for the better adjustment of their reserve resources to their deposit funds. For weeks, our clearing-house institutions have averaged only a trifling fraction over the 25 per cent. minimum assigned by the National Banking Law. This is scarcely wise when the deposits of these institutions, in addition to the funds of individuals, savings banks, and interior banks that keep a cash reserve at home, now include \$100,000,000 or thereabouts from the trust companies, which is the only cash reserve maintained by those companies against their own \$792,000,000 deposit liabilities. It is also our opinion that so novel and perplexing a situation makes it imperative that the trust companies should, like the banks, publish their weekly statements, and let the financial public know the state of their credit fund. The time for application of prudent reforms in such directions is a time like the present—when the industrial skies are clear, the country's business hopeful and prosperous, and the credit system untouched by the breath of doubt.

## BENEVOLENT GRABBING.

Senator Lodge complains of his unhappy lot in being compelled to sit out the Senate debate on the Philippine bill. As chairman of the committee having the measure in charge, he is obliged to be present at its dissection by Democrats. The Republican plan is, of course, to pass the bill on the good old principle of addition, division, and silence. They can vote for it, but they cannot defend it; for it is, in truth, an elaborate and complicated plan to do what Gov. Taft told the Philippine Com-